



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 922 325 235  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: SOS INTERNATIONAL A/S, FILIAL NORGE  
Forretningsadresse: Lysaker torg 5  
1366 LYSAKER

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Janni strassmann  
Dato for fastsettelse av årsregnskapet: 17.03.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 30.07.2023



## Resultatregnskap

Beløp i: DKK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Net revenue	1	632 124 000	1 068 804 000
Work performed by the entity and capitalised		6 662 000	6 610 000
Other income		46 047 000	24 153 000
<b>Sum inntekter</b>		<b>684 833 000</b>	<b>1 099 567 000</b>
<b>Kostnader</b>			
Assistance costs		430 806 000	780 287 000
Staff costs	3	292 907 000	334 948 000
Depreciation and amortisation on tangible and intangible assets	4	7 190 000	13 308 000
External costs	2	110 948 000	91 423 000
<b>Sum kostnader</b>		<b>841 851 000</b>	<b>1 219 966 000</b>
<b>Driftsresultat</b>		<b>-157 018 000</b>	<b>-120 399 000</b>
<b>Finansinntekter og finanskostnader</b>			
Income from subsidiaries after tax	5	14 643 000	13 356 000
Financial income	6	4 668 000	15 881 000
<b>Sum finansinntekter</b>		<b>19 311 000</b>	<b>29 237 000</b>
Financial expenses	7	6 016 000	20 844 000
<b>Sum finanskostnader</b>		<b>6 016 000</b>	<b>20 844 000</b>
<b>Netto finans</b>		<b>13 295 000</b>	<b>8 393 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-143 723 000</b>	<b>-112 006 000</b>
Tax on income for the year	8	-34 865 000	-33 101 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-108 858 000</b>	<b>-78 905 000</b>
<b>Årsresultat</b>		<b>-108 858 000</b>	<b>-78 905 000</b>



### Balanse

Beløp i: DKK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Intangible assets under development		0	66 438 000
Software		3 286 000	5 945 000
Customer-related assets		0	721 000
Completed development projects		87 806 000	435 000
<b>Sum immaterielle eiendeler</b>	9	<b>91 092 000</b>	<b>73 539 000</b>
<b>Varige driftsmidler</b>			
Leasehold improvements		117 000	155 000
Fixtures and fittings, tools and equipment		5 295 000	1 535 000
<b>Sum varige driftsmidler</b>	10	<b>5 412 000</b>	<b>1 690 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	11	209 769 000	213 845 000
<b>Sum finansielle anleggsmidler</b>		<b>209 769 000</b>	<b>213 845 000</b>
<b>Sum anleggsmidler</b>		<b>306 273 000</b>	<b>289 074 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Manufactured goods and goods for resale		0	3 845 000
<b>Sum varer</b>		<b>0</b>	<b>3 845 000</b>
<b>Fordringer</b>			
Trade debtors		47 496 000	59 836 000
Work in progress		77 073 000	31 049 000
Prepayments to business partners		2 662 000	2 093 000
Receivables from group enterprises		8 417 000	4 939 000
Deferred tax receivables	13	46 377 000	19 282 000
Corporate tax receivables	14	6 157 000	7 077 000
Other receivables		6 743 000	5 059 000
Prepayments	15	6 092 000	12 503 000
<b>Sum fordringer</b>		<b>201 017 000</b>	<b>141 838 000</b>



### Balanse

Beløp i: DKK	Note	2021	2020
<b>Bankinnskudd, kontanter og lignende</b>			
Securities		253 000	242 000
Cash and cash equivalents		160 136 000	390 107 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>160 389 000</b>	<b>390 349 000</b>
<b>Sum omløpsmidler</b>		<b>361 406 000</b>	<b>536 032 000</b>
<b>SUM EIENDELER</b>		<b>667 679 000</b>	<b>825 106 000</b>
 <b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	16	34 304 000	28 487 000
<b>Sum innskutt egenkapital</b>		<b>34 304 000</b>	<b>28 487 000</b>
<b>Opptjent egenkapital</b>			
Reserves for development projects		65 075 000	52 160 000
Retained income		287 537 000	297 268 000
Other provisions		10 977 000	10 060 000
<b>Sum opptjent egenkapital</b>		<b>363 589 000</b>	<b>359 488 000</b>
<b>Sum egenkapital</b>		<b>397 893 000</b>	<b>387 975 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Customer deposits		52 213 000	99 842 000
Other long-term liabilities		26 324 000	24 822 000
<b>Sum annen langsiktig gjeld</b>		<b>78 537 000</b>	<b>124 664 000</b>
<b>Sum langsiktig gjeld</b>		<b>78 537 000</b>	<b>124 664 000</b>
<b>Kortsiktig gjeld</b>			
Trade payables		22 577 000	17 467 000
Amounts owed to group enterprises		106 037 000	150 870 000
Prepayments from customers		26 167 000	45 789 000



## Balanse

<b>Beløp i: DKK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Other short-term liabilities		36 468 000	98 341 000
<b>Sum kortsiktig gjeld</b>		<b>191 249 000</b>	<b>312 467 000</b>
<b>Sum gjeld</b>		<b>269 786 000</b>	<b>437 131 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>667 679 000</b>	<b>825 106 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 884811

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Brønnøysundregistrene, 18.08.2022



Organisasjonsnr: 922 325 235  
SOS INTERNATIONAL A/S, FILIAL NORGE

## RESULTATREGNSKAP

<b>Beløp i: DKK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
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Organisasjonsnr: 922 325 235  
SOS INTERNATIONAL A/S, FILIAL NORGE

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Organisasjonsnr: 922 325 235  
SOS INTERNATIONAL A/S, FILIAL NORGE

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

**Note**

**Regnskapsprinsipper**

Regnskapsprinsippene er vedlagt som filvedlegg

**Note**

**Antall aksjer og aksjeeiere**

<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Sum	Sum antall	Sum eierandel	

**Note**

3

**Lønn og ytelser**

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	243183000.00	277716000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	32078000.00	39974000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	17646000.00	17258000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	292907000.00	334948000.00

**Note**

3

**Antall årsverk i regnskapsåret**

Virksomheten har hatt følgende antall årsverk:  
406.00

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
<u>Skattemessig fremf. undersk.</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>



Kortsiktig gjeld                      Startdato      Sluttdato      Endring

Note

Varige driftsmidler/anleggsmidler

Driftsløssere, inventar o.l. er forkortet til: "Drift/inv"

Maskiner og anlegg er forkortet til: "Mask/anl"

Tomter, bygninger og annen fast eiendom er forkortet til: "T/B/AFE"

<u>Anskaff. kost 01.01.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	86971000.0			86971000.0
	0			0

<u>Tilgang i året</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	22739000.0			22739000.0
	0			0

<u>Anskaff. kost 31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	109710000.00			109710000.00

<u>Akk.av-/nedskr.01.01.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	-13432000.00			-13432000.00

<u>Akk.av-/nedskr.31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	-18618000.00			-18618000.00

<u>Bal.ført verdi 31.12.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	91092000.00			91092000.00

<u>Årets av-/nedskrivn.</u>	<u>Drift/inv</u>	<u>Mask/anl</u>	<u>T/B/AFE</u>	<u>Sum</u>
	-5186000.00			-5186000.00



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# 2021

SOS International A/S  
Nitivej 6, 2000 Frederiksberg, Danmark  
CVR. NO. 17 01 37 18





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## PREFACE

# Annual Report 2021

## ANOTHER YEAR IN THE SHADOW OF THE PANDEMIC

On 1 March 2022, I joined SOS International as the new CEO after Niels Krag Printz left the company in May 2021 and was replaced by Jesper Mørch Sørensen, the interim CEO appointed to assume the role during the time of transition until my start.

SOS International is a company with a long and impressive history within the assistance industry and with a dedicated and strong group of owners. I am proud to be part of this, and I look forward getting to know all the aspects of the business and setting the direction for the next years together with our owners, customers, leaders, and employees. In the coming years it is my ambition to ensure that SOS International continues providing high quality services and lives up to our mission: "We help people on behalf of our customers".

The past year has been yet another year in the shadow of Covid-19 pandemic. The pandemic affected, among others, the way of working as well as the company's financial result. Also, the celebration of SOS International's 60 years birthday in May had to be postponed due to the pandemic - even though 60 years in business is certainly worth a celebration.

The way of working during the pandemic is largely synonymously with working from home, and thus, many of the employees in SOS International worked from home a substantial part of 2021. Adopting to this new way of working in the past years has generated valuable learnings and new perspectives, which will be actively used in defining how the workplace of the future should be designed in SOS International.

The Covid-19 restrictions not only affected the way we worked it also affected our Travelcare Division significantly. All in all, in 2021 the activity level in the Travelcare Division was at a much lower level than that in 2019, which is the most recent year not impacted by the Covid-19 pandemic.

The Mobility and Healthcare Divisions, on the other hand, recorded increasing activities in 2021. As for the Mobility business, we have, in 2021, observed a record high number of assistance cases across the Nordics. This increase has been caused by an organic growth of the customer portfolio as well as a severe winter in the beginning of 2021. Compared to an average winter, this resulted in an increasing need for roadside assistance.

The Healthcare Division is in a growth phase and the Healthcare business has in the recent years experienced a notably growth, especially in Sweden. Because of that, it was necessary to relocate the Swedish office in Gothenburg to larger premises in the city centre at the beginning of 2021. Today, the Healthcare Division in Sweden provides all necessary assistance services that support health insurances – that is medical advice, psychological treatment, and physiological treatment. In Norway and Denmark though, our healthcare services are – for now – mainly focusing on psychological treatment.

Financially, earnings before tax (EBT) amounted to a deficit of DKK 139 million in 2021. This is reflecting the low activity level in the Travelcare Division caused by Covid-19 related restrictions worldwide.

The deficit in 2020 that amounted to DKK 107 million and this year's deficit of DKK 139 million are the first years in the history of SOS International that resulted in deficit. Nevertheless, SOS International is still financially a very solid company as a capital increase of DKK 199 million was made at the end of 2020, and again of DKK 115 million at the end of 2021.

Despite the pandemic, SOS International has managed to retain and attract customers. Our annual customer satisfaction assessment demonstrates a high customer satisfaction level as the overall satisfaction ends at 5.9 on a scale from one to seven.



SOS INTERNATIONAL ANNUAL REPORT 2021

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PREFACE

# Annual Report 2021

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Just as for our customers – and the society in general – sustainability is of increasing importance to us. We constantly strive to support the sustainable agenda, and together with our customers we work to find ways to ensure a continuous reduction of our carbon footprint on the climate. Read more about our approach to this topic in our [sustainability report](#).



I hope you will enjoy reading our annual report.

Best regards,

Jan Sigurdur Christensen

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## Travelcare

Net Revenue (DKK million)	Number of cases
<b>451</b>	<b>46,000</b>
Number of calls	Customer satisfaction (out of 7)
<b>184,000</b>	<b>6,2</b>



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## FOCUS

# High complexity in travel assistance due to Covid-19

The year of 2021 became another unusual year for the Travelcare Division. It began with extensive lockdowns in Denmark, Norway, and Finland with almost no travel activity. During the summer and autumn, the activity increased significantly, however, still the activity level was far below that of 2019. In average, the activity level in 2021 was down by 74% compared to 2019. Financially, the Travelcare Division generated a net revenue of DKK 451 million in 2021. This corresponds to a decrease of DKK 483 million (-52%) compared to 2020.

With the high fluctuations in travelling, it became difficult to predict the need for travel assistance, and therefore it was necessary to work with large margins of uncertainty in capacity planning. Before Covid-19 struck, the predictive models were strong and valid. However, the pandemic changed things and added an extra complexity to the operation.

## MORE TRAVEL ACTIVITY IN THE DANISH AND SWEDISH MARKETS

The first quarter of the year was characterised by very low activity. During the second quarter, the Nordic countries rolled out vaccine programmes on a large scale, which had a positive impact on the travel activity. During the summer we could observe that Nordic travellers chose to visit traditional holiday destinations, such as Spain, Greece, and Turkey. Moreover, Danes and Swedes travelled significantly more than Norwegians and Finns.

The alarm centre, which provides advice for Nordic travellers that are injured or become ill while abroad, handled around 12,000 enquiries during the period between June to August in 2021. This corresponds to approximately 33% of the case volume of a standard summer before Covid-19 when compared to 2019.

Many enquiries to the alarm centre were related to Covid-19. For example, enquiries related to assistance in Covid-19 testing at holiday destinations, dealing with Covid-19 infections, and advising on local restrictions. Furthermore, the complexity in the case handling increased due to the rapidly changing circumstances. What before the pandemic was a simple case like a sore throat became a highly complex case, as local Covid-19 restrictions had to be observed as a part of the case handling.

