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Falck Hälsopartner AB
Org. nr 556584-2993

ÅRSREDOVISNING
2021

Styrelsen och verkställande direktören för Falck Hälsopartner AB får härmed avge årsredovisning för räkenskapsåret 2021

Årsredovisningen omfattar

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FASTSTÄLLELSEINTYG

Undertecknad styrelseledamot intygar härmed, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen för företaget har fastställts på årsstämma den 27/6 - 22
Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Stockholm den 27/6 - 22

Carina Reidler

20220628347336

FÖRVALTNINGSBERÄTTELSE

Verksamhetens art och inriktning
Bolaget bedriver primärvårdsverksamhet i Sandviken, Gävleborgs län. Verksamheten sker på uppdrag av Region Gävleborg och inom ramen för Hälsoval Gävleborg.

Ägarförhållanden
Falck Hälsopartner AB är ett helägt dotterbolag till AB Previa, org. nr. 556235-1907 med säte i Stockholm. Koncernens moderbolag är Falck A/S som tillika upprättar koncernredovisningen.

Väsentliga händelser
Bolaget har haft en positiv tillväxt och en omsättning inom primärvården på 47,8 (45,1) MSEK. Vid utgången av 2021 har bolaget 9835 (9850) listade patienter.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Falck Hälsopartner ABs verksamhet påverkas av regleringar och politiska beslut. Bolagets ledning följer utvecklingen via omvärldsbevakning och nära samarbete med Region Gävleborg för att kunna påverka framtida beslut. Ekonomisk stabilitet säkerställ genom långsiktig planering och kontinuerlig genomgång av Hälsovals handboken med Region Gävleborg.

Med bakgrund av pandemin och utbrottet av Covid -19 har besöksfrekvensen ändå kunnat upprätthållas på en bra nivå under 2021. Styrelsen övervakar läget noggrant och genom god resursplanering förväntas inte någon betydande påverkan på leveransen inträffa.

Verksamheten planeras fortgå likt tidigare och osäkerhetsfaktorerna bedöms som låga.

Flerårsjämförelse

		2021	2020	2019	2018	2017
Nettoomsättning	tkr	47 762	45 105	41 653	41 111	38 994
Resultat efter fin poster	tkr	2 682	1 523	2 386	970	1 637
Balansomslutning	tkr	10 351	10 490	11 441	8 613	34 336
Antal anställda	st	41	39	42	39	27
Soliditet	%	17,9%	12,8%	12,1%	22,3%	87,2%

Resultatdisposition
Följande ska disponeras av årsstämman (kr):

Balanserat resultat från föregående år	1 217 907
Årets resultat	512 224
	1 730 131

Styrelsen föreslår att det balanserade resultatet behandlas så

att i ny räkning balanseras	1 730 131
	1 730 131

Beträffande företagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning, rapport över förändringar i eget kapital samt noter. Alla belopp uttrycks i tusental svenska kronor där ej annat anges.

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RESULTATRÄKNING

Tkr	Not	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Rörelsens intäkter m.m.			
Nettoomsättning		47 762	45 105
Summa rörelsens intäkter m m		47 762	45 105
Rörelsens kostnader			
Inköp material och tjänster		-14 512	-12 030
Övriga externa kostnader		-6 814	-7 870
Personalkostnader	7	-23 599	-23 166
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-155	-515
Summa rörelsens kostnader		-45 080	-43 581
Rörelseresultat		**2 682**	**1 524**
Resultat från finansiella poster			
Räntekostnader och liknande resultatposter		0	-1
Resultat efter finansiella poster		**2 682**	**1 523**
Bokslutsdispositioner		-2 270	-1 569
Skatt årets resultat		101	–
Årets resultat		**512**	**-46**

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BALANSRÄKNING

Tkr	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Nedlagda utgifter på annans fastighet	3	–	14
Inventarier, verktyg och installationer	4	65	206
Summa materiella anläggningstillgångar		**65**	**220**
Uppskjuten skattefordran		101	–
Summa finansiella anläggningstillgångar		**101**	**0**
Summa anläggningstillgångar		**165**	**220**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		835	753
Fordringar hos koncernföretag	5	8 350	8 100
Aktuell skattefordran		882	1 005
Förutbetalda kostnader och upplupna intäkter		118	412
Summa kortfristiga fordringar		**10 186**	**10 270**
Summa omsättningstillgångar		**10 186**	**10 270**
Summa tillgångar		**10 351**	**10 490**

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BALANSRÄKNING

Tkr	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		20	20
Summa bundet eget kapital		120	120
Fritt eget kapital			
Balanserat resultat		1 218	1 264
Årets resultat		512	-46
Summa fritt eget kapital		1 730	1 218
Summa eget kapital		**1 850**	**1 338**
Kortfristiga skulder			
Leverantörsskulder		2 102	3 230
Skulder till koncernföretag		2 336	1 569
Aktuella skatteskulder		–	–
Övriga skulder		388	451
Upplupna kostnader och förutbetalda intäkter		3 674	3 902
Summa kortfristiga skulder		**8 501**	**9 152**
SUMMA EGET KAPITAL OCH SKULDER		**10 351**	**10 490**

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FÖRÄNDRING AV EGET KAPITAL

	Aktie-kapital	Reserv-fond	Balanserat resultat	Årets resultat	Totalt kapital
Ingående balans 2021-01-01	100	20	1 264	-46	1 338
Omföring av föregående års resultat			-46	46	
Årets resultat				512	512
Utgående balans **2021-12-31**	**100**	**20**	**1 218**	**512**	**1 850**

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Noter till årsredovisningen

Not 1 Redovisnings- och värderingsprinciper

Företagets årsredovisning har upprättats i enlighet med Årsredovisningslagen (1995:1554) och BFNAR 2012:1 (K3). Tillämpade principer är oförändrade jämfört med föregående år.

De viktigaste redovisnings- och värderingspriniperna som har använts vid upprättande av årsredovisningen sammanfattas nedan.

Resultaträkningen

Intäkter

Intäkter uppkommer från utförandet av tjänster och redovisas i posten *Nettoomsättning* . Intäkter värderas till det verkliga värdet av det som erhållits eller kommer att erhållas för varor som levererats och tjänster som utförts, dvs. till försäljningspris exklusive handelsrabatter, mängdrabatter och liknande prisavdrag samt mervärdesskatt. Belopp som erhålls för annans räkning ingår inte i företagets intäkter.

Företagets intäkter består i huvudsak av primärvård i Sandviken.

Utförande av tjänster

Intäkter från försäljning av tjänster sker huvudsakligen till fast pris och redovisas med tillämpning av s.k. successiv vinstavräkning. Det innebär att intäkter och kostnader redovisas i förhållande till uppdragets färdigställandegrad på balansdagen.
Färdigställandegraden fastställs genom en beräkning av förhållandet mellan nedlagda uppdragsutgifter för utfört arbete på balansdagen och beräknade totala uppdragsutgifter.
En befarad förlust på ett tjänsteuppdrag redovisas omedelbart som en kostnad. När utfallet av ett tjänsteuppdrag inte kan beräknas på ett tillförlitligt sätt sker intäktsredovisning endast med belopp som motsvarar uppkomna uppdragsutgifter som sannolikt kommer att ersättas av beställaren.
Uppdragsutgifter redovisas som kostnader i den period då de uppkommer.

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Tjänsteuppdrag till fastpris
När utfallet kan beräknas på ett tillförlitlig sätt redovisas uppdragsinkomsten och hänförliga uppdragsutgifter i resultaträkningen med utgångspunkt från färdigställandegraden av aktiviteterna i avtalet på balansdagen. Färdigställandegraden fastställs
genom att jämföra nedlagda uppdragsutgifter med totala uppdragsutgifter.
När företaget inte kan beräkna utfallet av ett uppdrag på ett tillförlitlig sätt redovisas uppdragsintäkter med ett belopp som motsvarar uppkomna uppdragsutgifter som sannolika kommer att ersättas av beställaren.
Vid alla tillfällen när det är sannolikt att de totala uppdragsutgifterna kommer att överstiga den totala uppdragsinkomsten, redovisas den befarade förlusten omgående i resultaträkningen.
När det inte längre är sannolikt att betalning kommer att erhållas för belopp som redan har redovisats som intäkt redovisas det belopp som sannolikt inte kommer att erhållas som kostnad.
Intäkt från tjänsteuppdrag med ett obestämt antal aktiviteter under en bestämd tidsperiod redovisas linjärt över denna tidsperiod.
Det bruttobelopp som ska betalas av kunder för uppdrag redovisas i posten *Upplupna intäkter* avseende alla pågående uppdrag där uppdragsutgifter och redovisade vinster (efter avdrag för redovisade förluster) överstiger fakturerade belopp. Det bruttobelopp som ska betalas till kunder för uppdrag redovisas i posten *Förutbetalda intäkter* avseende alla pågående uppdrag för vilka fakturerade belopp överstiger uppdragsutgifter plus redovisade vinster (minskat med redovisade förluster).

Tjänsteuppdrag på löpande räkning
Entreprenaduppdrag/tjänsteuppdrag på löpande räkning intäktsredovisas i takt med att arbetet utförs och material levereras eller förbrukas.

Ränteintäkter
Ränteintäkter redovisas i takt med att de intjänas. Beräkning av ränteintäkter görs på basis av den underliggande tillgångens avkastning enligt effektivräntemetoden.

Offentliga bidrag
Ett offentligt bidrag som inte är förenat med krav på framtida prestation intäktsredovisas när villkoren för att få bidraget uppfyllts. Ett offentligt bidrag som är förenat med krav på framtida prestation intäktsredovisas när prestationen utförts. Erhållna bidrag där alla villkor ännu inte är uppfyllda redovisas i posten *Övriga skulder*.

Ett offentligt bidrag värderas till det verkliga värdet av den tillgång som företaget fått eller kommer att få.

Leasing
Samtliga leasingavgifter avseende finansiella och operationella leasingavtal kostnadsförs linjärt över leasingperioden.

Koncernbidrag
Samtliga lämnade och erhållna koncernbidrag redovisas som bokslutsdispositioner.

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Balansräkningen

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas initialt till anskaffningsvärde eller tillverkningskostnader inklusive utgifter för att få tillgången på plats och i skick för att kunna användas enligt intentionerna med investeringen. I anskaffningsvärdet ingår inköpspriset och andra direkt hänförliga utgifter såsom utgifter för leverans, hantering, installation, montering, lagfarter och konsulttjänster. I anskaffningsvärdet för egentillverkade materiella anläggningstillgång ingår även indirekta tillverkningskostnader.