## A NEW AND STATE-OF-THE-ART CASE MANAGEMENT PLATFORM

To optimise the organisation and to continue supporting the goal of keeping costs down without affecting service deliveries to policyholders, new products and services for the portfolio were developed during 2021.

A major effort in 2021 was to frontload the implementation of the new case handling system called SECCA. SECCA is the new and state-of-the-art case management platform for the travel assistance business.

The development of SECCA started at the beginning of 2019. The system was first launched in January 2021 followed by additional releases. During the first months of 2022, the remaining customers will be onboarded to SECCA.

To ensure a smooth transition from the old system to SECCA, the daily operation has been running in both systems in parallel. The goal has been to ensure that travellers and insurance companies have experienced the same high quality as always with only minor disruptions from the SECCA implementation.



FOCUS

## High complexity in travel assistance due to Covid-19

### GOING FORWARD

Two years into the pandemic, the future travel patterns are starting to take shape. Our outlook for the Travelcare Division is optimistic and we expect to see a new stable travel pattern within the coming years.

Based on the number of cases at the end of 2021, SOS International sees a renewed appetite for travelling and is ready to help the unfortunate policyholders who need travel assistance

while abroad. As always, SOS International strives to make the process as smooth as possible.

As an economic consequence of the pandemic, an inflation in medical treatments has arisen as a new trend. Some countries have been under severe economic pressure, and this is already reflected in rising prices for medical treatment. With the strong network and overview of medical expenses, SOS International has the bargaining power to keep medical spending at an acceptable level – also in the years to come.



## Healthcare

Net Revenue (DKK million)	Number of cases
<b>181</b>	<b>47,000</b>
Number of calls	Customer satisfaction (out of 7)
<b>183,000</b>	<b>5,1</b>



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## FOCUS

# Becoming a full-service provider within healthcare

Since the establishment of the Healthcare Division in 2018, the business area has grown considerably, and in 2021, the net revenue amounted to DKK 181 million. This is an increase of DKK 46 million compared to 2020. The Division handled approximately 47,000 cases in 2021, which is an increase of approximately 5,500 psychology cases and 4,500 physiotherapy cases compared to 2020.

The growth of the Healthcare business area has been gained by winning new customers within the insurance segment and by expanding the range of offered services with, among others, medical advice. By that it has been possible to broaden the services provided to existing customers. The growth has also been driven by changed customer behaviour and improved technology solutions.

The Healthcare business is still in a growth phase, and in 2021, SOS International focused on strengthening the operational platform to secure a more scalable platform with more efficient processes. This makes it, among others, easier to implement new customers.

In addition, development of an intelligent network solution to handle the vast Nordic treatment network of psychologists, physiotherapists etc., has also had a high priority in 2021 together with a digital transformation of our service program.

## A FULL-SERVICE PROVIDER IN SWEDEN

Measured in the number of customers, employees and network of treatment providers, SOS International's Healthcare Division has become an increasingly significant player in the Swedish market.

In 2021, SOS International met the target of becoming a full-service provider within healthcare services in the Swedish insurance market. Today, SOS International provides all-round cover from the first contact in the healthcare planning to psychological treatment, physiotherapy, and medical advice.

The aim is to build a sound business model and to provide services in the Nordic markets that are resulting in high end-user and customer satisfaction. Our Healthcare setup in Sweden is the baseline business model, and the scope is to transfer

processes, digital solutions, and knowledge into the Norwegian and Danish markets in order to build up similar setups.

## MOVING INTO NEW PREMISES

As a result of the growth strategy, the Healthcare business in Sweden grew out of its old office, and the Healthcare operation therefore moved to new and larger premises in the beginning of 2021.

The new office is centrally placed in Gothenburg right next to one of the city's largest public transport hubs. This is of benefit to both employees and clients. In addition to a regular office space, the new office houses a clinic with seven treatment rooms.

## EXPLORING THE DIGI-PHYSICAL AREA

Digital treatments have continued to grow during 2021. Fine-tuning and further exploring the possibilities of digital physical treatments through combinations of personal consultations, online consultations, and by means of digital self-help programs were in the scope during 2021.

The various possibilities for treatment are examples of how SOS International meets the end-user needs and provides smooth customer journeys and even better treatment processes for our clients.

It is expected that the level of digital utilization will sustain after the pandemic due to a high customer satisfaction with both strong treatment results and high level of accessibility. In 2021, a significant increase in distance treatments has been observed. Going forward we will continue to develop our digital solutions such as distance treatments, self-service programmes, digital booking, effect measurement and chat as a contact channel.



## FOCUS

# Becoming a full-service provider within healthcare

## HELPING PEOPLE IN THE AFTERMATH OF THE PANDEMIC

During the Covid-19 pandemic, the Healthcare Division experienced an increase in demand for the disciplines of medicine, physiotherapy, and psychology. The increase was driven by changed lifestyle due to working from home, reduced socializing, changed diets, changed physical activity and stress from working at companies negatively impacted by Covid-19. In particular, the number of enquiries due to anxiety and depression increased significantly.

At SOS International, our mission is to help people and to contribute to improve health – mental health as well as physical health.

The increased activity during the pandemic demonstrates that our services are very relevant not least in the wake of the pandemic.

## GOING FORWARD

The Healthcare Division continues to develop its network, solutions, and services to meet the changing customer demand and market development. We believe our services are highly relevant in a changing world in many years to come – also after the pandemic has passed.

We continue to focus on Sweden as our main growth market.



## Mobility

Net revenue  
(DKK million)

**1,095**

Number of cases  
(million)

**1,1**

Number of calls  
(million)

**2**

Customer satisfaction  
(out of 7)

**5,8**



## FOCUS

# A record-breaking year in the aftermath of the pandemic

2021 became a record-breaking year for the Mobility Division. In total, the Nordic roadside assistance alarm centres handled more than 1 million cases and approximately 2 million calls. This correlates to an increase of 24% in cases and 22% in calls compared to the previous year. The increase is observed on all Nordic markets. The Division generated a net revenue of a total DKK 1,095 million. This is DKK 167 million more compared to 2020. Furthermore, SOS International succeeded in maintaining a high end-user satisfaction documented by a NPS (Net Promoter Score) of 73.

## NEW CUSTOMERS, A COLD WINTER AND MORE CARS ON THE ROAD

The overall growth in the Mobility Division relates to several matters. Despite a competitive landscape and a changing assistance and mobility market, SOS International gained new customers within the insurance segment and by that managed to increase the market share.

The pandemic made it difficult to forecast the overall activity level for 2021. But with our scalable and dynamic organisation, data insights and a strong Nordic network, SOS International was able to handle the case development successfully. This, even though the alarm centre staff worked remotely during some periods of 2021.

The year began with a cold winter in the Nordics, which led to an increased workload at the alarm centres during the winter months. The pandemic continued to affect car travel behaviour throughout the year. Many Nordic citizens decided to spend the holidays in their home countries. The media reported more cars on the road, people avoiding public transport and owning of more than one car per household as a trending car consumer behaviour in 2021.

## CAR TRAVELLING IN A EUROPE AFFECTED BY THE PANDEMIC

As spring came, European governments eased the restrictions, opened borders, and the number of international cases once

again started to turn up at the alarm centres. The number of international cases increased during summer and autumn. The total number of international cases was even higher than in 2020, however, not at the same level as before the pandemic.

As travellers went on car holidays in Europe, the international cases were, throughout the year, characterised by high complexity due to the changing Covid-19 restrictions and rules across Europe as well as a lower supply of rental cars.

## STEPPING INTO THE FUTURE OF MOBILITY

Connected, autonomous and shared mobility services have become part of the daily life. Digitalisation and sustainability are the main drivers of the changes in the industry. The Mobility Division is much more than a traditional roadside assistance and towing business, and therefore, needs to observe these changes. In 2021, SOS International continued to plan and develop services and solutions that meet market trends as well as customer and end-user demands. Business and network optimisation were in focus. Our agile product teams have continued to digitalise and develop tailored solutions to meet the end-user and customer demands, enhance digitalisation and create a smooth customer journey.

During 2021, the digitalisation of the end-user journey has increased significantly, and the Mobility Division has continued to roll out solutions to Nordic customers allowing digital ordering for roadside assistance. A digital ordering does not necessarily require a mobile app. Namely, for many end-users the digital journey starts when they call the alarm centre and thereafter get the possibility to receive a digital ordering link directly on their mobile phone.

In pace with the growing number of electric vehicles, SOS International has started providing technical support to users of charging stations for electric vehicles. Moreover, we have prepared and trained our network of roadside assistant workers on current electric car models and on the safe handling of crashed electric vehicles.



FOCUS

## A record-breaking year in the aftermath of the pandemic

Also, remote assistance where help is received over the phone is an increasingly important method to meet the end-users' need. In dialogue with the end-user, a highly trained technician at the alarm centre assists the end-user in fixing the problem in order to continue driving. Remote, preventive, and proactive solutions are part of the business plan, and it is an area which we expect will grow.

### EXPLORING SUSTAINABLE SERVICE SOLUTIONS

SOS International continuously explores sustainable solutions that benefit both society, end-users and meet our customers' demands.

In 2021, two electric cargo bicycles were acquired in Denmark for roadside assistance. The electric bicycles are a climate-

conscious alternative to the traditional roadside assistance vehicles and meet our need for moving through heavy traffic more quickly.

Help over the phone, repair on the spot, and use of sharing economy as part of the case handling are other means to secure a positive impact on the environment as well as a good customer experience.

### GOING FORWARD

Going forward, the Mobility Division will continue to adjust to the changing customer demands and market development. As the market leader, we will contribute to defining the roadside assistance agenda and securing sustainable, digital end-user solutions that respond to the needs of the market.



SOS INTERNATIONAL ANNUAL REPORT 2021

## MANAGEMENT'S REVIEW

### Consolidated key figures and financial ratios

DKK'000	2021	2020	2019	2018	2017
<b>KEY FIGURES</b>					
Net revenue	1.727.524	1.996.462	2.831.410	3.036.503	2.953.214
Assistance costs	-1.213.706	-1.408.486	-1.996.018	-2.154.816	-2.127.433
Income from operating activities (EBIT)	-135.707	-101.394	4.895	14.840	35.698
Income from net financials	-3.060	-6.467	-1.202	-1.800	-2.257
<b>PROFIT BEFORE TAX</b>	<b>-138.767</b>	<b>-107.045</b>	<b>3.693</b>	<b>11.501</b>	<b>33.441</b>
Tax on income for the year	29.909	28.140	-1.639	-6.504	-11.379
Profit for the year	-108.858	-78.905	2.054	4.997	22.062
Balance sheet total	716.514	848.084	693.164	695.334	752.290
<b>EQUITY</b>	<b>386.916</b>	<b>377.915</b>	<b>261.747</b>	<b>259.446</b>	<b>256.288</b>
Cash flows from operating activities	-309.225	130.417	52.984	-15.012	17.694
Cash flows from investment activities	-34.092	-39.817	-56.326	-18.106	-5.026
of which invested in property, plant and equipment	-11.022	-1.368	-16.843	-12.035	-5.259
Cash flows from financing activities	114.560	194.518	-2.270	-36.286	-7.510
<b>CASH FLOWS, TOTAL</b>	<b>-228.757</b>	<b>285.118</b>	<b>-5.612</b>	<b>-69.404</b>	<b>5.158</b>
<b>FINANCIAL RATIOS</b>					
EBITDA margin	-5,9	-2,9	1,4	1,7	2,5
Net operating income margin	-19,8	-9,8	4,7	5,8	8,8
EBT margin	-8,0	-5,4	0,1	0,4	1,1
Profit margin	-27,0	-18,2	0,4	1,3	4,0
Return on capital employed	-25,6	-22,8	0,9	2,7	6,8
Liquidity ratio	227,4	203,1	179,5	185,7	138,4
Solvency ratio	54,0	44,6	37,8	37,3	34,1
Return on equity	-28,5	-24,7	0,8	1,9	8,6
<b>AVERAGE NUMBER OF FULL-TIME EMPLOYEES</b>	<b>876</b>	<b>928</b>	<b>1.010</b>	<b>976</b>	<b>917</b>

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## MANAGEMENT'S REVIEW

# Financial review

## MAIN ACTIVITIES

SOS International is one of the leading assistance organisations in the Nordic region. From its alarm centres in Denmark, Sweden, Norway, and Finland, SOS International provides acute assistance all over the world, night and day, all year round.

SOS International offers a wide range of solutions in the form of worldwide medical and travel assistance as well as mobility assistance and healthcare solutions. SOS International secures the value chain on behalf of its customers as a trusted partner and aims to provide the optimal end-user experience while taking the total cost for the customers into account. As a trusted partner, quality and compliance are also key parameters.

SOS International has a comprehensive network of qualified suppliers and partners all over the world, and six strategic partner offices in high volume areas. Counting more than 900 employees, SOS International represents 30 nationalities and combined the employees speak more than 37 different languages.

SOS International was established in 1961 and is now owned by 13 of the largest insurance companies in the Nordic countries.

## INCOME STATEMENT

The total profit before tax for the Group amounted to a deficit of DKK 138,8 million for 2021 compared to a deficit of DKK 107 million in 2020. In the annual report for 2020, it was stated that there was no financial forecast for 2021.

The total profit before tax for the parent company amounted to a deficit of DKK 143,7 million for 2021 compared to a deficit of DKK 112 million in 2020. The decrease is primarily impacted by a full-year with travel restrictions in the Travelcare Division caused by the Covid-19 pandemic. In addition, 2021 was affected by Special Items, as cost compensation from the Danish authorities has been received (note 19).

SOS International also performed Covid-19 test based on a contract with the regions in Denmark in the first months of 2021. These contracts was exited before time after agreements with the regions without any significant losses.

## NET REVENUE

The Group's net revenue constituted DKK 1,728 million in 2021, which is 268 million lower than in 2020, where net revenue amounted to DKK 1,996 million. The development is specified for the Travelcare, Mobility and Healthcare Divisions below:

- The net revenue in Travelcare has decreased by 52% and amounted to DKK 451 million in 2021 compared to DKK 934 million in 2020. The decrease is mainly affected by the full-year effect from lower activity caused by Covid-19. Net revenue is positively affected by Covid-19 test activities which amounted to DKK 107 million in 2021.
- The net revenue in Mobility constituted at DKK 1,095 million which amounts to an increase of DKK 167 million compared to 2020. The development in net revenue is affected by hard winter conditions, full-year effect from new customers and higher international activity.
- The net revenue in Healthcare has increased by DKK 46 million equalling to a growth of 34% compared to 2020. The net revenue in Healthcare amounted to DKK 181 million in 2021 and is impacted by higher activity in Sweden and Norway and new customers.

## ASSISTANCE COSTS

Assistance costs amounted to DKK 1,214 million in 2021 as opposed to DKK 1,408 million in 2020. The development in assistance costs is driven by significantly lower assistance cost in the Travelcare Division. The Mobility and Healthcare Divisions have, on the other hand, higher assistance costs because of increasing activities in 2021 compared to 2020.

## CONTRIBUTION MARGIN

The contribution margin amounted to DKK 514 million in 2021 as opposed to DKK 588 million in 2020. The decrease is primarily a result of lower activities in the Travelcare business. This is partly offset by higher margin in the Mobility and Healthcare Divisions.

## WORK PERFORMED BY THE ENTITY AND CAPITALISED

In 2021, "Work performed by the entity and capitalised" amounted to DKK 7 million. The capitalised costs are related to the use of internal resources to develop the new case management system (SECCA) in Travelcare. The amount is capitalised under "Intangible assets under development".



## MANAGEMENT'S REVIEW

# Financial review

### OTHER INCOME

Other income amounted to DKK 34 million compared to DKK 15 million in 2020. The increase is mainly due to receiving cost compensation from the Danish authorities because of the large decrease in net revenue in the Travelcare Division.

### EXTERNAL COSTS

The external costs amounted to DKK 154 million in 2021 as opposed to DKK 146 million in 2020. In 2021, the external costs are affected by costs related to Covid-19 test activities, which includes costs for rent, consultants, cars etc. There has been a conscious focus on keeping the external costs down in 2021.

### STAFF COSTS

The total employee expenses amounted to DKK 502 million in 2021 as opposed to DKK 521 million in 2020, while the average number of full-time employees decreased from 928 to 876. The decrease is mainly due to the full-year effect from the adjustment of the organization in 2020.

### DEPRECIATION AND AMORTISATION

The total depreciation and amortisation for the year amounted to DKK 34 million in 2021 as opposed to DKK 44 million in 2020. 2020 was affected by write-down of intangible fixed assets.

### FINANCIAL INCOME AND EXPENSES

The total financial income and expenses constituted a net cost of DKK 3 million in 2021.

Exchange rate fluctuations are within the natural risk associated with the business lines. The currency risk is hedged on an ongoing basis.

### TAX ON INCOME FOR THE YEAR

The tax calculated for the Group amounted to a tax income of DKK 30 million for 2021 compared to a tax income of DKK 28 million in 2020. The tax on income is affected by the deficit of DKK 139 million in 2021, which is DKK 32 million higher than the deficit for 2020, which amounted to DKK 107 million.

## STATEMENT OF FINANCIAL POSITION

### INTANGIBLE ASSETS

The carrying amount of intangible fixed assets constituted DKK 172 million at the end of 2021 as opposed to DKK 174 million at

the end of 2020. The new case management system, SECCA, is in 2021 moved to completed development projects.

Intangible assets are affected by depreciations of DKK 26 million in 2021.

### PROPERTY, PLANT AND EQUIPMENT

The total carrying amount of tangible fixed assets constituted DKK 18 million at the end of 2021, compared to DKK 14 million at the end of 2020. The depreciations amount to DKK 8 million opposed to DKK 10 million in 2020.

### RECEIVABLES

The carrying amount of receivables constituted DKK 361 million at the end of 2021 as opposed to DKK 261 million at the end of 2020. The increase is affected by higher business activity in the second half of 2021, which has had a large effect on the work in progress and receivables. In addition, higher deferred tax assets as a result of the deficit in 2021.

### EQUITY

Equity amounted to DKK 387 million at the end of 2021 compared to DKK 378 million at the end of 2020. The development is impacted positively by a capital increase of DKK 115 million and negatively by the deficit in 2021.

### LIABILITIES

The total carrying amount of liabilities is decreased by DKK 139 million from the end of 2020 to the end of 2021.

### LONG-TERM LIABILITIES

The carrying amount of long-term debt commitments constituted DKK 79 million at the end of 2021 as opposed to DKK 125 million at the end of 2020. Due to lower activities in the Travelcare Division, some customer deposits have been paid back to the customers.

### SHORT-TERM LIABILITIES

The carrying amount of short-term debt commitments constituted DKK 231 million at the end of 2021 as opposed to DKK 323 million at the end of 2020. The development is driven by payment of employee taxes, which was postponed from 2020 to 2021. In addition, lower holiday obligation related to the new Danish Holiday Act.



MANAGEMENT'S REVIEW

## Financial review

### CASH FLOW STATEMENT

Cash flows from operating activities amounted to negative DKK 309 million, which is a decrease compared to 2020, where cash flow from operating activities amounted to DKK 130 million. The cash flow from activities is affected by higher activity in the second half of 2021. The higher activity contributes to higher trade receivables and work in progress. Payment of postponed employee taxes in Denmark also affects the cash flow from operating activities negatively.

Cash flows from investment activities amounted to negative DKK 34 million as opposed to negative DKK 40 million in 2020. The development is affected by the capitalizing of new case management system in Travelcare and new IT equipment.

The cash flow from financing activities amounted to DKK 115 compared to DKK 195 million in 2020. The cashflow from financing activities is primarily affected by the capital increase of DKK 115 million in 2021.

At the end of 2021, the Group's liquidity preparedness amounted to DKK 162 million, which is a decrease of DKK 229 million compared to the end of 2020, where the liquidity amounted to DKK 391 million.

### DIVIDEND

The Board of Directors' recommendation to the company's general meeting is to transfer the year's result to equity.

### EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

To this date, no event has occurred in 2022 that will change this view.

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SOS INTERNATIONAL ANNUAL REPORT 2021

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MANAGEMENT'S REVIEW

## Expectations for 2022

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The activity level in Mobility and Healthcare is expected only to a very limited degree to be affected by the Covid-19 pandemic in 2022.

In Travelcare, there is still a high uncertainty in relation to when a new, more stable travel pattern will arise, where there potentially will be no travel restrictions throughout the world.

The war in Ukraine and the sanctions though increases the overall uncertainty in relation to the activity level in both Mobility and Travelcare. Due to this, SOS International has no forecast for 2022.

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## MANAGEMENT'S REVIEW

# Special risks

### RISK MANAGEMENT

SOS International continually works with risk management through an integrated risk management approach, where individual managers are responsible for identifying, assessing, and mitigating risks within their area of responsibility in a structured and written process. Risks are escalated half-yearly to Group Management, the Audit Committee, and the Board of Directors.

In addition, the Group Compliance Board monitors risks caused by legal requirements, contractual requirements, IT security and cyber-crime. The Compliance Board sets and oversees the company's personal data protection, controlling procedures and governance structure. The Compliance Board reports to the Audit Committee.

As a trusted partner, SOS International is attentive to the Solvency II regime when managing risk, as our customers are subject to these requirements. Risk management is the cornerstone of the three certifications that SOS International has achieved within ISO 9001 Quality Management, ISO 14001 Environmental Performance, ISO 27001 Information Security, and ISO 27701 Privacy Information.

### FINANCIAL RISKS

SOS International is exposed to financial risks, which can be divided into the following three main groups: Currency, credit, and liquidity risks.

### CURRENCY RISK

Currency risk is the risk of suffering a loss caused by change in exchange rates of foreign currencies against the functional currency. SOS International has adopted a finance policy which lays down the framework for identifying, hedging, and reporting this risk. The policy contains the basic principle that SOS International does not wish to speculate in foreign currencies. The policy is approved by Group Management and the Board of Directors annually. A significant part of the paid assistance costs is in foreign currencies, whereas the re-invoicing in most cases is done in Danish Kroner (DKK). SOS International is primarily exposed to foreign exchange risks from EUR, NOK, SEK, THB, and USD. Currency risks are typically managed by matching the timing of the income and costs in each foreign currency.

### CREDIT RISK

Credit risk is the risk of incurring a loss in case SOS International's customers or other collaboration partners cannot meet their obligations. The credit risk in SOS International is evaluated to be low since some of the major debtors and major customers make prepayments and since most costumers have a very high credit rating. Accordingly, credit risks are significantly mitigated.

### LIQUIDITY RISK

Liquidity risk is the risk of not being able to meet present or future financial obligations on time. To ensure the financial resources necessary to perform its tasks, the finance policy establishes continuous monitoring of the cash flow in the organisation and a minimum disposable liquidity is determined.

### OPERATIONAL RISKS

Operational risks typically stem from inadequate or failed internal processes, from personnel or systems or from external events. SOS International is always on, i.e., 365 days a year, and this requires focus on the operational aspects of the company. Operational risks include non-conformances with procedures and IT disruption. By continually documenting, reviewing, and improving corporate policies, processes and instructions, operational risks relating to procedures are mitigated. Business continuity plans for telephone and IT systems limit the operational risk by ensuring responsiveness and quality in case of business disruption. Findings from quality management are documented and communicated to raise awareness about operational risks and to ensure ongoing learning across the organisation.

### COMPLIANCE

Compliance with legal and contractual requirements as well as national standards and conventions is embedded in the business model of SOS International. SOS International is very attentive of the rules concerning the protection of personal data and protection of confidential information. SOS International has issued numerous corporate policies on the matter, including the Company Code of Conduct, the Information and Privacy Security Code of Conduct and the Personal Data Policy to mitigate the risk of non-compliance.



SOS INTERNATIONAL ANNUAL REPORT 2021

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## MANAGEMENT'S REVIEW

# Special risks

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### OTHER RISKS

Other risks include geographical and technological development risks. Within recent years, SOS International has increased the business areas especially within roadside assistance, and thus, mitigating the geographical risk. The technological development within communications, medical

and healthcare solutions and roadside assistance requires SOS International to be able to advance still more rapidly. The quality management system enables SOS International to swiftly identify, commence and implement changes caused by such development.

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## MANAGEMENT'S REVIEW

# Sustainability and Data Ethics

At SOS International, our vision is to be perceived as the most trusted assistance partner. Being a trusted assistance partner entails commitment to the highest ethical standards of business conduct, and that is why we take our societal responsibility seriously. We want to be recognised as a socially, environmentally, and ethically sound company.

SOS International is participating in the UN Global Compact, and the 10 universal principles from the UN Global Compact are an integrated part of our three sustainability signature areas:

- People & Health
- Climate & Environment
- Ethics & Security

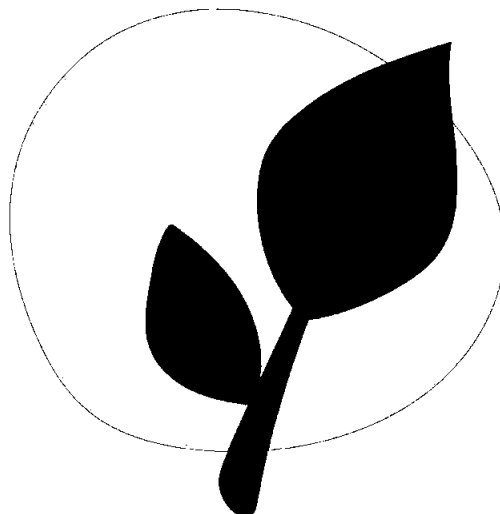
Furthermore, SOS International supports the UN Sustainable Development Goals and uses our six identified goals as a guiding framework. In our Sustainability Report, SOS accounts for actions on continuous improvement of our social environment and employee engagement, our carbon footprint and impact on

the environment as well as our work on information security and anti-corruption.