Korttidsinventarier och inventarier av mindre värde kostnadsförs löpande.
Materiella anläggningstillgångar värderas därefter till anskaffningsvärdet minskat med ackumulerade av- och nedskrivningar och med tillägg för uppskrivning.

Avskrivning

Avskrivning av materiella anläggningstillgångar görs av tillgångens/komponentens avskrivningsbara belopp över dess nyttjandeperiod och påbörjas när tillgången/komponenten tas i bruk. Avskrivning görs linjärt. Följande nyttjandeperioder tillämpas:

* Förbättringsutgifter på annans fastighet: 5 år eller kontraktstidens längd
* Inventarier, verktyg och installationer: 5 år

Borttagande från balansräkningen

Materiella anläggningstillgångar eller komponenter tas bort från balansräkningen vid utrangering eller avyttring eller när inte framtida ekonomiska fördelar väntas från användning, utrangering eller avyttring av tillgången eller komponenten.
När materiella anläggningstillgångar avyttras bestäms realisationsresultatet som skillnaden mellan försäljningspriset och tillgångens redovisade värde och redovisas i resultaträkningen i någon av posterna *Övriga rörelseintäkter* eller *Övriga*

Leasing - leasetagare

Samtliga leasingavgifter avseende finansiella och operationella leasingavtal kostnadsförs linjärt över leasingperioden. Samtliga leasingavtal redovisas enligt reglerna för operationell leasing.

Prövning av nedskrivningsbehov av immateriella och materiella anläggningstillgångar

Per varje balansdag görs en bedömning av om det föreligger någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Finns det en sådan indikation beräknas tillgångens återvinningsvärde. Om återvinningsvärdet understiger redovisat värde görs en nedskrivning som kostnadsförs.

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Fordringar och skulder i utländsk valuta

Monetära poster i utländsk valuta räknas om till balansdagens kurs och de valutakursdifferenser som uppkommer redovisas i resultaträkningen. Valutakursvinster och -förluster avseende rörelserelaterade fordringar och skulder i utländsk valuta redovisas i posterna *Övriga rörelseintäkter* och *Övriga rörelsekostnader*. Övriga valutakursvinster och -förluster redovisas under rubriken *Resultat från finansiella poster*.

Icke-monetära poster omräknas inte på balansdagen och värderas till anskaffningsvärde (omräknat till transaktionsdagens kurs) [förutom icke-monetära poster värderade till verkligt värde som omräknas till valutakursen per den dag då verkligt värde fastställdes].

Inkomstskatter

Inkomstskatt utgörs av aktuell skatt och uppskjuten skatt. Inkomstskatt redovisas i resultaträkningen utom då en underliggande transaktion redovisas i eget kapital varvid även tillhörande skatteeffekt redovisas i eget kapital.
Aktuella skattefordringar och skatteskulder respektive uppskjutna skattefordringar och skatteskulder kvittas i de fall det finns en legal kvittningsrätt.

Aktuell skatt

Aktuell skatt är skattekostnaden för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen och nuvärdesberäknas inte.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.
Uppskjuten skatt beräknas med hjälp av balansräkningsmetoden på samtliga temporära skillnader, dvs. skillnader mellan de redovisade värdena för tillgångar och skulder och deras skattemässiga värden samt skattemässiga underskott.
Förändring av uppskjuten skatt redovisas i resultaträkningen.
Uppskjutna skattefordringar redovisas för alla avdragsgilla temporära skillnader och för möjligheten att i framtiden använda outnyttjade förlustavdrag.
Uppskjutna skattefordringar och skatteskulder värderas baserat på hur företaget förväntar sig att återvinna/reglera det redovisade värdet på motsvarande tillgång/skuld.
Värdering görs utan diskontering och enligt de skattesatser och skatteregler som är beslutade på balansdagen. En uppskjuten skattefordran värderas till högst det belopp som sannolikt kommer att återvinnas baserat på innevarande eller framtida skattepliktiga resultat vilket omprövas per varje balansdag.

Likvida medel

Likvida medel består av kassamedel och disponibla tillgodohavanden hos banker och andra kreditinstitut och andra kortfristiga, likvida placeringar som lätt kan omvandlas till känt belopp och som är utsatta för obetydlig risk för värdefluktuationer. Sådana placeringar har en löptid på maximalt tre månader.
Bolagets likvida medel är del av en cashpool och ägare av cashpoolkontot är Falck Sverige Holding AB. Företagets andel av cashpoolen redovisas som avräkning mot koncernbolag.

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Eget kapital

Eget kapital i företaget består av följande poster:
Aktiekapital som representerar det nominella värdet för emitterade och registrerade aktier.
Reservfond som härrör från när det fanns ett krav enligt ABL att göra avsättning till reservfond.
Balanserad vinst/Ansamlad förlust och *Årets resultat*, dvs. alla balanserade vinster/förluster och aktierelaterade ersättningar för innevarande och tidigare perioder samt förvärv av egna aktier. Här ingår också reserver för finansiella tillgångar tillgängliga för försäljning och kassaflödessäkringar som innehåller vinster och förluster relaterade till dessa typer av finansiella instrument.
Transaktioner med företagets ägare, såsom aktieägartillskott och utdelningar, redovisas separat i eget kapital.
Utdelningar som ska betalas ingår i posten *Övriga skulder* när utdelningarna har *godkänts på en bolagsstämma före balansdagen.*

Aktieägartillskott

Företaget redovisar lämnade aktieägartillskott som en ökning respektive minskning av värdet på andelarna i dotterföretaget.
Återbetalningar av aktieägartillskott minskar det redovisade värdet på andelarna i dotterföretaget.
Erhållna aktieägartillskott redovisas som en ökning av eget kapital.
Återbetalningar av aktieägartillskott av erhållna aktieägartillskott minskar eget kapital.

Ersättningar till anställda

Kortfristiga ersättningar

Kortfristiga ersättningar till anställda, exempelvis löner, semesterersättningar och bonus, är ersättningar till anställda som förfaller inom 12 månader från balansdagen det år som den anställde tjänat in ersättningen. Kortfristiga ersättningar värderas till det odiskonterade beloppet som företaget förväntas betala till följd av den outnyttjade rättigheten.

Avgiftsbestämda pensionsplaner

Företaget betalar fastställda avgifter till andra juridiska personer avseende flera statliga planer och försäkringar för enskilda anställda. Företaget har inga legala eller informella förpliktelser att betala ytterligare avgifter utöver betalningar av den fastställda avgiften som redovisas som en kostnad i den period där den relevanta tjänsten utförs.

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Avsättningar, eventualförpliktelser och eventualtillgångar

Avsättningar

Avsättningar för produktgarantier, legala processer, förlustkontrakt eller andra krav redovisas när företaget har en legal eller informell förpliktelse till följd av en inträffad händelse, det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen och beloppet kan uppskattas på ett tillförlitligt sätt. Tidpunkten eller beloppet för utflödet kan fortfarande vara oviss.

Avsättningar för omstruktureringar redovisas bara om en fastställd och utförlig omstruktureringsplan har utarbetats och införts, eller om planens huvuddrag åtminstone har offentliggjorts till dem som berörs av den. Avsättningar redovisas inte för utgifter som hör samman med den framtida verksamheten.

Avsättningar värderas initialt till den bästa uppskattningen av det belopp som krävs för att reglera den befintliga förpliktelsen, baserat på de mest tillförlitliga uppgifter som finns tillgängliga på balansdagen. Avsättningar diskonteras till sina nuvärden där pengars tidsvärde är väsentligt.

Eventuell gottgörelse som Företaget är så gott som säker på att kunna erhålla av en extern part avseende förpliktelsen redovisas som en separat tillgång. Denna tillgång kan dock inte överstiga beloppet för den hänförliga avsättningen.

Avsättningen tas endast i anspråk för de utgifter som avsättningen ursprungligen var avsedd för.

Avsättningen omprövas varje balansdag. Justeringar redovisas i resultaträkningen.

Eventualförpliktelser

Som eventualförpliktelse redovisas

* en möjlig förpliktelse till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller
* en befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Eventualtillgångar

En eventualtillgång är en möjlig tillgång till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir.

Obeskattade reserver

Till följd av kopplingen mellan redovisning och beskattning redovisas obeskattade reserver i företaget. Dessa består till 21,4 % av uppskjuten skatt.

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Not 1 Uppskattningar och bedömningar

När finansiella rapporter upprättas måste styrelsen och den verkställande direktören i enlighet med tillämpade redovisnings- och värderingsprinciper göra vissa uppskattningar, bedömningar och antaganden som påverkar redovisning och värdering av tillgångar, avsättningar, skulder, intäkter och kostnader. De områden där sådana uppskattningar och bedömningar kan ha stor betydelse för företaget, och som därmed kan påverka resultat- och balansräkningarna i framtiden, beskrivs nedan.

Betydande bedömningar

Följande är betydande bedömningar som har gjorts vid tillämpning av de av företagets redovisningsprinciper som har den mest betydande effekten på de finansiella rapporterna.

Redovisning av pågående tjänsteuppdrag

Att bestämma när intäkterna från pågående tjänsteuppdrag ska redovisas kräver bland annat en förståelse för hur arbetet fortskrider och historisk erfarenhet av liknande arbeten. Redovisningen av intäkter från tjänsteuppdrag kräver också väsentliga bedömningar vid bestämning av milstenar, faktisk upparbetning och beräknade utgifter för att färdigställa arbetet.

Bedömning av osäkra fordringar

Kundfordringar värderas till det kassaflöde som förväntas inflyta till företaget. Därmed görs en detaljerad och objektiv genomgång av alla utestående belopp på balansdagen.

Osäkerhet i uppskattningen

Nedan följer information om uppskattningar och antaganden som har den mest betydande effekten på redovisning och värdering av tillgångar, skulder, intäkter och kostnader. Utfallet från dessa kan avvika väsentligt.

Nedskrivningar

För att bedöma nedskrivningsbehovet beräknas återvinningsvärdet för varje tillgång eller kassagenererande enhet baserat på förväntade framtida kassaflöde och med användning av en lämplig ränta för att kunna diskontera kassaflödet. Osäkerheter ligger i antaganden om framtida kassaflöde och fastställande av en lämplig diskonteringsränta.