SOS International is strongly committed to handling data in an ethical manner to ensure that individuals and business relations are not harmed, and that privileged information is kept confidential. Therefore, pursuant to article 99d of the Danish Financial Statements Act, SOS International has developed a data ethics policy adopted by the Audit Committee in 2021, which is a continuation of our focus on protecting personal data and information security as already underlined by our ISO certifications, various policies and internal instructions with associated actions and initiatives. This is an area SOS International will continue to have focus on in the coming years.

Our Sustainability Report has been prepared in accordance with article 99a and 99b of the Danish Financial Statements Act.

The report can be downloaded [here](#).





SOS INTERNATIONAL ANNUAL REPORT 2021

MANAGEMENT'S REVIEW

## Company information

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**Telefax:** +45 70 10 50 56

**Website:** www.sos.eu

**E-mail:** sos@sos.eu

**CVR No.:** 17 01 37 18

**Founded:** 3 May 1961

**Municipality of domicile:** Frederiksberg

**Financial year:** 1 January - 31 December

### THE BOARD OF DIRECTORS

Amund Skarholt (*Chairman*)

Camilla Amstrup (*Vice Chairman*)

Gunnel Birgitta Karlsson

Ivar Martinsen

Vesa-Matti Kultanen

Therese Rønneberg-Østrem

Britt Ann-Kristin Wuopio Mogestedt

Peter Vigger Flemmer

Gustaf Sjöström (*Employee representative*)

Mads Bergholt Andersen (*Employee representative*)

Helle Bladmose (*Employee representative*)

Lazaros Kourtparassidis (*Employee representative*)

### THE EXECUTIVE BOARD

Jan Sigurdur Christensen

### AUDIT

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

P.O. Box 250

DK-2000 Frederiksberg

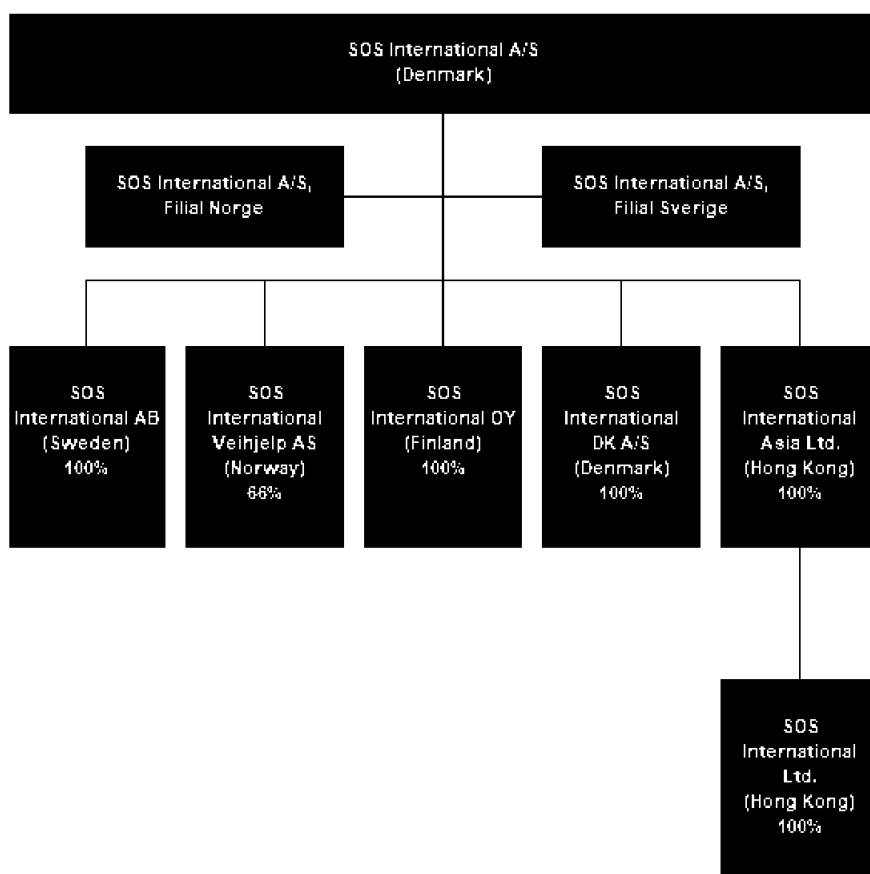
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SOS INTERNATIONAL ANNUAL REPORT 2021

MANAGEMENT'S REVIEW

## Group overview



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REVIEWS

## Management's statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of SOS International A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the consolidated financial statements and the parent company's financial statements give a true and fair view of the Group's and the parent company's financial position on 31 December 2021 and of the results of the Group's and the parent

company's operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters and the results of the Group's and the parent company's operations and financial position.

The Annual Report will be submitted for approval at the annual general meeting.

Copenhagen, 17 March 2022

Jan Sigurdur Christensen  
*CEO*

Ole Joachim Jensen  
*CFO*

THE BOARD OF DIRECTORS

Amund Skarholt  
*Chairman*

Camilla Amstrup  
*Vice Chairman*

Gunnel Karlsson

Ivar Martinsen

Vesa-matti Kultanen

Therese Rønneberg-Østrem

Britt Ann-kristin Woupio Mogestedt

Peter Vigger Flemmer

Gustaf Sjöström

Mads Bergholt Andersen

Helle Bladmose

Lazaros Kourtparassidis



## REVIEWS

# Independent auditor's report

### TO THE SHAREHOLDERS OF SOS INTERNATIONAL A/S

#### OPINION

We have audited the consolidated financial statements and the parent company financial statements of SOS International A/S for the financial year 1 January – 31 December 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021 in accordance with 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.



## REVIEWS

# Independent auditor's report

- 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.
- 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.

### STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing

so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 17 March 2022

EY Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28

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Jesper Jørn Pedersen  
State Authorised Public Accountant  
mne21326

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Allan Lunde Pedersen  
State Authorised Public Accountant  
mne34495



SOS INTERNATIONAL ANNUAL REPORT 2021

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

Statement of income

DKK'000	NOTE	GROUP		PARENT COMPANY	
		2021	2020	2021	2020
<b>NET REVENUE</b>	<b>1</b>	<b>1.727.524</b>	<b>1.996.462</b>	<b>632.124</b>	<b>1.068.804</b>
Assistance costs		-1.213.706	-1.408.486	-430.806	-780.287
<b>CONTRIBUTION MARGIN</b>		<b>513.818</b>	<b>587.976</b>	<b>201.318</b>	<b>288.517</b>
Work performed by the entity and capitalised		6.662	6.610	6.662	6.610
Other income		33.581	14.780	46.047	24.153
External costs	2	-154.435	-146.088	-110.948	-91.423
<b>GROSS PROFIT</b>		<b>389.626</b>	<b>463.278</b>	<b>143.079</b>	<b>227.857</b>
Staff costs	3	-501.509	-520.871	-292.907	-334.948
Depreciation and amortisation on tangible and intangible assets	4	-33.824	-43.801	-7.190	-13.308
<b>INCOME FROM OPERATING ACTIVITIES</b>		<b>-135.707</b>	<b>-101.394</b>	<b>-157.018</b>	<b>-120.389</b>
Income from subsidiaries after tax	5	0	0	14.643	13.356
Income from associates after tax		0	816	0	0
Financial income	6	4.923	16.186	4.668	15.881
Financial expenses	7	-7.983	-22.653	-6.016	-20.844
<b>PROFIT BEFORE TAX</b>		<b>-138.767</b>	<b>-107.045</b>	<b>-143.723</b>	<b>-112.006</b>
Tax on income for the year	8	29.909	28.140	34.865	33.101
<b>PROFIT FOR THE YEAR</b>		<b>-108.858</b>	<b>-78.905</b>	<b>-108.858</b>	<b>-78.905</b>

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Statement of financial position

DKK'000	NOTE	GROUP		PARENT COMPANY	
		2021	2020	2021	2020
<b>ASSETS</b>					
<b>INTANGIBLE ASSETS</b>					
	<b>9</b>				
Goodwill		53.807	64.824	0	0
Software		3.286	5.945	3.286	5.945
Customer-related assets		17.269	23.428	0	721
Trademarks		9.733	11.451	0	0
Intangible assets under development		0	66.438	0	66.438
Completed development projects		88.313	2.054	87.806	435
		172.408	174.140	91.092	73.539
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
	<b>10</b>				
Leasehold improvements		3.667	5.367	117	155
Fixtures and fittings, tools and equipment		14.284	9.029	5.295	1.535
		17.951	14.396	5.412	1.690
<b>FINANCIAL ASSETS</b>					
Investments in group enterprises	<b>11</b>	0	0	209.769	213.845
Investments in associates	<b>12</b>	0	807	0	0
Deposits		2.056	2.026	0	0
		2.056	2.833	209.769	213.845
<b>NON-CURRENT ASSETS, TOTAL</b>		<b>192.415</b>	<b>191.369</b>	<b>306.273</b>	<b>289.074</b>
<b>INVENTORIES</b>					
Manufactured goods and goods for resale		149	4.119	0	3.845
		149	4.119	0	3.845
<b>RECEIVABLES</b>					
Trade debtors		198.507	172.950	47.496	59.836
Work in progress		77.374	31.049	77.073	31.049
Prepayments to business partners		2.662	2.093	2.662	2.093
Receivables from group enterprises		0	0	8.417	4.939
Deferred tax assets	<b>13</b>	50.383	22.257	46.377	19.282
Corporate tax receivables	<b>14</b>	1.268	990	6.157	7.077
Other receivables		19.317	10.617	6.743	5.059
Prepayments	<b>15</b>	11.872	21.327	6.092	12.503
		361.383	261.283	201.017	141.838
<b>SECURITIES</b>					
		253	242	253	242
<b>CASH AND CASH EQUIVALENTS</b>					
		162.314	391.071	160.136	390.107
<b>CURRENT ASSETS, TOTAL</b>		<b>524.099</b>	<b>656.715</b>	<b>361.406</b>	<b>536.032</b>
<b>ASSETS, TOTAL</b>		<b>716.514</b>	<b>848.084</b>	<b>667.679</b>	<b>825.106</b>

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Statement of financial position

DKK'000	NOTE	GROUP		PARENT COMPANY	
		2021	2020	2021	2020
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	16	34.304	28.487	34.304	28.487
Reserves for development projects		0	0	65.075	52.160
Statutory reserve for currency adjustments		0	0	0	0
Retained income		352.612	349.428	287.537	297.268
<b>EQUITY, TOTAL</b>		<b>386.916</b>	<b>377.915</b>	<b>386.916</b>	<b>377.915</b>
<b>PROVISIONS</b>					
Deferred tax	13	9.568	12.067	0	0
Other provisions		10.977	10.060	10.977	10.060
<b>PROVISIONS, TOTAL</b>		<b>20.545</b>	<b>22.127</b>	<b>10.977</b>	<b>10.060</b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>					
<b>LONG-TERM LIABILITIES</b>					
Customer deposits	17	52.213	99.842	52.213	99.842
Other long-term liabilities		26.324	24.822	26.324	24.822
<b>LONG-TERM LIABILITIES, TOTAL</b>		<b>78.537</b>	<b>124.664</b>	<b>78.537</b>	<b>124.664</b>
<b>SHORT-TERM LIABILITIES</b>					
Trade payables		36.481	25.114	22.577	17.467
Amounts owed to group enterprises		0	0	106.037	150.870
Prepayments from customers		93.379	125.768	26.167	45.789
Corporation tax	14	4.543	4.457	0	0
Other short-term liabilities		96.113	168.039	36.468	98.341
<b>SHORT-TERM LIABILITIES, TOTAL</b>		<b>230.516</b>	<b>323.378</b>	<b>191.249</b>	<b>312.467</b>
<b>LIABILITIES OTHER THAN PROVISIONS, TOTAL</b>		<b>309.053</b>	<b>448.042</b>	<b>269.786</b>	<b>437.131</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>		<b>716.514</b>	<b>848.084</b>	<b>667.679</b>	<b>825.106</b>
<b>SPECIAL ITEMS</b>	18				
<b>CONTINGENT LIABILITIES</b>	19				
<b>DISTRIBUTION OF PROFIT FOR THE YEAR</b>	20				
<b>RELATED PARTIES</b>	23				
<b>EVENTS AFTER STATEMENT OF FINANCIAL POSITION</b>					
<b>DATE</b>	24				