Nyttjandeperioder för avskrivningsbara tillgångar

Per varje balansdag görs en genomgång av gällande bedömningar av nyttjandeperioder för avskrivningsbara tillgångar. Osäkerheten i dessa bedömningar beror på teknisk inkurans som kan förändra användningen av inventarier, verktyg och installationer.

Intäkter från tjänsteuppdrag

Redovisade intäktsbelopp och tillhörande fordringar för tjänsteuppdrag återspeglar den bästa uppskattningen av utfallet och färdigställandegraden för varje avtal. Detta inkluderar en bedömning av vinsten i pågående tjänsteuppdrag och eftersläpande beställningar. När det gäller mer komplicerade uppdrag finns betydande osäkerhet vid bedömning av kostnaderna för färdigställande och lönsamhet.

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Noter till resultaträkning

Not 2 Avskrivningar m.m. på immateriella och materiella anläggningstillgångar

	2021	2020
Årets avskrivningar	-155	-516
Årets nedskrivningar	–	–
Årets återföringar av nedskrivningar	–	–
	-155	-516

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Noter till balansräkningen

Not 3 Nedlagda utgifter på annans fastighet

	2021-12-31	2020-12-31
Ingående ackumulerade anskaffningsvärden	1 767	1 767
Utgående ackumulerade anskaffningsvärden	1 767	1 767
Ingående ackumulerade avskrivningar	-1 753	-1 451
Årets avskrivningar	-14	-302
Utgående ackumulerade avskrivningar	-1 767	-1 753
Redovisat värde	0	14

Not 4 *Inventarier, verktyg och installationer*

	2021-12-31	2020-12-31
Ingående ackumulerade anskaffningsvärden	11 946	11 946
Utgående ackumulerade anskaffningsvärden	11 946	11 946
Ingående ackumulerade avskrivningar	-11 740	-11 526
Årets avskrivningar	-141	-214
Utgående ackumulerade avskrivningar	-11 881	-11 740
Redovisat värde	65	206

Not 5 Fordringar hos koncernföretag

I beloppet ingår andel av koncernens Cash pool. Denna avräkningsfordran uppgår till 8 350 tkr (8 001 tkr).

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Övriga noter

Not 6 Koncernuppgifter

Företaget är ett helägt dotterföretag till AB Previa, org. nr. 556235-1907 med säte i Stockholm. Företaget upprättar inte någon koncernredovisning enligt 7 kap. 2 § ÅRL. Företagets översta moderföretag som upprättar koncernredovisning är Falck A/S, org. nr. 33 59 70 45.

Not 7 Medelantalet anställda

	2021-12-31		2020-12-31	
	Medelantal anställda	Varav män	Medelantal anställda	Varav män
Sverige	41	6	39	7
Totalt	41	6	39	7

Not 8 Väsentliga händelser efter räkenskapsårets slut

Inga händelser som leder till justeringar eller betydande händelser som inte leder till justeringar har inträffat mellan balansdagen och datumet för utfärdande.

Stockholm den dag som framgår av våra elektroniska underskrifter

Anette Damgaard
Ordförande

Martin Bøttern
Ledamot

Carina Reidler
Ledamot och verkställande direktör

Vår revisionsberättelse har avgivits den dag som framgår av vår elektroniska underkskrift

PricewaterhouseCoopers AB

Magnus Lagerberg
Auktoriserad revisor

✔ Signerat 2022-06-23 09:30:02 UTC

Deltagare

CARINA REIDLER Sverige

Signerat med E-signering

Carina Reidler
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2022-06-16 13:21:05 UTC

Datum

Leveranskanal: E-post

ANETTE DAMGAARD Danmark

Signerat med E-signering

Anette Damgaard
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2022-06-20 12:37:07 UTC

Datum

Leveranskanal: E-post

MARTIN BØTTERN Danmark

Signerat med E-signering

Martin Bøttern
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2022-06-09 08:13:14 UTC

Datum

Leveranskanal: E-post

MAGNUS LAGERBERG Sverige

Signerat med E-signering

Magnus Lagerberg
magnus.lagerberg@pwc.com

2022-06-23 09:30:02 UTC

Datum

Leveranskanal: E-post

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Revisionsberättelse

Till bolagsstämman i Falck Hälsopartner AB, org.nr 556584-2993

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Falck Hälsopartner AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Falck Hälsopartner ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Falck Hälsopartner AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Falck Hälsopartner AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Falck Hälsopartner AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Falck Hälsopartner AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska underskrift

PricewaterhouseCoopers AB

Magnus Lagerberg
Auktoriserad revisor

✔ Signerat 2022-06-23 09:29:55 UTC Oneflow ID 3239227 Sida 2 / 3

Deltagare

PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

Signerat med Svenskt BankID	*2022-06-23 09:29:55 UTC*
Namn returnerat från Svenskt BankID: MAGNUS LAGERBERG	Datum

Magnus Lagerberg
Auktoriserad revisor

Leveranskanal: E-post

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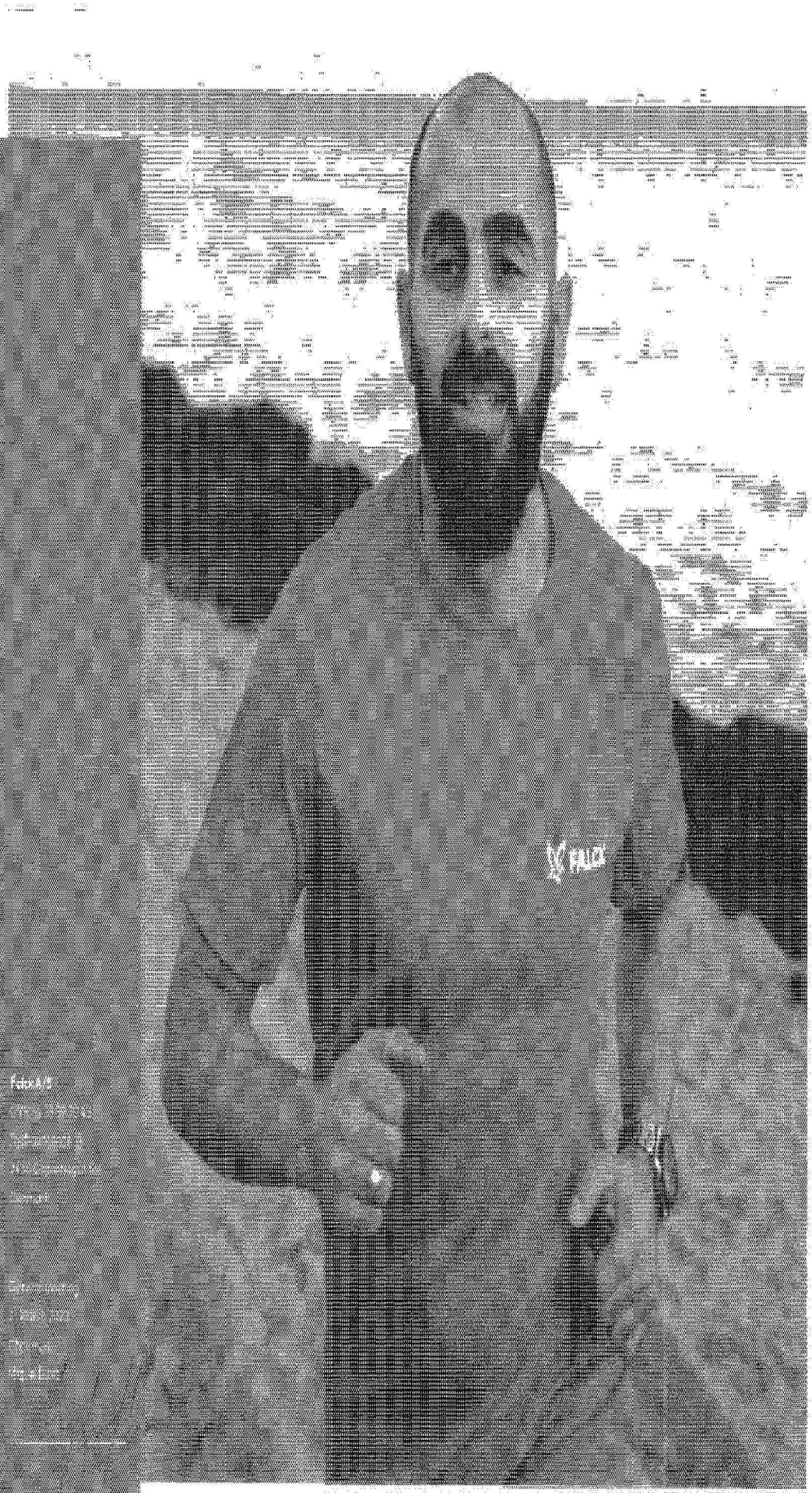
Annual Report 2021



FALCK

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Care for more '25

We want to help more people wake up in the morning and live a healthy li

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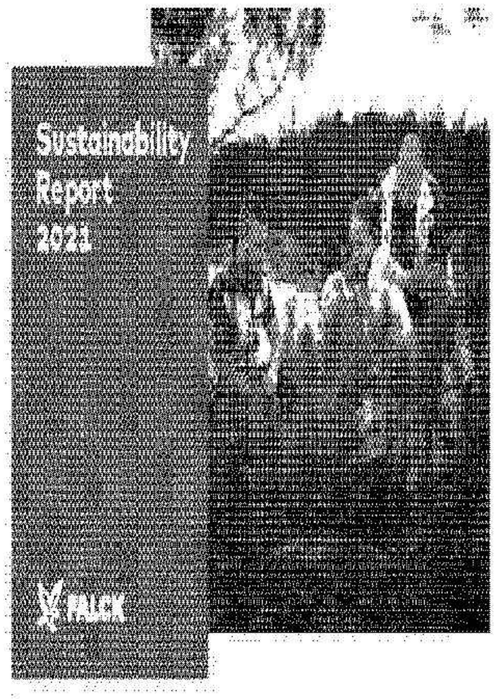


Sustainability Report 2021

Disclosure in accordance with section 99a and 99b of the Danish Financial Statements Act

In brief

In this section

04 At a glance
05 Letter from the Chairman and the CEO
07 Financial highlights
08 Outlook for 2022
09 Five-year summary
10 Key events of the year

At a glance

Every day, we go to work to save lives and support the health and well-being of people

+33,000*
employees

29
countries

+8
million emergency response and healthcare services delivered annually

*) Equivalent to 20,862 FTEs

Our services

Emergency Response

Ambulance Europe
Emergency medical services and patient transport services in Europe

Ambulance US
Emergency medical services in the US

Fire Services
Fire prevention and firefighting services for municipal and industrial customers

Direct Healthcare

Employee Healthcare
Occupational healthcare services and treatments to private businesses, insurance companies, pension funds and public organisations

Assistance
Consumer healthcare subscription, patient transport, roadside assistance and technical services

Community Healthcare
Doctors on call services to individual subscribers, insurance holders and companies

Letter from the Chairman and the CEO

Strong performance in an exceptional year

Falck delivered strong results in 2021. With a solid financial basis, good commercial traction and a new strategy in place, Falck is well positioned for the future.