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Statement of changes in equity

GROUP					
	Share capital	Retained income	Proposed dividends	Total	
DKK'000					
Equity at 1 Jan 2020	20.960	240.787	0	261.747	
Capital increase Dec 2020	7.527	191.432	0	198.959	
Dividends distributed	0	0	0	0	
Distribution of profit for the year	0	-78.905	0	-78.905	
Exchange rate adjustment, branches	0	191	0	191	
Exchange rate adjustment, group enterprises	0	-4.077	0	-4.077	
<b>Equity at 31 Dec 2020</b>	<b>28.487</b>	<b>349.428</b>	<b>0</b>	<b>377.915</b>	
Equity at 1 Jan 2021	28.487	349.428	0	377.915	
Capital increase Dec 2021	5.817	108.743	0	114.560	
Dividends distributed	0	0	0	0	
Distribution of profit for the year	0	-108.858	0	-108.858	
Exchange rate adjustment, branches	0	-90	0	-90	
Exchange rate adjustment, group enterprises	0	3.389	0	3.389	
<b>Equity at 31 Dec 2021</b>	<b>34.304</b>	<b>352.612</b>	<b>0</b>	<b>386.916</b>	
PARENT COMPANY					
	Share capital	Reserve for development projects	Retained income	Proposed dividends	Total
DKK'000					
Equity at 1 Jan 2020	20.960	24.248	216.539	0	261.747
Capital increase Dec 2020	7.527	0	191.432	0	198.959
Dividends distributed	0	0	0	0	0
Transfers	0	27.912	-27.912	0	0
Distribution of profit for the year	0	0	-78.905	0	-78.905
Exchange rate adjustment, branches	0	0	191	0	191
Exchange rate adjustment, group enterprises	0	0	-4.077	0	-4.077
<b>Equity at 31 Dec 2020</b>	<b>28.487</b>	<b>52.160</b>	<b>297.268</b>	<b>0</b>	<b>377.915</b>
Equity at 1 Jan 2021	28.487	52.160	297.268	0	377.915
Capital increase Dec 2021	5.817	0	108.743	0	114.560
Dividends distributed	0	0	0	0	0
Transfers	0	12.915	-12.915	0	0
Distribution of profit for the year	0	0	-108.858	0	-108.858
Exchange rate adjustment, branches	0	0	-90	0	-90
Exchange rate adjustment, group enterprises	0	0	3.389	0	3.389
<b>Equity at 31 Dec 2021</b>	<b>34.304</b>	<b>65.075</b>	<b>287.537</b>	<b>0</b>	<b>386.916</b>

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CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

Statement of cash flow

DKK'000	NOTE	GROUP	
		2021	2020
Operating cash flows before changes in working capital	21	-101.773	-63.391
Change in working capital	22	-203.293	187.536
Operating cash flows		-305.066	124.145
Interest income, paid		4.923	16.186
Interest costs, paid		-7.983	-22.653
Cash flows from ordinary activities		-308.126	117.678
Corporation tax, paid		-1.099	12.739
<b>Cash flows from operating activities</b>		<b>-309.225</b>	<b>130.417</b>
Acquisition of intangible fixed assets		-22.780	-44.926
Acquisition of property, plant and equipment		-11.022	-1.368
Disposal of intangible, fixed assets		0	5.719
Disposal of property, plant and equipment		-290	758
<b>Cash flows from investment activities</b>		<b>-34.092</b>	<b>-39.817</b>
Change in debt to credit institutions		0	-4.441
Capital increase		114.560	198.959
<b>Cash flows from financing activities</b>		<b>114.560</b>	<b>194.518</b>
Cash flows, 1 Jan – 31 Dec		-228.757	285.118
Cash and cash equivalents, 1 Jan		391.071	105.953
<b>Cash and cash equivalents, 31 Dec</b>		<b>162.314</b>	<b>391.071</b>

The Statement of cash flows cannot be derived directly from the other components of the Consolidated Financial Statement.

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 1 NET REVENUE</b>				
Gross revenue	1.727.524	1.996.462	632.124	1.068.804
Assistance costs	-1.213.706	-1.408.486	-430.806	-780.287
	<b>513.818</b>	<b>587.976</b>	<b>201.318</b>	<b>288.517</b>
<b>Segment information by activity</b>				
Travelcare	451.113	934.060	451.112	934.072
Mobility	1.095.399	927.673	0	3
Healthcare	181.012	134.729	181.012	134.729
	<b>1.727.524</b>	<b>1.996.462</b>	<b>632.124</b>	<b>1.068.804</b>
<b>Segment information by geography</b>				
Denmark	717.563	725.232	233.797	300.096
Sweden	449.241	576.927	227.701	400.761
Norway	371.130	386.068	86.313	155.825
Finland	144.413	225.724	45.871	132.031
Other countries	45.177	82.511	38.442	80.091
	<b>1.727.524</b>	<b>1.996.462</b>	<b>632.124</b>	<b>1.068.804</b>
<b>NOTE 2 EXTERNAL COSTS</b>				
Rent, etc.	34.674	36.442	20.044	21.694
Consultant fee, etc.	34.413	30.712	20.331	21.240
IT service, software licenses, etc.	35.317	37.823	21.572	27.251
Other external costs	50.031	41.111	49.001	21.238
	<b>154.435</b>	<b>146.088</b>	<b>110.948</b>	<b>91.423</b>
<b>Fees for auditor elected by the annual general meeting</b>				
Statutory audit	1.462	1.557	924	894
Other assurance services with security	132	237	102	84
Tax and VAT advisory services	217	266	190	250
Other services	1.121	1.264	1.088	1.260
	<b>2.932</b>	<b>3.324</b>	<b>2.304</b>	<b>2.488</b>

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 3 STAFF COSTS</b>				
Wages and salaries	414.383	428.884	243.183	277.716
Pensions	44.802	52.375	32.078	39.974
Other social security costs	28.805	29.364	8.376	11.166
Other staff costs	13.519	10.248	9.270	6.092
	<b>501.509</b>	<b>520.871</b>	<b>292.907</b>	<b>334.948</b>
Average number of full-time employees	876	928	406	496
Staff costs include wages and salaries accrued by Executive Management and the Supervisory Board in the amount DKK'000 10,159 (2020: DKK'000 4,142).				
<b>NOTE 4 DEPRECIATION AND AMORTISATION</b>				
Depreciation Tangible assets	7.967	9.665	2.036	4.023
Amortisation Intangible assets	25.967	28.338	5.220	3.127
Gain / loss fixed assets	-110	5.798	-66	6.158
	<b>33.824</b>	<b>43.801</b>	<b>7.190</b>	<b>13.308</b>
<b>NOTE 5 INCOME FROM SUBSIDIARIES AFTER TAX</b>				
Profit/loss in subsidiaries after tax	0	0	27.759	26.472
Goodwill amortisation	0	0	-13.116	-13.116
	<b>0</b>	<b>0</b>	<b>14.643</b>	<b>13.356</b>
<b>NOTE 6 FINANCIAL INCOME</b>				
Interest income from subsidiaries	0	0	349	324
Currency gains	4.800	15.920	4.315	15.379
Other financial income	123	266	4	178
	<b>4.923</b>	<b>16.186</b>	<b>4.668</b>	<b>15.881</b>

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 7 FINANCIAL EXPENSES</b>				
Interest expenses to subsidiaries	0	0	0	78
Exchange losses	4,595	17,389	3,503	16,330
Bank fees	1,935	3,395	1,237	2,682
Interest expenses	1,453	1,869	1,276	1,754
	<b>7,983</b>	<b>22,653</b>	<b>6,016</b>	<b>20,844</b>
<b>NOTE 8 TAX ON INCOME FOR THE YEAR</b>				
Current tax	2,785	3,252	-6,157	-7,077
Adjustment of tax from previous years	10	-5,568	0	-5,588
Adjustment of deferred tax for the year	-32,704	-25,824	-28,708	-20,436
	<b>-29,909</b>	<b>-28,140</b>	<b>-34,865</b>	<b>-33,101</b>

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

#### NOTE 9 INTANGIBLE ASSETS

#### GROUP

DKK'000	Goodwill	Software	Customer-related assets	Trademarks	Intangible assets under development	Completed development projects	Total
Cost price, 1 Jan 2021	155,552	37,136	91,513	25,765	66,438	10,064	386,468
Exchange rate adjustments subsidiaries	1,961	-1	943	0	0	0	2,903
Additions	0	0	0	0	-66,438	89,218	22,780
Disposals	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Cost price, 31 Dec 2021	157,513	37,135	92,456	25,765	0	99,282	412,151
Amortisation, 1 Jan 2021	-90,728	-31,191	-68,085	-14,314	0	-8,010	-212,328
Exchange rate adjustments subsidiaries	-826	0	-622	0	0	0	-1,448
Disposals	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0
Amortisation	-12,152	-2,658	-6,480	-1,718	0	-2,959	-25,967
Amortisation, 31 Dec 2021	-103,706	-33,849	-75,187	-16,032	0	-10,969	-239,743
CARRYING AMOUNT, 31 DEC 2021	53,807	3,286	17,269	9,733	0	88,313	172,408

#### PARENT COMPANY

DKK'000	Software	Customer-related assets	Intangible assets under development	Completed development projects	Total
Cost price, 1 Jan 2021	17,500	2,163	66,438	870	86,971
Exchange rate adjustments	-1	-40	0	0	-41
Additions	0	0	-66,438	89,218	22,780
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
Cost price, 31 Dec 2021	17,499	2,123	0	90,088	109,710
Amortisation, 1 Jan 2021	-11,555	-1,442	0	-435	-13,432
Exchange rate adjustments	0	34	0	0	34
Disposals	0	0	0	0	0
Impairment losses	0	0	0	0	0
Amortisation	-2,658	-715	0	-1,847	-5,220
Amortisation, 31 Dec 2021	-14,213	-2,123	0	-2,282	-18,618
CARRYING AMOUNT, 31 DEC 2021	3,286	0	0	87,806	91,092

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

<b>NOTE 10 PROPERTY, PLANT AND EQUIPMENT</b>			
DKK'000	GROUP		
	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost price, 1 Jan 2021	15,257	72,133	87,390
Exchange rate adjustments	50	616	666
Disposal relating to sale of subsidiaries	0	0	0
Additions	15	11,007	11,022
Disposals	-1,585	-1,718	-3,303
Transfers	0	0	0
<b>Cost price, 31 Dec 2021</b>	<b>13,737</b>	<b>82,038</b>	<b>95,775</b>
Amortisation, 1 Jan 2021	-9,891	-63,104	-72,995
Exchange rate adjustments	6	-461	-455
Disposal relating to sale of subsidiaries	0	0	0
Disposals	1,298	2,295	3,593
Impairment losses	0	0	0
Depreciation	-1,483	-6,484	-7,967
<b>Amortisation, 31 Dec 2021</b>	<b>-10,070</b>	<b>-67,754</b>	<b>-77,824</b>
<b>CARRYING AMOUNT, 31 DEC 2021</b>	<b>3,667</b>	<b>14,284</b>	<b>17,951</b>
<b>PARENT COMPANY</b>			
DKK'000	PARENT COMPANY		
	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost price, 1 Jan 2021	6,594	42,151	48,745
Exchange rate adjustments	-3	-3	-6
Additions	0	5,847	5,847
Disposals	-6	-173	-179
Transfers	0	0	0
<b>Cost price, 31 Dec 2021</b>	<b>6,585</b>	<b>47,822</b>	<b>54,407</b>
Amortisation, 1 Jan 2021	-6,439	-40,616	-47,055
Exchange rate adjustments	0	2	2
Disposals	0	94	94
Impairment losses	0	0	0
Depreciation	-29	-2,007	-2,036
<b>Amortisation, 31 Dec 2021</b>	<b>-6,468</b>	<b>-42,527</b>	<b>-48,995</b>
<b>CARRYING AMOUNT, 31 DEC 2021</b>	<b>117</b>	<b>5,295</b>	<b>5,412</b>