Falck had an exceptional year in 2021, delivering strong performance, both operationally and financially. Reported full-year revenue was DKK 15,173 million (DKK 12,348 million), EBITA was DKK 1,834 million (DKK 675 million) and the EBITA margin increased to 12.1% (5.5%).

The good results were to a large extent due to the extraordinary efforts made in connection with the COVID-19 antigen testing activities in Denmark. Delivering the testing services stands as one of the largest and most demanding undertakings in Falck's history and is a shining example of good public-private cooperation, as Falck supported healthcare systems under pressure and thereby the infrastructure of society.

More significant than the testing activities, however, was Falck's underlying business which continued to deliver a stable performance despite unpredictable and often difficult circumstances.

In the Direct Healthcare business area, Employee Healthcare increased the portfolio value by winning several new B2B contracts. The number of healthcare subscriptions increased in both Assistance and Community Healthcare. Later in the year, Falck successfully launched a range of new services aimed at private individuals in Denmark, offering a solution to their health issues and leading to a healthier life. Finally, in September, Falck announced the strategically important acquisition of Norway's Frisk Gruppen, which specialises in labour market services and occupational healthcare. The acquisition has further strengthened Falck's footprint as a significant player in employee healthcare across Scandinavia.

In the Emergency Response business area, Falck won several large long-term ambulance contracts in Denmark and Sweden. Falck also lost contracts in Denmark, following a decision by the Danish regions to insource. However, thanks to the long-term tenders completed, 2021 also brought clarity as to Falck's position on the Danish ambulance market from where Falck drives a lot of its innovation and development initiatives. Activity levels in Ambulance increased in Spain, Sweden and Germany, and the large contract in San Diego in the US started up at the end of the year. Falck's Fire Services business won a number of contracts with large industrial corporations in Europe.

In the Portfolio business area, Falck signed an agreement for the divestment of its Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania. The divestments were consistent with Falck's long-term strategy to become an integrated healthcare service provider.

"

2021 was an exceptional year where Falck showed strong performance, both operationally and financially.

"

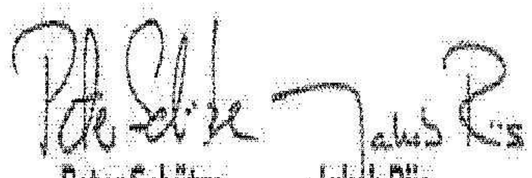
The launch of new healthcare services, the steady development of Falck's Emergency Response contract business, the important acquisition of Frisk Gruppen, and the divestment of parts of Roadside Assistance demonstrate the high activity levels across the business and the achievements made in 2021. In addition, the COVID-19 testing activities further underline Falck's robustness and ability to deliver operationally, despite a demanding environment and challenges related to staff shortages in several countries.

Falck successfully refinanced its long-term funding facilities, amounting to a total of DKK 3.7 billion (EUR 500 million). The new funding facilities provide a strong financial platform for Falck to pursue its strategic objectives. The terms of the facilities are linked to selected sustainability KPIs, thus underlining the Company's long-term sustainability commitment.

With the strong financial results as the base, the new strategy setting the direction, and the refinancing ensuring the funding of the journey, Falck is well positioned for the future.

The Board of Directors proposes that the Annual General Meeting approves an ordinary dividend of DKK 250 and an extraordinary dividend of DKK 750 million. In combination, this corresponds to a pay-out ratio of 81%.

On behalf of the Board of Directors and the Executive Management Team, we would like to thank all our employees for their brave work and continued dedication during the year.



Peter Schütze
Chairman

Jakob Riis
President and CEO

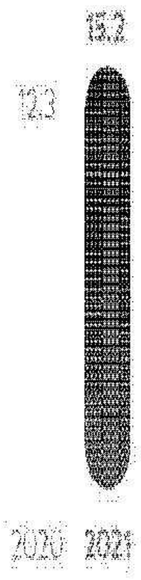
Financial highlights

Revenue, EBITA and free cash flow for the Falck Group increased significantly in 2021.

Revenue

DKK billion

15.2 ▲22.9%

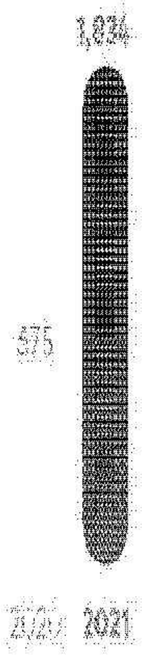


Revenue increased to DKK 15.2 billion of which antigen testing activities in Denmark accounted for DKK 3.5 billion. Excluding testing activities this year and in Q4 last year, revenue decreased by DKK 467 million due to divestment of non-core business activities.

EBITA

DKK million

1,834 ▲172%

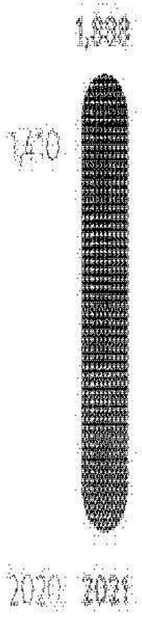


EBITA increased by 172% to DKK 1,834 million of which antigen testing accounted for DKK 1,229 million. Excluding testing activities this year and in Q4 last year, EBITA was on par with last year at DKK 605 million and the EBITA margin improved marginally from 5.0% to 5.2%.

Free cash flow

DKK million

1,888 ▲33.9%



Free cash flow after tax increased by 33.9% to DKK 1,888 million, corresponding to a cash conversion rate of 103%.

Outlook for 2022

During 2021, the world economy has been recovering from the COVID-19 pandemic. For 2022, IMF expects the world economy to grow by an average of 4.9%. Looking into 2022, this is expected to have a positive impact on the pay-on-use business models that Falck apply in some areas of both Emergency Response and Direct Healthcare. It may also have a positive impact on the commercial traction within the subscription-based business models, whereas it is not expected to have a material impact on the contract-based business.

However, the notable recovery seen across many economies combined with global supply chain disruptions have led to sharp increases in inflation rates. In addition, regional and local bottlenecks on the supply of goods and labour availability may aggravate the inflationary picture. Specifically for Falck, the risk of staff shortage and salary inflation in general is significant and is expected to put pressure on underlying profitability in the business. The risk is most significant in the Emergency Response business area.

Revenue

For 2022, the exit from large Danish ambulance contracts as well as the divestment of roadside assistance business outside of Denmark will have a negative impact on revenue. However, this is expected to be more than compensated for by higher activity in general, growth in the subscription portfolios and a higher contract volume mainly driven by the San Diego contract. In addition, the testing activities have continued into Q1 2022. The magnitude of the revenue is highly uncertain and will depend on the development of the COVID-19 situation. Finally, the acquisition of Frisk Gruppen will also have a positive impact on revenue in 2022. Based on this, Falck expects a revenue of DKK 11.8 to 12.3 billion for 2022.

EBITA

The above-mentioned exit from Danish ambulance contracts combined with divestment of roadside assistance business outside of Denmark will have a significant negative impact on EBITA in 2022. The prevailing staff shortage in the Emergency Response business area is also expected to have a negative impact on EBITA due to higher costs related to overtime pay and recruitment costs. However, improved earnings and profitability across all other business units, primarily in the Direct Healthcare area, are expected to partly compensate for this. In addition, earnings from the San Diego contract and from Frisk Gruppen will provide a notable addition to EBITA for 2022. Finally, as mentioned above, the magnitude of testing activities is uncertain, but it is expected that EBITA from testing will also have a notable, positive impact on EBITA. Falck therefore expects EBITA to materialise at approximately DKK 700 to 800 million.

Outlook 2022

Including testing activities

Revenue, DKK billion

11.8-12.3

EBITA, DKK million

700-800

Follow-up on outlook

	2021		2022
DKK billion	Realised	Most recent outlook	Outlook
Revenue	15.2	14.3-14.5	11.8-12.3
EBITA	1.8	1.6-1.7	0.7-0.8

Forward-looking statements

Statements made about the future in this report reflect the Executive Management's current expectations with regard to future events and financial results.

Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from the expectations due to changes in macroeconomic conditions, development in demand and the competitive landscape as well as legislative and regulatory changes in markets that Falck operates in.

Falck A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.

Five-year summary

DKK million	2021	2020	2019	2018	2017
Income Statement					
Revenue	15,173	12,348	13,824	13,988	15,071
EBITA[1]	1,834	675	729	239	14
Impairment of goodwill	-	-	(450)	-	(2,825)
Operating profit (EBIT)	1,634	88	(158)	(64)	(3,177)
Net financial items	(46)	(146)	(158)	(445)	(306)
Profit/loss for the year from continuing operations	1,229	(178)	(546)	(550)	(3,621)
Profit/loss for the year from discontinued operations	-	-	-	(398)	(55)
Profit/loss for the year	1,229	(178)	(546)	(948)	(3,676)
Statement of financial position					
Total assets	12,644	12,031	12,776	12,991	14,561
Net operating assets	6,881	6,358	7,655	7,774	8,032
Total equity	4,964	3,754	3,882	2,198	3,154
Subordinated shareholder loans	-	-	-	2,220	2,008
Net interest-bearing debt, including lease liabilities	1,918	2,605	3,782	5,623	5,404
Cash flows and investments					
Cash flows from operating activities	1,866	1,311	764	784	512
Free cash flow	1,888	1,410	1,050	691	317
Investments in intangible assets and property, plant and equipment	(109)	(66)	(191)	(365)	(428)
Key figures					
Economic profit	919	(52)	(288)	(309)	(418)
EBITA margin (%)	12.1	5.5	5.3	1.7	0.1
Cost of services (OPEX) ratio (%)	75.1	78.1	79.7	81.4	80.4
Sales and administrative expenses (SG&A) ratio (%)	13.2	16.9	16.0	17.5	19.6
Cash conversion rate (%)	103.0	208.9	144.0	289.1	2,264.3
Equity ratio	39.3	31.2	30.4	34.0	35.5
Net interest-bearing debt to EBITDA (leverage)[2][3]	0.80x	1.81x	2.46x	3.33x	3.45x
EBITDA	2,305	1,269	1,369	909	588
FTEs	20,862	20,870	23,920	26,789	27,893

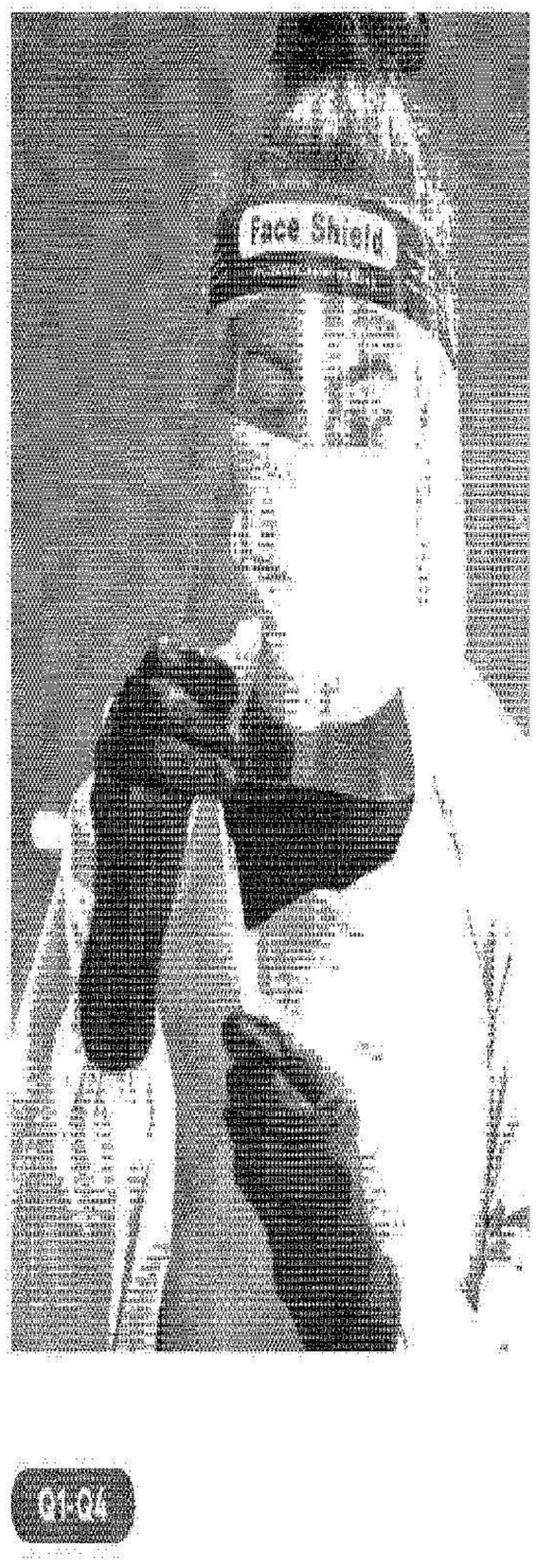
1) EBITA is defined as operating profit before special items, amortisation of customer contracts and brand and gains/losses from divestments of enterprises.

2) For 2017-2020, the leverage is excluding the impact of IFRS 16 implementation.

3) For 2021, the leverage includes full-year impact from Frisk Gruppen.

Comments
See definitions of key figures and ratios in note 1.4 of the consolidated financial statements.

Key events of the year



Q1-Q4

Increased demand for online consultations

The evolution of Falck's virtual services offered in Colombia gained an even stronger position due to the pandemic. Online medical consultation, paediatric video consulting and digital workflows with customers attracted new subscribers to the business. More than one third of all medical services performed in 2021 in Colombia were virtual.

Q1-Q4

COVID-19 testing

In 2021, Falck continued to offer COVID-19 antigen testing to companies and institutions in Denmark as well as to private individuals as part of the Danish government's test strategy. The extensive testing provided fast and accurate insights about the spread of the virus, and it was instrumental in the gradual reopening of Danish society in 2021. In total, Falck performed more than 20 million tests in Denmark during 2021.

Q3

Acquisition of Frisk Gruppen in Norway

In September, Falck announced the acquisition of the Norwegian company Frisk Gruppen, which specialises in labour market services, occupational health services and specialist healthcare. Following the acquisition, Falck's current business in Norway will grow substantially, increasing revenue to NOK 1 billion. Frisk Gruppen has close to 700 employees at 90 locations. With the acquisition, Falck strengthens its footprint as a significant player in employee healthcare in Scandinavia.

Q3

Falck completed EUR 500m refinancing

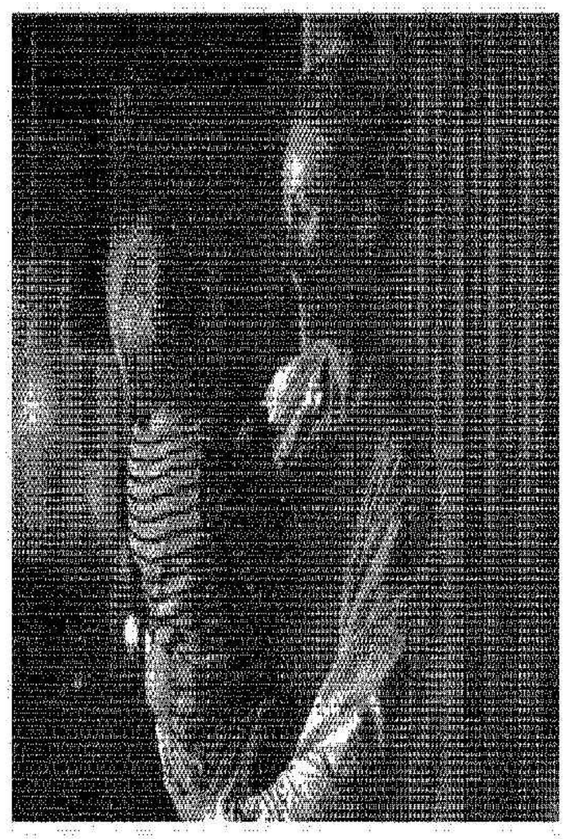
Falck completed a refinancing of its long-term funding facilities amounting to a total of DKK 3.7 billion (EUR 500 million) with a syndicate of five banks on competitive terms. The facilities give Falck the flexibility to pursue its strategic objectives and reflect the financial partners' continued trust in the business. The terms of the facilities are linked to selected sustainability KPIs, thus underlining the Group's long-term sustainability commitment.

Q4

Divestment of parts of Roadside Assistance

As part of Falck's long-term strategy to develop into an integrated healthcare service provider, Falck divested its Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania to Norway's Gjensidige Forsikring for a total consideration (enterprise value) of SEK 1.4 billion. The transaction did not include Falck's Roadside Assistance activities in Denmark. The divestment is subject to the approval of the competition authorities and the Financial Supervisory Authority of Norway which is expected in Q1 2022.

Q4



Launch of new consumer healthcare products

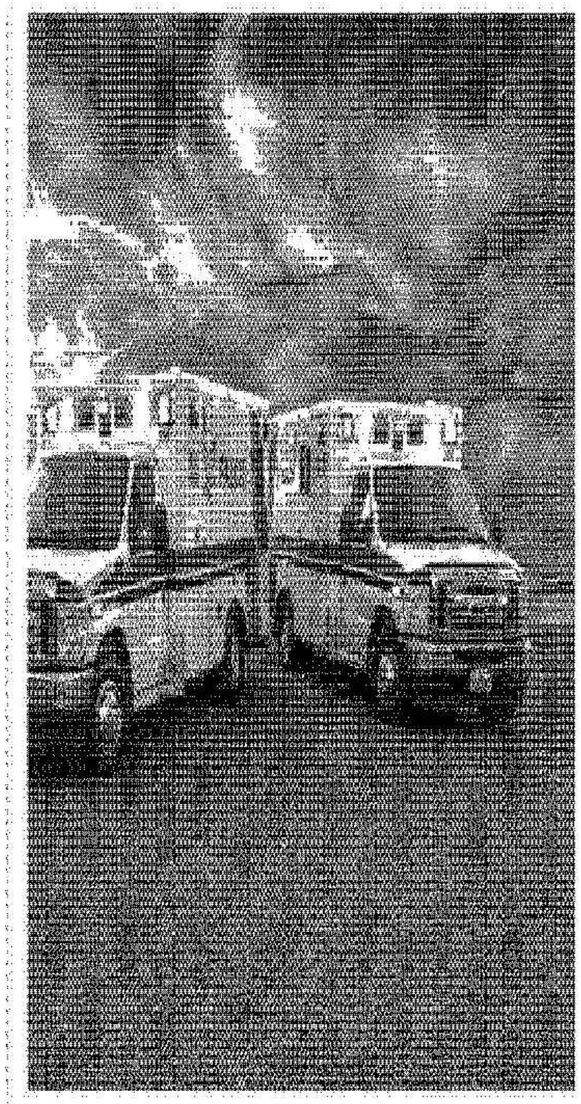
In November, Falck launched a new product range within consumer healthcare in Denmark intended to complement public healthcare solutions. The offerings include new services within prevention and treatment such as annual health checks and physical and psychological treatments. The services are focused on convenience and accessibility with extended opening hours, video consultations and easy access to healthcare professionals.

Q1, Q3, Q4

Ambulance tenders lost and won in Denmark and Sweden

In February, it was announced that Falck will no longer provide ambulance services in the Region North in Denmark when the contract expires in April 2022. In August, Falck was awarded the renewal of four out of five possible subcontracts in the Danish Capital Region. The contract starts in February 2023 and will run for six years with a two-year extension option. In December, Falck was awarded the renewal of two out of four subcontracts in a public tender for ambulance services in the Danish Region Zealand, which will run from February 2024. Falck currently runs ambulance operations throughout the Region but, as expected, the Region will insource half of the ambulance services.