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Notes

DKK'000	PARENT COMPANY	
	2021	2020
<b>NOTE 11 INVESTMENTS IN GROUP ENTERPRISES</b>		
Cost price, 1 Jan	324.623	324.623
Additions	0	0
Disposals	0	0
Cost price, 31 Dec	324.623	324.623
Value adjustments, 1 Jan	-110.778	-116.057
Exchange rate adjustments	3.389	-4.077
Goodwill amortisation	-13.116	-13.116
Distribution of dividends	-15.000	-4.000
Income for the year	27.759	26.472
Group contribution	-7.108	0
Value adjustments, 31 Dec	-114.854	-110.778
<b>CARRYING AMOUNT, 31 DEC</b>	<b>209.769</b>	<b>213.845</b>
<b>Name</b>	<b>Registered in</b>	<b>Voting and ownership share</b>
SOS International DK A/S	Aarhus, Denmark	100 %
SOS International AB	Stockholm, Sweden	100 %
SOS Veihjelp AS	Oslo, Norway	66 %
SOS International OY	Helsinki, Finland	100 %
SOS International Asia Ltd.	Hong Kong, China	100 %

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Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 12 INVESTMENTS IN ASSOCIATES</b>				
Cost price, 1 Jan	2.187	2.187	0	0
Disposals	-2.187	0	0	0
Cost price, 31 Dec	0	2.187	0	0
Value adjustments, 1 Jan	-1.380	-2.187	0	0
Income for the year	0	807	0	0
Disposals	1.380	0	0	0
Value adjustments, 31 Dec	0	-1.380	0	0
<b>CARRYING AMOUNT, 31 DEC</b>	<b>0</b>	<b>807</b>	<b>0</b>	<b>0</b>

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## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 13 DEFERRED TAX</b>				
Deferred tax, 1 Jan	10,190	-19,915	19,282	-6,628
Exchange rate adjustment	-131	-552	335	-104
Adjustments for previous years	-1,948	4,834	-1,948	5,578
Adjustment of deferred tax for the year	32,704	25,823	28,708	20,436
<b>CARRYING AMOUNT, 31 DEC</b>	<b>40,815</b>	<b>10,190</b>	<b>46,377</b>	<b>19,282</b>
<i>Recognised in the Statement of Financial Position as:</i>				
Deferred tax assets	50,383	22,257	46,377	19,282
Provision for deferred tax	-9,568	-12,067	0	0
<b>CARRYING AMOUNT, 31 DEC</b>	<b>40,815</b>	<b>10,190</b>	<b>46,377</b>	<b>19,282</b>
<b>NOTE 14 CORPORATION TAX</b>				
Corporation tax payable, 1 Jan	-3,467	11,796	7,077	10,130
Exchange rate adjustment	-105	-6	0	0
Adjustments for previous years	1,983	734	0	10
Current tax for the year	-2,785	-3,252	6,157	7,077
Corporation tax for the year, paid	1,099	-12,739	-7,077	-10,140
<b>CARRYING AMOUNT, 31 DEC</b>	<b>-3,275</b>	<b>-3,467</b>	<b>6,157</b>	<b>7,077</b>
<i>Recognised in the Statement of Financial Position as:</i>				
Corporate tax receivables	1,268	990	6,157	7,077
Corporation tax	-4,543	-4,457	0	0
<b>CARRYING AMOUNT, 31 DEC</b>	<b>-3,275</b>	<b>-3,467</b>	<b>6,157</b>	<b>7,077</b>
<b>NOTE 15 PREPAYMENTS</b>				
Prepaid expenses	11,872	21,327	6,092	12,503
<b>CARRYING AMOUNT, 31 DEC</b>	<b>11,872</b>	<b>21,327</b>	<b>6,092</b>	<b>12,503</b>

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## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 16 SHARE CAPITAL</b>				
Unlisted share capital:				
Nominal value at 1 Jan 2017			21.388	21.388
Capital reduction Feb 2017			-428	-428
Capital increase Dec 2020			7.527	7.527
Capital increase Dec 2021			5.817	0
<b>NOMINAL VALUE, 31 DEC</b>			<b>34.304</b>	<b>28.487</b>
The share capital consists of 3,430,475 shares of DKK 10 nominal value and is paid up in full. No shares have special rights.				
<b>NOTE 17 LONG-TERM LIABILITIES</b>				
Long-term liabilities comprises contract deposits and similar liabilities, which is renewed on an ongoing basis and expected to be due later than 5 years from the balance sheet date.				
<b>NOTE 18 SPECIAL ITEMS</b>				
<b>Revenue</b>				
Salary compensation re. Covid-19	0	9.462	0	6.547
Fixed costs compensation re. Covid-19	33.572	4.516	33.572	4.516
	<b>33.572</b>	<b>13.978</b>	<b>33.572</b>	<b>11.063</b>
<b>Special items are included in the following lines in the Financial Statement</b>				
Other income	33.572	13.978	33.572	11.063
	<b>33.572</b>	<b>13.978</b>	<b>33.572</b>	<b>11.063</b>

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## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

### Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020

#### NOTE 19 CONTINGENT LIABILITIES

SOS International is a part in individual ongoing legal disputes. It is the opinion of the management that the outcome of these legal disputes will not affect the financial situation beyond the receivables and liabilities that have been factored in the balance as of 31 December 2021.

The parent company participates in joint taxation with its Danish subsidiary. The companies bear unlimited joint and several liability for Danish corporation tax and tax at source on dividends, interest and royalties within the joint taxation scheme. Any subsequent adjustment of the income subject to joint taxation or tax at source on dividend etc. could result in an increase of the companies' liability. The group as a whole is not liable for others.

Operating lease commitments due within five years	2.913	5.410	847	916
Rent commitments due within five years	53.391	57.077	8.066	8.154

#### NOTE 20 DISTRIBUTION OF PROFIT FOR THE YEAR

Proposed profit appropriation:

Retained income			-108.858	-78.905
Proposed dividends			0	0
			<u>-108.858</u>	<u>-78.905</u>

#### NOTE 21 OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL

Operating income	-135.707	-101.394		
Adjustments for non-cash operating items, etc.				
Depreciations	33.824	43.801		
Losses/gains from the sale of fixed assets	110	-5.798		
	<u>-101.773</u>	<u>-63.391</u>		

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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Notes

DKK'000	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>NOTE 22 CHANGE IN WORKING CAPITAL</b>				
Changes in inventories	3.970	-3.717		
Changes in trade receivables	-25.557	38.175		
Changes in work in progress	-46.325	98.689		
Changes in other receivables, including prepayments, etc.	156	3.564		
Changes in trade payables	11.367	-29.110		
Changes in customer prepayments	-80.018	42.859		
Changes in other debts	-66.886	37.076		
	<b>-203.293</b>	<b>187.536</b>		

### NOTE 23 RELATED PARTIES

SOS International A/S has no related parties with controlling influence. According to section 98(3) of the Danish Financial Statements Act, transactions with wholly-owned subsidiaries are not disclosed. Wages and salaries accrued by Executive Management and the Supervisory Board is disclosed in note 3.

### NOTE 24 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

To this date, no event has occurred in 2022 that will change this view

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## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

The 2021 Annual Report of SOS International has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the income statement are consistent with those of last year.

### RECOGNITION AND MEASUREMENT

The financial statements are prepared in accordance with the historical cost convention.

Revenue is recognised in the income statement as it is earned. Value adjustments of financial assets and liabilities are measured at fair value or amortised cost. The same applies to all expenses incurred to achieve earnings, including depreciations, impairment losses/gains, accruals, and reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the company, and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below:

Certain financial assets and liabilities are measured at amortised cost to achieve a constant effective interest rate over the life of the asset or liability. Amortised cost is stated as the original cost less any repayments plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are amortised over the life of the asset or liability.

Recognition and measurement take into consideration anticipated losses and risks that arise before the time of presentation of the annual report and which confirm or invalidate affairs and conditions existing at the statement of financial position date.

The parent company uses Danish Kroner (DKK) as its functional currency. All other currencies are considered as foreign currency.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company SOS International A/S, as well as the subsidiaries of which SOS International A/S directly or indirectly holds more than 50% of the voting rights or has a deciding influence in another way. Companies of which the Group holds between 20% and 50% of the voting rights and in addition to considerable but not deciding influence, are considered as associated companies, see the Group overview.

For the consolidated companies, elimination is carried out of intra-group income and expenses, shareholdings, internal debts, and dividends as well as realised and unrealised profits and losses for transactions between the consolidated companies.

Investments in subsidiaries are offset with the proportionate share of the subsidiaries' fair value of net assets and liabilities on the acquisition date.

### COMPANY MERGERS

Newly acquired or newly established companies are recognised in the consolidated financial statements from the acquisition date. Sold or discontinued companies are recognised in the consolidated income statement up to the divestment date. Comparative figures are not adjusted for newly acquired or discontinued companies.

Profit or loss in the event of divestment of subsidiaries and associated companies is calculated as the difference between the divestment sum and the carrying amount of net assets on the date of sale including goodwill that is not depreciated and the expected costs for the sale or discontinuation.

For the acquisition of new companies, the acquisition method is used after which the newly acquired companies' identified assets and liabilities are measured at fair value on the date of acquisition. Accruals to cover the costs of decided and published restructuring in the acquired company are recognised in connection with the acquisition. Consideration is taken of the tax effect of the conducted revaluations.

Positive differential amounts (goodwill) between cost price and fair value of the identified assets and liabilities taken over, including accruals for restructuring, are recognised under intangible fixed assets, and are amortised systematically over the income statement after an individual evaluation of the financial service life, however, maximum 15 years.



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

Goodwill from acquired companies can be adjusted until 12 months after an acquisition.

### INTRA-GROUP COMPANY MERGERS

The book value method is used for company consolidations such as the purchase and sale of investments, mergers, de-mergers, injection of assets and exchange of shares, etc. in the event of participation by companies under the parent company's control. The differences between the agreed payment and the acquired company's carrying amount are recognised in the equity. Furthermore, adjustment of the comparative figures for earlier financial years is carried out.

### TRANSLATION OF FOREIGN CURRENCY

Transactions in foreign currency are translated on the first recognition at the rate on the date of transaction. Foreign currency differences that arise between the rate on the date of transaction and the rate on the date of payment are recognised in the income statement as a financial item.

Receivables, debt, and other monetary items in foreign currency are translated at the exchange rate on the statement of financial position date. The difference between the rate on the statement of financial position date and the rate on the date of the occurrence of the receivable or debt are recognised in the income statement under financial income and expenses.

Foreign subsidiaries are considered as being independent units. The income statements are translated to an average exchange rate for the month and the statement of financial position items are translated to the exchange rates on the statement of financial position date. Exchange rate differences that have arisen with the translation of the foreign subsidiaries' equity at the beginning of the year, at the exchange rates on the statement of financial position date, as well as with translation of the income statements from average exchange rates, at the exchange rates on the statement of financial position date, are recognised directly in equity.

Exchange rate adjustments of debts with independent foreign subsidiaries that are considered as part of the total investment in the subsidiary are recognised directly in equity. Similarly, exchange rate gains and losses on loans to foreign subsidiaries are recognised in equity.

## INCOME STATEMENT

### NET REVENUE

The net revenue for the sale of services is recognised in the income statement if delivery and risk transfer to the buyer has taken place before the end of the year. The net revenue is recognised excluding VAT and tax charges on behalf of a third party, as well as with the deduction of discounts in connection with the sale.

Net revenue is recognised in line with the processing of the projects by which the net revenue corresponds to the sale value of the year's performed work. Net revenue is recognised when the total revenue, costs of the contract and degree of completion on the statement of financial position date can be reliably calculated, and it is probable that the economic benefits, including payments, will be received by the company.

### ASSISTANCE COSTS

Assistance costs regard disbursements on projects that are re-invoiced to SOS International's customers.

### OTHER OPERATING INCOME

Other operating income contains accounting items of secondary character in relation to the companies' activities.

### EXTERNAL COSTS

External costs include costs for distribution, sale, advertising, administration, facilities, loss on debtors, operational leases, etc.

### STAFF COSTS

Staff costs include payrolls, pensions, other costs for social security as well as other employee costs.

Staff costs furthermore include payments of medical consultants.

### RESULTS OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The proportionate share of the individual subsidiaries' results after tax, after full elimination of internal profits/loss, is recognised in the parent company's income statement.

The proportionate share of the associated companies' results after tax, after elimination of proportionate share of internal profits/loss, is recognised in the income statements of both the Group and parent company.



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

### FINANCIAL INCOME AND EXPENSES

Financial income and expenses contain interest, exchange gains and losses related to debt and transactions in foreign currencies, as well as supplements and allowances under the tax pre-payment scheme, etc.

### TAX ON INCOME FOR THE YEAR

The parent company is covered by the Danish rules on compulsory joint taxation of SOS International A/S Group's Danish subsidiaries. Subsidiaries are covered by joint taxation as of the date they are included in the consolidation in the Consolidated Financial Statement, prior to this they are not part of consolidation.

The parent company is the administrative company for the joint taxation and, as a result of this, settles all payments of corporate taxes with the Danish tax authorities.