Falck will also continue to provide ambulance services in the Östergötland region in Sweden when the current tender period expires in January 2023. The contract runs for five years with a three-year extension option.



Q2

Growth in Employee Healthcare

In Sweden, Falck signed agreements with the City of Gothenburg and with the Uppsala and Skåne regions as well as Örebro University and Haninge Municipality for the provision of occupational healthcare services. In addition, Falck signed an agreement with the energy company Vattenfall to provide health and safety (HSE) as well as body, mind and lifestyle training to Vattenfall's employees. In Denmark, Falck signed an agreement with Siemens Gamesa, giving its 4,000 employees access to Falck's new "Healthy Body" concept that combines physical treatments with an advisory service covering ergonomics, nutrition, training, preventive exercises and other health-related topics.

Q1-Q4

Major Fire Services contracts

Falck signed several significant industrial Fire Services contracts during 2021. In Poland, Falck won a five-year contract with Mondi Swiecie, a major producer of containerboard paper grades. Falck concluded a three-year contract with pharmaceutical company GSK, covering three production sites in Belgium. Falck Fire Services UK extended its services with CF Fertiliser's Teesside sites. In Romania, Falck won a contract with the country's largest fertilizer producer, Azomures, and a contract with the oil refinery Lukoil. Finally, Falck signed a contract with leading aircraft manufacturer Airbus covering their sites in France, Germany and the UK.

Q1

San Diego contract

In April, the City Council of San Diego, California, decided to move forward with Falck as the city's next emergency ambulance services provider. In late November, 67 Falck ambulances, staffed with freshly-uniformed paramedics and EMTs and stocked with state-of-the-art medical equipment were ready to respond to 911 calls alongside San Diego Fire Rescue Department. With approximately 1.4 million residents, San Diego is the eighth largest city in the U.S.

Strategy

Care for more '25

We want to help more people wake up in the morning and live a healthy life

In this section

13 Care for more '25
17 New Direct Healthcare services
18 Business model
19 Innovation

Delivering integrated healthcare services

At the beginning of 2021, Falck launched a new five-year strategy under the headline Care for more '25. The strategy sharpens Falck's profile as an integrated healthcare services provider aiming to meet healthcare needs of people throughout their lifetime.

Life is precious

At Falck, we want to help more people wake up in the morning and live a healthy life. Somewhere in the world, someone woke up this morning because we helped save their life yesterday, a month ago or several years back. Others live healthier lives because of a treatment we provided or preventive measures we took. We want to do more of this, for more people, in more situations in people's lives where they feel a need.

There is a significant market potential for private healthcare services

Across our markets, we see that people demand healthcare services of a higher quality, delivered when and where they need it, suited to their individual needs and seamlessly connected across multiple types of care. At the same time, societies are under increasing pressure to deliver healthcare to an ageing and more demanding population, while at the same time keeping costs under control.

In relation to the individual, it is Falck's ambition to provide relief from the distress of critical health moments, offer prevention, treatment and rehabilitation, give faster and easier access to specialists, and help people to navigate the healthcare system.

In relation to society, it is Falck's ambition to serve as a supplement to the public system, offer flexible resources that can respond to changing healthcare needs, bring innovations and global learnings to the healthcare sector, and prevent accidents, sickness and work-related healthcare issues thereby lowering the cost of treatments.

Care for more '25

Falck is an integrated healthcare services provider

Emergency Response

Ambulance

Fire Services

Direct Healthcare

Community Healthcare Assistance

Employee Healthcare

Breakthroughs

Build large and loyal customer base

Innovate and design outcome-based services

Enhance our service delivery

Leverage data and digitalisation

Emergency Response

Care for more '25

The emergency response market that Falck targets is ambulance services to local regions and municipalities as well as fire services to municipalities and private companies.

The ambition is to strengthen the commercial agenda within Emergency Response and thereby protect and grow the Group's leading market positions.

Ambulance

Falck operates ambulances in five core markets: Denmark, Germany, Spain, Sweden and the US, primarily in California. These are the markets which currently are most open to private operators and deemed the most attractive to operate in.

The strategy is to expand the position organically across these markets, and in particular to grow outside Denmark, as the Danish regions made a decision in 2019 to insource parts of the ambulance business. Falck aims to ensure that high quality standards and working practices developed in one country are shared and can be used as a competitive advantage in all markets.

Fire Services

The Fire Services business serves a variety of industrial customers in Europe, typically in high-risk industries, e.g. at airports and petrochemical, power generation or manufacturing plants, offering fire prevention, intervention and aftercare. In Denmark, Falck has provided firefighting services to municipalities for several decades and today benefits from a strong partnership with these customers.

The strategy is to grow organically in existing markets by streamlining commercial activities and professional pipeline management, and improving profitability by building scale and sharing specialist knowledge and best practices within selected industries across European markets.

Major contract wins

3

San Diego (US), Capital Region (DK) and Region Zealand (DK) representing a total annual contract value of DKK +1 billion

New sites

12

industrial fire services contracts won in Europe

Direct Healthcare

Care for more '25

The direct healthcare market that Falck targets consists primarily of businesses and consumers who need healthcare services supplementing what is offered by the public system or what is mandated for companies to provide for their employees.

The ambition is to pursue growth opportunities within Direct Healthcare services by increasing sales to B2B and B2G customers in Scandinavia, building a strong market position within consumer healthcare services, and further unlocking the Colombian market through service evolution.

Employee Healthcare

Employee Healthcare provides occupational healthcare services and treatments to private businesses, insurance companies, pension funds and public organisations across Scandinavia.

The strategy is to grow the B2B and B2G market shares in Scandinavia by developing services and accelerating sales. During 2021, Falck strengthened its strategic position through the acquisition of Frisk Gruppen, a market leader in Norway with 700 employees and a nationwide network.

Assistance

Assistance has a broad offering of services such as private healthcare services, patient transport, first aid kits and courses, roadside assistance, and fire prevention. Target customers are primarily consumers and businesses in Denmark.

The strategy is to build a position within consumer healthcare and increase the number of subscribers in order to leverage the strength of the Falck brand.

Community Healthcare

Community Healthcare in Latin America provides "doctors on call" services to individual subscribers, insurance holders and companies.

The strategy is to increase the subscriber base and strengthen market leadership in Colombia through continuous evolution of the service offering and the customer experience.

Frisk Gruppen acquisition

700

employees and a market leader in Norway

Growth in no. of subscriptions

5.9%

patient transport and healthcare service subscriptions

Number of subscribers

539,000

in Latin America

Four breakthroughs to support the Care for more '25 strategy

Care for more '25

To ensure Falck benefits from initiatives that are relevant across all business segments, four breakthroughs have been defined.

The breakthroughs address common themes that are important to further strengthen the business and benefit Falck's customers. They include specific initiatives to be implemented during the strategy period.

1

Build large and loyal customer base

Commitments

Surpass competition by ensuring **satisfied and loyal customers** who see Falck as their **preferred service partner**.

Key enablers

- Build commercial excellence and sales capabilities
- Integrate and operationalise customer centric mindset
- Develop and implement service blueprint
- Build strong healthcare brand in core markets

2

Enhance the service delivery

Commitments

Provide an **integrated and seamless operational backbone** to deliver efficiently on services and continuously **drive out cost and complexity** which do not add value to customers.

Key enablers

- Standardise, digitise and automate core processes
- Streamline IT application landscape
- Drive initiatives to promote a safe and healthy place to work
- Pursue continued operational optimisation

3

Innovate and design outcome-based services

Commitments

Deliver breakthroughs in the healthcare service market through **innovation and intentional service design** by excelling in **understanding unmet customer needs.**

Key enablers

- Enhance healthcare offering through service innovation
- Strengthen Falck's thought leadership in healthcare services
- Build health excellence centres

4

Leverage data and digitalisation

Commitments

Provide an excellent customer experience by enhancing and **combining warm hands services with data-driven and digital solutions.**

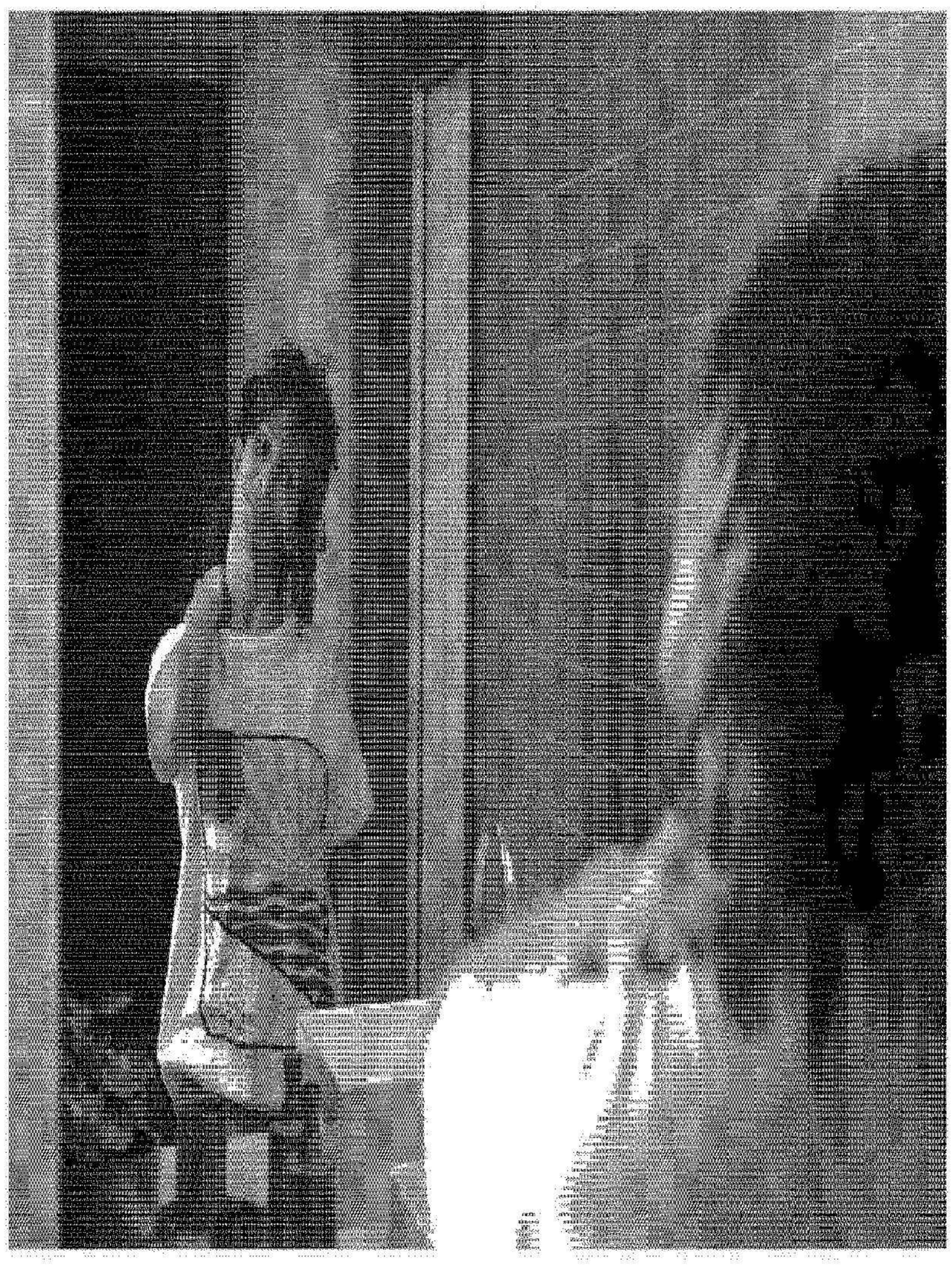
Key enablers

- Create better alignment through master data repository and management
- Ensure accessible and reliable performance insights
- Design and launch relevant front-end digital solutions
- Explore predictive analytics and Artificial Intelligence (AI)