The applicable Danish corporate tax is allocated by settling joint taxation contributions among the jointly taxed companies, in relation to their taxable incomes. In this connection, companies with tax losses, receive joint taxation contributions from companies that have been able to apply this loss to reduce their own tax profit.

Tax for the year, consisting of the year's current corporate tax, the year's joint taxation contribution and changes in deferred tax rates, is recognised in the statement of income, with the portion that can be attributed to the income for the year, and directly to equity, with the portion that can be directly attributed to equity.

## STATEMENT OF FINANCIAL POSITION

### INTANGIBLE ASSETS

#### DEVELOPMENT PROJECTS

Development projects relate to software that supports the case management. Development projects that are clearly defined and identifiable are recognised as intangible assets if it is probable that the development project will generate future economic benefits to the group and the development costs of the individual asset can be measured reliably. Other development costs are recognised as costs in the statement of income as they are incurred.

Development projects are initially measured at cost price. The cost price of development projects comprises costs that can be

attributed directly or indirectly to the development projects, and which are necessary to complete the project, counting from the time when the development project first meets the criteria for recognition as an asset.

Completed development projects are amortised on a straight-line basis over the estimated life, which is estimated to be 3-15 years. Development projects are written down to a possible lower recoverable amount, cf. the section on impairment of assets below.

#### GOODWILL

Acquired goodwill is measured at cost price with deductions of accumulated depreciation. Goodwill is amortised over its estimated economic life, which is determined based on management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period which is between 5-15 years and will be longest for strategically acquired companies with strong market positions and long-term earnings profiles.

The Company's investment in the subsidiary SOS International DK A/S in 2012 is considered to be strategically important to the Company and thus the economic life of goodwill has been set at 15 years.

All other goodwill in the Company is amortised over 5-10 years.

#### SOFTWARE

Software is measured at cost less accumulated amortisation and impairments. Amortisation is performed on a straight-line basis over the estimated service life. The amortisation period is usually 3-5 years.

The cost price includes the purchase price as well as costs directly associated to the purchase, until the time where the asset is ready to be used.

#### CUSTOMER-RELATED ASSETS AND TRADEMARKS

Acquired customer related assets and trademarks are measured at cost price with deductions of accumulated depreciation. Customer-related assets and trademarks are amortised over their estimated economic life, which is determined based on management's experience within the individual business areas. Customer-related assets and trademarks are depreciated or amortised on a straight-line basis over the depreciation or amortisation period between 3-15 years.



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

### PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost includes the purchase price as well as costs directly associated to the purchase until the time where the asset is ready to be used.

Depreciation is performed on a straight-line basis over the estimated service life, based on the following assessment of the remaining service life of the assets:

- Leasehold improvements 5 years
- Other fixtures and fittings, tools, and equipment 3-5 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Gains or losses on the divestment of property, plant and equipment are recognised as the difference between the sales price, less sales costs, and the carrying amount at the time of sale. Gains or losses are recognised in the income statement under depreciation.

### FINANCIAL ASSETS

#### INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportional share of the companies' equity value measured according to the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus the residual value of positive or negative goodwill measured according to the acquisition method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0 and any receivables from these companies will be impaired to the extent the receivable is

deemed non-collectable. To the extent the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable; the balance will be recognised under accruals. If SOS International has a legal or actual obligation to the company's deficit, an allocated commitment will be included to this.

Net revaluation of investments in subsidiaries and associates are shown as a reserve for net revaluation according to the equity method in equity to the extent the carrying amount exceeds the cost price. Dividends from subsidiaries expected to be approved before the approval of the annual report for SOS International A/S are not bound on the revaluation reserve. For company acquisitions, the acquisition method is used; cf. description above under the Consolidated Financial Statement.

#### IMPAIRMENT TEST OF ASSETS

The carrying amount of intangible assets and property, plant and equipment are measured annually for indications of value impairments other than the decrease in value reflected by amortisation or depreciation.

If there are indications of value impairment, impairment is performed on each individual asset, respectively, group of assets. Write-down is made to the asset's recoverable amount if this is lower than the carrying amount.

The recoverable amount that is used will be the highest value of the net selling price and intrinsic value. The intrinsic value is measured as the current value of the estimated net income from the use of the asset or asset group.

### RECEIVABLES

Receivables are measured at amortised cost.

Impairments for potential losses are made where it is estimated that there is objective indication that a receivable or a portfolio of receivables are impaired. If there is objective indication that an individual receivable is impaired, impairment is made at individual level.

Receivables for which there is no objective indication of impairment at individual level, objective indication for impairment is assessed at portfolio level.

The portfolios are primarily based on the domicile of the debtors and a credit assessment in accordance with the Company's and the Group's credit risk management policy. The objective



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

indicators used for portfolios are established based on historical records of losses.

Impairments are calculated as the difference between the carrying amount of receivables and the present value of anticipated cash flows, including the realisable value of any accepted collaterals. The effective interest rate is used as the discount rate for the individual receivable or portfolio.

### **WORK IN PROGRESS**

Work in progress consists of incurred costs for projects measured at the market value. The market value is measured based on the rate of completion at the reporting date and the total anticipated income from work in progress.

### **PREPAYMENTS**

Prepayments recognised under current assets cover costs incurred relating to the following financial year.

### **SECURITIES**

Listed securities recognised under current assets are measured at the fair value at the statement of financial position date.

### **EQUITY**

#### **RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD**

Reserve for net revaluation applying the equity method covers net revaluations of equity investments in subsidiaries in relation to cost.

The reserve can be eliminated in case of losses if investments are realised or changes are made to accounting estimates.

The reserve may not be recognised at a negative amount.

#### **RESERVE FOR DEVELOPMENT PROJECTS**

The reserve for development projects comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development projects are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

If the recognised development projects are written down, part of the reserve for development projects must be reversed. The reversed portion corresponds to the write-down of the development projects. If a write-down of the development projects is subsequently reversed, the reserve for development

projects must be re-established. The reserve for development projects is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the statement of financial position as development projects.

### **DIVIDEND**

Proposed dividends are recognised as a liability at the time of adoption by the Annual General Meeting (the time of declaration). Dividends expected to be declared for the year are shown as a separate item under equity.

### **CORPORATE TAX AND DEFERRED TAX**

As the administrative company, SOS International A/S assumes liability for the subsidiaries' corporate taxes to the Danish tax authorities concurrently with the subsidiaries' payment of joint-taxation contributions.

Current tax payable and receivable is recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for previous years' taxable income and taxes paid on account. Payable or receivable joint taxation contributions are recognised in the statement of financial position as "Payable corporate tax" or "Corporate tax."

Deferred tax is measured according to the statement of financial position liability method on all temporary differences between accounting and tax values of assets and liabilities. However, deferred tax on temporary differences related to taxable non-deductible goodwill, as well as other items where temporary differences – except for acquisitions of companies – have arisen at the time of acquisition without having an effect on the income or taxable income, is not recognised. In cases where the determination of the tax value can be performed under various taxation rules, deferred tax is measured based on management's planned use of the asset, respectively, settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the value at which they are expected to be used, either by elimination in the tax of future earnings, or by offsets in deferred tax payables in companies within the same legal tax entity or jurisdiction.

Adjustment of deferred tax is made concerning performed elimination of unrealized payable intra-group profits and losses. Deferred tax is measured on the basis of the tax rules and tax rates in the respective countries that will be effective under the legislation, at the reporting date, when the deferred tax is expected to be crystalized as current tax.



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

### PROVISIONS

Provisions comprise anticipated costs related to warranties, losses on work in progress, restructurings, etc. Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

If it is likely that total costs will exceed total income from a construction contract, a provision is made for the total loss anticipated on the contract. The provision is recognised in assistance costs.

### LIABILITIES

Financial liabilities are recognised upon raising the loan at the proceeds received, less incurred transaction costs. For subsequent periods, financial liabilities are measured at amortised cost.

### PREPAYMENTS

Prepayments recognised under liabilities include received payments regarding revenue in the following financial year.

## CASH FLOW STATEMENT

The cash flow statement shows consolidated cash flow distributed on operating, investing, and financing activities for the year, changes in cash and cash equivalents for the year, as well as cash and cash equivalents at the beginning and end of the year.

The effect on cash flow from the acquisition of companies is shown separately under cash flow from investment activities. Cash flow from acquired companies from the date of the acquisition is recognised in the cash flow statement.

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities is measured as income for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

### CASH FLOW FROM INVESTMENT ACTIVITIES

Cash flow from investing activities covers payments made related to the purchase and divestment of companies and activities, and the purchase and divestment of property, plant and equipment, intangible assets, and other financial assets.

### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities comprises changes in the size or structure of the company's share capital and incidental costs, as well as loans, repayments of principals of interest-bearing debt and payment of dividends to shareholders.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise holdings of short-term securities that can readily be converted to cash or cash equivalents and for which there is only insignificant risk of changes in value.

## SEGMENT INFORMATION

Disclosures include information related to business segments and geographic markets. The segment information follows the Group's accounting policies and internal financial management.



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

## KEY FIGURES

The ratios and key figures shown in the statement of financial highlights and key figures are calculated as follows:

EBITDA margin:

$$\frac{\text{Profit before interest, taxes, depreciation and amortisation (EBITDA)} \times 100}{\text{Net revenue}}$$

Net operating income margin:

$$\frac{\text{Profit before interest, taxes, depreciation and amortisation (EBITDA)} \times 100}{\text{Contribution margin}}$$

EBT Margin:

$$\frac{\text{Profit before tax} \times 100}{\text{Net revenue}}$$

Profit margin:

$$\frac{\text{Profit before tax} \times 100}{\text{Contribution margin}}$$

Return on capital employed:

$$\frac{\text{Profit from ordinary operating activities (EBIT)} \times 100}{\text{Average operating assets}}$$

Operating assets:

Operating assets are total assets less cash and cash equivalents, other interest-bearing assets (incl. shares) as well as investments in associated companies.

Liquidity ratio:

$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Solvency ratio:

$$\frac{\text{Equity, end of year} \times 100}{\text{Liabilities, total, end of year}}$$

Return on equity:

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$




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SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

The 2021 Annual Report of SOS International has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the income statement are consistent with those of last year.

### RECOGNITION AND MEASUREMENT

The financial statements are prepared in accordance with the historical cost convention.

Revenue is recognised in the income statement as it is earned. Value adjustments of financial assets and liabilities are measured at fair value or amortised cost. The same applies to all expenses incurred to achieve earnings, including depreciations, impairment losses/gains, accruals, and reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the company, and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below:

Certain financial assets and liabilities are measured at amortised cost to achieve a constant effective interest rate over the life of the asset or liability. Amortised cost is stated as the original cost less any repayments plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are amortised over the life of the asset or liability.

Recognition and measurement take into consideration anticipated losses and risks that arise before the time of presentation of the annual report and which confirm or invalidate affairs and conditions existing at the statement of financial position date.

The parent company uses Danish Kroner (DKK) as its functional currency. All other currencies are considered as foreign currency.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company SOS International A/S, as well as the subsidiaries of which SOS International A/S directly or indirectly holds more than 50% of the voting rights or has a deciding influence in another way. Companies of which the Group holds between 20% and 50% of the voting rights and in addition to considerable but not deciding influence, are considered as associated companies, see the Group overview.

For the consolidated companies, elimination is carried out of intra-group income and expenses, shareholdings, internal debts, and dividends as well as realised and unrealised profits and losses for transactions between the consolidated companies.

Investments in subsidiaries are offset with the proportionate share of the subsidiaries' fair value of net assets and liabilities on the acquisition date.

### COMPANY MERGERS

Newly acquired or newly established companies are recognised in the consolidated financial statements from the acquisition date. Sold or discontinued companies are recognised in the consolidated income statement up to the divestment date. Comparative figures are not adjusted for newly acquired or discontinued companies.

Profit or loss in the event of divestment of subsidiaries and associated companies is calculated as the difference between the divestment sum and the carrying amount of net assets on the date of sale including goodwill that is not depreciated and the expected costs for the sale or discontinuation.

For the acquisition of new companies, the acquisition method is used after which the newly acquired companies' identified assets and liabilities are measured at fair value on the date of acquisition. Accruals to cover the costs of decided and published restructuring in the acquired company are recognised in connection with the acquisition. Consideration is taken of the tax effect of the conducted revaluations.

Positive differential amounts (goodwill) between cost price and fair value of the identified assets and liabilities taken over, including accruals for restructuring, are recognised under intangible fixed assets, and are amortised systematically over the income statement after an individual evaluation of the financial service life, however, maximum 15 years.



SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

Goodwill from acquired companies can be adjusted until 12 months after an acquisition.

### **INTRA-GROUP COMPANY MERGERS**

The book value method is used for company consolidations such as the purchase and sale of investments, mergers, de-mergers, injection of assets and exchange of shares, etc. in the event of participation by companies under the parent company's control. The differences between the agreed payment and the acquired company's carrying amount are recognised in the equity. Furthermore, adjustment of the comparative figures for earlier financial years is carried out.