Case

New Direct Healthcare services

In November 2021, Falck launched a range of new services aimed at private individuals in Denmark, offering a flexible solution to their health issues and leading to healthier lives.



Research has shown growing interest in healthcare services offering proactive health checks and providing faster and easier access to treatment by doctors, nurses and therapists as a supplement to the services offered through the public system.

The new service offering, *Falck Sundhedshjælp*, is a direct outcome of the Care for more '25 strategy and Falck's ambition to operate as an integrated healthcare services company. All the new services build on Falck's experience and reputation within healthcare services and are the result of collaboration across Falck's business segments.

The services are grouped into different service packages, targeting four distinct moments in life where people's health needs become more apparent: When you become an adult, when you become a parent, when you come up for air after years of pursuing a career while having small children, and as you near your retirement.

This is supported by a consumer oriented digital platform, serving as the entry point to Falck and making it possible to combine physical and digital services.

Service offerings

- **Online doctor:** Video consultations with a doctor, also at odd hours and in weekends
- **Health line:** Advice from nurses and other health professionals about health and well-being, referral to physiotherapist, chiropractor, osteopath, psychologist or other specialists
- **Psychological help:** Counselling in cases of emotional distress, e.g. anxiety, depression or reactions following severe incidents
- **Physiotherapy, chiropractic, osteopathy:** Access to treatment without an MD referral
- **Patient transport:** Transport to doctors, clinics or hospitals in case of acute needs
- **Annual health check:** Physical tests, blood tests, BMI, etc. leading to a personal health plan and follow-up from Falck
- **Quick diagnosis and single point of contact:** Guaranteed consultation with specialist within 10 days with Falck's healthcare specialist acting as personal support to the customer, providing help on navigating through the healthcare system

Business model

Input

People
Our services are delivered by 33,000 engaged and skilled specialists

Equipment
We use high-quality equipment enabling effective diagnostics and resolution

Partnerships
We partner with local communities to customise our global services to local needs

Innovations
We utilise new technology and explore new ways of working

Brand and reputation
We benefit from a strong brand and a solid reputation for being effective, reliable and caring in everything we do

Emergency Response

Ambulance
Emergency medical services and patient transport services

Fire Services
Fire prevention and firefighting services for municipal and industrial customers

Integrated healthcare services

Direct Healthcare

Employee Healthcare
Occupational healthcare services and treatments to private businesses, insurance companies, pension funds and public organisations

Assistance
Consumer healthcare subscriptions, patient transportation, roadside assistance and technical services

Community Healthcare
Doctors on call services to individual subscribers, insurance holders and companies

Governance and policies

Standard processes and procedures

People management

Technology, systems and innovation

Output

1 Care and safety
We save lives, treat and transport patients, and care for the health and well-being of people

2 Customer value
We support healthy workplaces, offering prevention, treatment and rehabilitation of their employees and save property and valuables

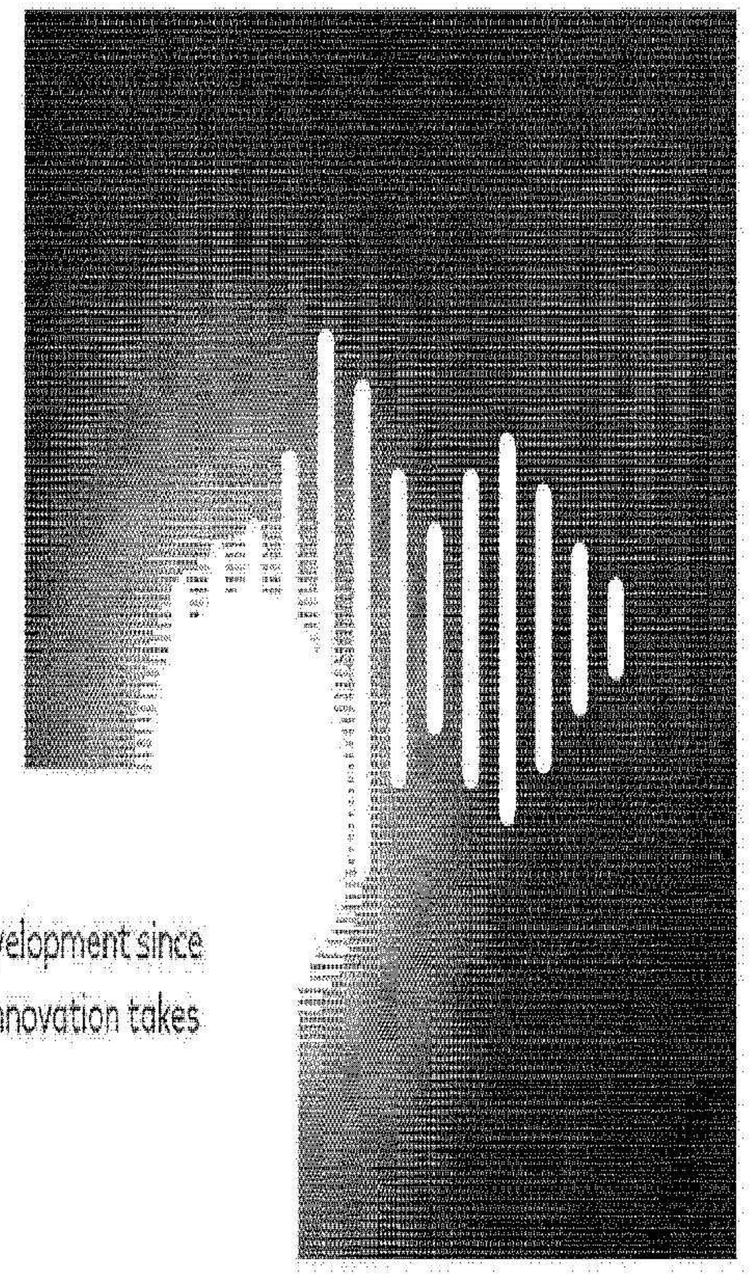
3 Supporting societies
We support national healthcare systems with emergency response and healthcare services

4 A great place to work
We offer challenging and purposeful work with opportunities for personal and professional development

5 Shareholder value
We deliver value to our shareholders

Innovation

For Falck, innovation means always striving to save and improve lives – in a better way or at greater scale. We deliver breakthroughs in healthcare by intentionally designing new outcome-based services that reflect a deep understanding of customer needs and the latest in health science and technology.



Innovation has played a pivotal role in Falck's development since the foundation of the Company in 1906. Today, innovation takes place at three levels:

1

Innovation in operations

How can we solve a given task smarter, more efficiently and at a higher quality? One example is the online medical consultations in Community Healthcare in Colombia.

2

Innovation with our customers

Falck has created one of the world's most sophisticated emergency medical services in cooperation with its customers in Denmark. Today, an ambulance is an advanced point of treatment, a clinic on wheels, where doctors and paramedics begin the treatment of critically ill and injured patients. It is Falck's ambition to continue to set the standard for emergency medical services of the future worldwide.

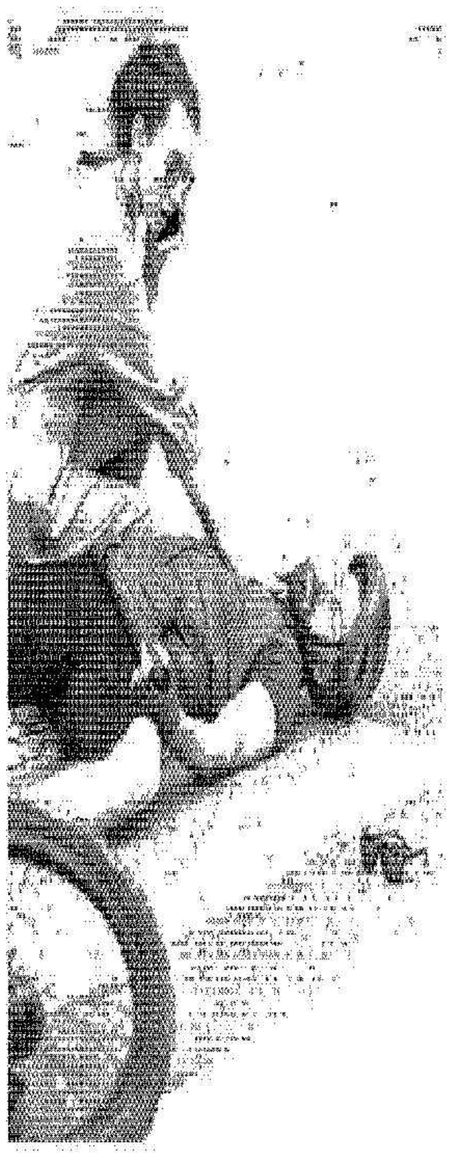
3

Innovation in society

How do we respond to the major healthcare challenges in society caused by changing demographics and limited resources? One example is Falck's work with drones aiming at bringing help closer to the patients with less resources.