### **TRANSLATION OF FOREIGN CURRENCY**

Transactions in foreign currency are translated on the first recognition at the rate on the date of transaction. Foreign currency differences that arise between the rate on the date of transaction and the rate on the date of payment are recognised in the income statement as a financial item.

Receivables, debt, and other monetary items in foreign currency are translated at the exchange rate on the statement of financial position date. The difference between the rate on the statement of financial position date and the rate on the date of the occurrence of the receivable or debt are recognised in the income statement under financial income and expenses.

Foreign subsidiaries are considered as being independent units. The income statements are translated to an average exchange rate for the month and the statement of financial position items are translated to the exchange rates on the statement of financial position date. Exchange rate differences that have arisen with the translation of the foreign subsidiaries' equity at the beginning of the year, at the exchange rates on the statement of financial position date, as well as with translation of the income statements from average exchange rates, at the exchange rates on the statement of financial position date, are recognised directly in equity.

Exchange rate adjustments of debts with independent foreign subsidiaries that are considered as part of the total investment in the subsidiary are recognised directly in equity. Similarly, exchange rate gains and losses on loans to foreign subsidiaries are recognised in equity.

## INCOME STATEMENT

### **NET REVENUE**

The net revenue for the sale of services is recognised in the income statement if delivery and risk transfer to the buyer has taken place before the end of the year. The net revenue is recognised excluding VAT and tax charges on behalf of a third party, as well as with the deduction of discounts in connection with the sale.

Net revenue is recognised in line with the processing of the projects by which the net revenue corresponds to the sale value of the year's performed work. Net revenue is recognised when the total revenue, costs of the contract and degree of completion on the statement of financial position date can be reliably calculated, and it is probable that the economic benefits, including payments, will be received by the company.

### **ASSISTANCE COSTS**

Assistance costs regard disbursements on projects that are re-invoiced to SOS International's customers.

### **OTHER OPERATING INCOME**

Other operating income contains accounting items of secondary character in relation to the companies' activities.

### **EXTERNAL COSTS**

External costs include costs for distribution, sale, advertising, administration, facilities, loss on debtors, operational leases, etc.

### **STAFF COSTS**

Staff costs include payrolls, pensions, other costs for social security as well as other employee costs.

Staff costs furthermore include payments of medical consultants.

### **RESULTS OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES**

The proportionate share of the individual subsidiaries' results after tax, after full elimination of internal profits/loss, is recognised in the parent company's income statement.

The proportionate share of the associated companies' results after tax, after elimination of proportionate share of internal profits/loss, is recognised in the income statements of both the Group and parent company.



SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

### FINANCIAL INCOME AND EXPENSES

Financial income and expenses contain interest, exchange gains and losses related to debt and transactions in foreign currencies, as well as supplements and allowances under the tax prepayment scheme, etc.

### TAX ON INCOME FOR THE YEAR

The parent company is covered by the Danish rules on compulsory joint taxation of SOS International A/S Group's Danish subsidiaries. Subsidiaries are covered by joint taxation as of the date they are included in the consolidation in the Consolidated Financial Statement, prior to this they are not part of consolidation.

The parent company is the administrative company for the joint taxation and, as a result of this, settles all payments of corporate taxes with the Danish tax authorities.

The applicable Danish corporate tax is allocated by settling joint taxation contributions among the jointly taxed companies, in relation to their taxable incomes. In this connection, companies with tax losses, receive joint taxation contributions from companies that have been able to apply this loss to reduce their own tax profit.

Tax for the year, consisting of the year's current corporate tax, the year's joint taxation contribution and changes in deferred tax rates, is recognised in the statement of income, with the portion that can be attributed to the income for the year, and directly to equity, with the portion that can be directly attributed to equity.

## STATEMENT OF FINANCIAL POSITION

### INTANGIBLE ASSETS

#### DEVELOPMENT PROJECTS

Development projects relate to software that supports the case management. Development projects that are clearly defined and identifiable are recognised as intangible assets if it is probable that the development project will generate future economic benefits to the group and the development costs of the individual asset can be measured reliably. Other development costs are recognised as costs in the statement of income as they are incurred.

Development projects are initially measured at cost price. The cost price of development projects comprises costs that can be

attributed directly or indirectly to the development projects, and which are necessary to complete the project, counting from the time when the development project first meets the criteria for recognition as an asset.

Completed development projects are amortised on a straight-line basis over the estimated life, which is estimated to be 3-15 years. Development projects are written down to a possible lower recoverable amount, cf. the section on impairment of assets below.

### GOODWILL

Acquired goodwill is measured at cost price with deductions of accumulated depreciation. Goodwill is amortised over its estimated economic life, which is determined based on management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period which is between 5-15 years and will be longest for strategically acquired companies with strong market positions and long-term earnings profiles.

The Company's investment in the subsidiary SOS International DK A/S in 2012 is considered to be strategically important to the Company and thus the economic life of goodwill has been set at 15 years.

All other goodwill in the Company is amortised over 5-10 years.

### SOFTWARE

Software is measured at cost less accumulated amortisation and impairments. Amortisation is performed on a straight-line basis over the estimated service life. The amortisation period is usually 3-5 years.

The cost price includes the purchase price as well as costs directly associated to the purchase, until the time where the asset is ready to be used.

### CUSTOMER-RELATED ASSETS AND TRADEMARKS

Acquired customer related assets and trademarks are measured at cost price with deductions of accumulated depreciation. Customer-related assets and trademarks are amortised over their estimated economic life, which is determined based on management's experience within the individual business areas. Customer-related assets and trademarks are depreciated or amortised on a straight-line basis over the depreciation or amortisation period between 3-15 years.



## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

### PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost includes the purchase price as well as costs directly associated to the purchase until the time where the asset is ready to be used.

Depreciation is performed on a straight-line basis over the estimated service life, based on the following assessment of the remaining service life of the assets:

- Leasehold improvements 5 years
- Other fixtures and fittings, tools, and equipment 3-5 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Gains or losses on the divestment of property, plant and equipment are recognised as the difference between the sales price, less sales costs, and the carrying amount at the time of sale. Gains or losses are recognised in the income statement under depreciation.

### FINANCIAL ASSETS

#### INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportional share of the companies' equity value measured according to the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus the residual value of positive or negative goodwill measured according to the acquisition method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0 and any receivables from these companies will be impaired to the extent the receivable is

deemed non-collectable. To the extent the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable; the balance will be recognised under accruals. If SOS International has a legal or actual obligation to the company's deficit, an allocated commitment will be included to this.

Net revaluation of investments in subsidiaries and associates are shown as a reserve for net revaluation according to the equity method in equity to the extent the carrying amount exceeds the cost price. Dividends from subsidiaries expected to be approved before the approval of the annual report for SOS International A/S are not bound on the revaluation reserve. For company acquisitions, the acquisition method is used; cf. description above under the Consolidated Financial Statement.

#### IMPAIRMENT TEST OF ASSETS

The carrying amount of intangible assets and property, plant and equipment are measured annually for indications of value impairments other than the decrease in value reflected by amortisation or depreciation.

If there are indications of value impairment, impairment is performed on each individual asset, respectively, group of assets. Write-down is made to the asset's recoverable amount if this is lower than the carrying amount.

The recoverable amount that is used will be the highest value of the net selling price and intrinsic value. The intrinsic value is measured as the current value of the estimated net income from the use of the asset or asset group.

#### RECEIVABLES

Receivables are measured at amortised cost.

Impairments for potential losses are made where it is estimated that there is objective indication that a receivable or a portfolio of receivables are impaired. If there is objective indication that an individual receivable is impaired, impairment is made at individual level.

Receivables for which there is no objective indication of impairment at individual level, objective indication for impairment is assessed at portfolio level.

The portfolios are primarily based on the domicile of the debtors and a credit assessment in accordance with the Company's and the Group's credit risk management policy. The objective



SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

indicators used for portfolios are established based on historical records of losses.

Impairments are calculated as the difference between the carrying amount of receivables and the present value of anticipated cash flows, including the realisable value of any accepted collaterals. The effective interest rate is used as the discount rate for the individual receivable or portfolio.

### **WORK IN PROGRESS**

Work in progress consists of incurred costs for projects measured at the market value. The market value is measured based on the rate of completion at the reporting date and the total anticipated income from work in progress.

### **PREPAYMENTS**

Prepayments recognised under current assets cover costs incurred relating to the following financial year.

### **SECURITIES**

Listed securities recognised under current assets are measured at the fair value at the statement of financial position date.

### **EQUITY**

#### **RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD**

Reserve for net revaluation applying the equity method covers net revaluations of equity investments in subsidiaries in relation to cost.

The reserve can be eliminated in case of losses if investments are realised or changes are made to accounting estimates.

The reserve may not be recognised at a negative amount.

#### **RESERVE FOR DEVELOPMENT PROJECTS**

The reserve for development projects comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development projects are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

If the recognised development projects are written down, part of the reserve for development projects must be reversed. The reversed portion corresponds to the write-down of the development projects. If a write-down of the development projects is subsequently reversed, the reserve for development

projects must be re-established. The reserve for development projects is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the statement of financial position as development projects.

### **DIVIDEND**

Proposed dividends are recognised as a liability at the time of adoption by the Annual General Meeting (the time of declaration). Dividends expected to be declared for the year are shown as a separate item under equity.

### **CORPORATE TAX AND DEFERRED TAX**

As the administrative company, SOS International A/S assumes liability for the subsidiaries' corporate taxes to the Danish tax authorities concurrently with the subsidiaries' payment of joint-taxation contributions.

Current tax payable and receivable is recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for previous years' taxable income and taxes paid on account. Payable or receivable joint taxation contributions are recognised in the statement of financial position as "Payable corporate tax" or "Corporate tax."

Deferred tax is measured according to the statement of financial position liability method on all temporary differences between accounting and tax values of assets and liabilities. However, deferred tax on temporary differences related to taxable non-deductible goodwill, as well as other items where temporary differences – except for acquisitions of companies – have arisen at the time of acquisition without having an effect on the income or taxable income, is not recognised. In cases where the determination of the tax value can be performed under various taxation rules, deferred tax is measured based on management's planned use of the asset, respectively, settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the value at which they are expected to be used, either by elimination in the tax of future earnings, or by offsets in deferred tax payables in companies within the same legal tax entity or jurisdiction.

Adjustment of deferred tax is made concerning performed elimination of unrealized payable intra-group profits and losses. Deferred tax is measured on the basis of the tax rules and tax rates in the respective countries that will be effective under the legislation, at the reporting date, when the deferred tax is expected to be crystallized as current tax.



SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

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Financial liabilities are recognised upon raising the loan at the proceeds received, less incurred transaction costs. For subsequent periods, financial liabilities are measured at amortised cost.

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The cash flow statement shows consolidated cash flow distributed on operating, investing, and financing activities for the year, changes in cash and cash equivalents for the year, as well as cash and cash equivalents at the beginning and end of the year.

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Cash flow from operating activities is measured as income for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

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Cash flow from financing activities comprises changes in the size or structure of the company's share capital and incidental costs, as well as loans, repayments of principals of interest-bearing debt and payment of dividends to shareholders.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise holdings of short-term securities that can readily be converted to cash or cash equivalents and for which there is only insignificant risk of changes in value.

## SEGMENT INFORMATION

Disclosures include information related to business segments and geographic markets. The segment information follows the Group's accounting policies and internal financial management.



SOS INTERNATIONAL ANNUAL REPORT 2021

## CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

# Accounting policies

## KEY FIGURES

The ratios and key figures shown in the statement of financial highlights and key figures are calculated as follows:

EBITDA margin:

$$\frac{\text{Profit before interest, taxes, depreciation and amortisation (EBITDA) x 100}}{\text{Net revenue}}$$

Net operating income margin:

$$\frac{\text{Profit before interest, taxes, depreciation and amortisation (EBITDA) x 100}}{\text{Contribution margin}}$$

EBT Margin:

$$\frac{\text{Profit before tax x 100}}{\text{Net revenue}}$$

Profit margin:

$$\frac{\text{Profit before tax x 100}}{\text{Contribution margin}}$$

Return on capital employed:

$$\frac{\text{Profit from ordinary operating activities (EBIT) x 100}}{\text{Average operating assets}}$$

Operating assets:

Operating assets are total assets less cash and cash equivalents, other interest-bearing assets (incl. shares) as well as investments in associated companies.

Liquidity ratio:

$$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Solvency ratio:

$$\frac{\text{Equity, end of year x 100}}{\text{Liabilities, total, end of year}}$$

Return on equity:

$$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$$