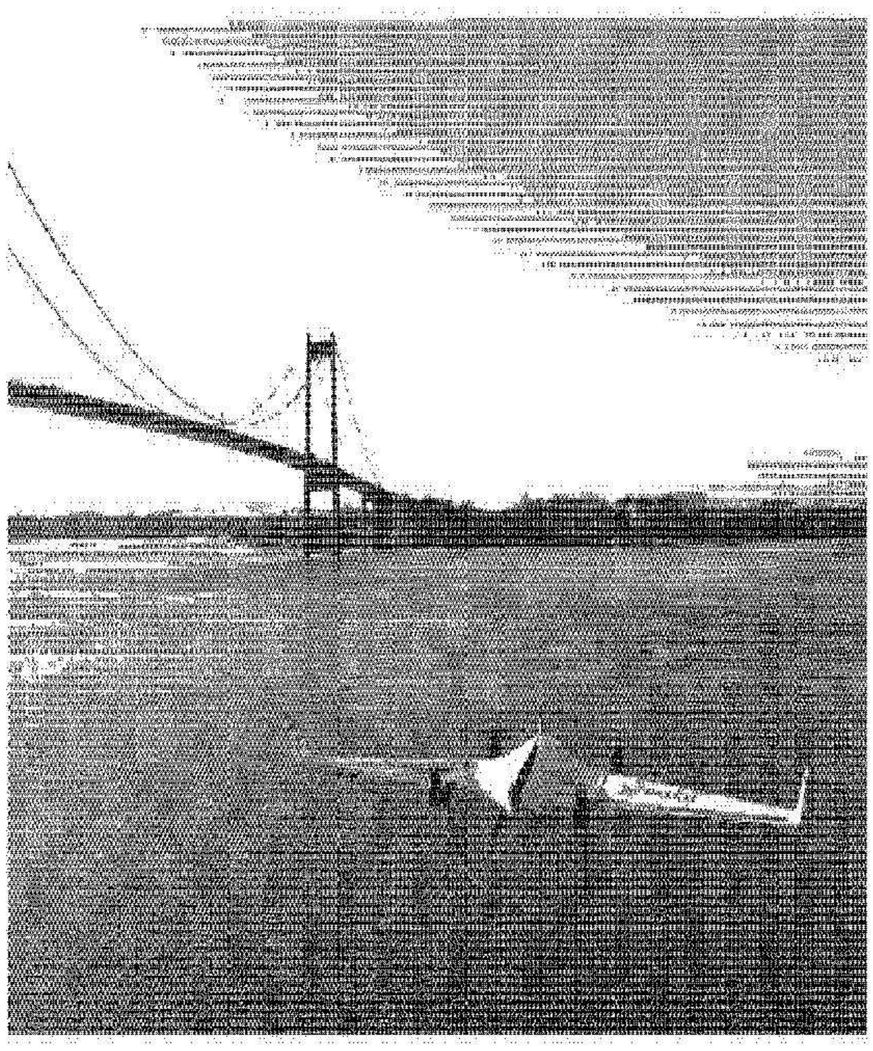
AI in emergency response

Falck entered into a partnership to develop Artificial Intelligence (AI) in ambulances. Corti, a Danish-founded start-up, uses speech recognition and natural language processing to provide second opinions, note-taking, and quality assurance in real-time. The technology has already been deployed at the emergency call centre of Denmark's Capital Region, and by 'listening in' on 112 emergency calls, it can support quicker detection of cardiac arrests. The collaboration between the Region, Corti and Falck will explore how to apply this within the context of ambulance services.



Bystander support

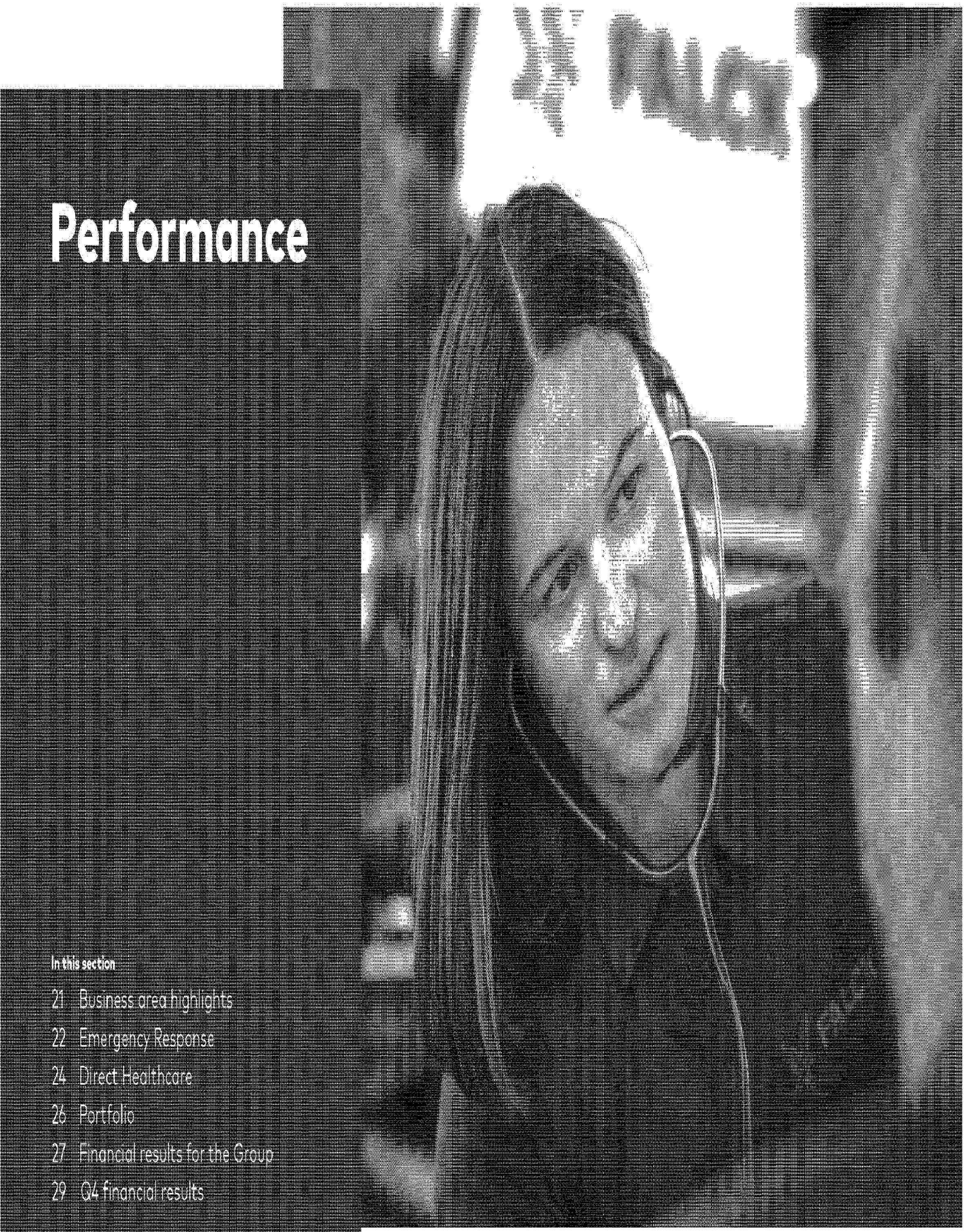
In 2021, Falck initiated a project looking into how we can reduce the distress of experiencing an emergency as a bystander. Twenty-five per cent of the Danish population have experienced an emergency either as a patient or a bystander, and Falck's initial survey shows that one third of them were affected to some degree, e.g. in the form of sleeping disorders, anxiety, depression or PTSD. Early intervention is critical to help people process the event and reduce a prolonged psychological burden. The project combines Falck's experience in emergency response and mental health, strengthening our position as an integrated healthcare services provider.



Healthcare drones

Falck aims to make manned drones an integral part of its fire and emergency medical services by 2025. By using a drone, a paramedic can arrive at the scene of an accident and start treatment much faster than when going by ambulance. In 2021, Falck continued the test flights with cargo drones aimed at transporting blood samples, medicine or defibrillators between hospitals and accident sites or to people living in remote areas. Falck also entered into a partnership with Kitty Hawk, a company pioneering all-electric Vertical Take-off and Landing (eVTOL) aircraft. The plan is to establish a joint innovation platform around Kitty Hawk's latest high-performance single-passenger aircraft project, Heaviside, to be used in emergency response situations.

Performance



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27 Financial results for the Group
29 Q4 financial results

Business area highlights

Falck has grouped its activities in two core business areas, Emergency Response and Direct Healthcare.

Emergency Response comprises the segments Ambulance Europe, Ambulance US and Fire Services.

Direct Healthcare comprises the segments Employee Healthcare, Assistance and Community Healthcare.

Portfolio comprises a number of non-core business entities. Managing these entities outside the scope of Falck's core business allows Falck to optimise the portfolio for value independently of the new strategic direction of Falck.

Throughout this Annual Report, comparative figures are adjusted to the new segment structure.

Testing activities in Emergency Response

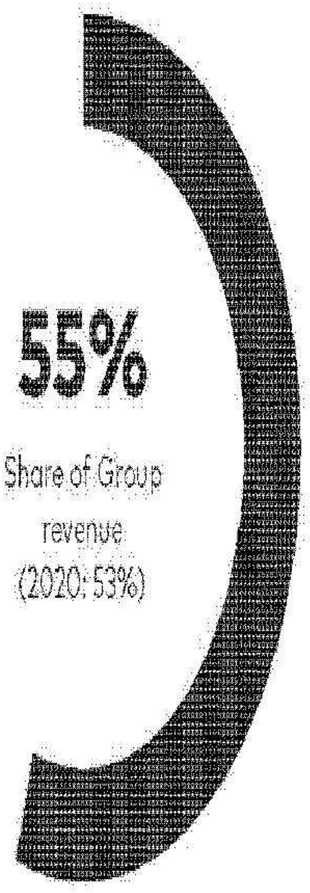
Antigen testing activities contributed positively to Falcks financial results by

DKK million	
Revenue	**3,456**
EBITA	**1,229**

Core business segments'

Excluding testing activities

Emergency Response



55%

Share of Group revenue (2020: 53%)

Revenue DKK million	**6,524**
EBITA DKK million	**332**
EBITA margin %	**5.1**

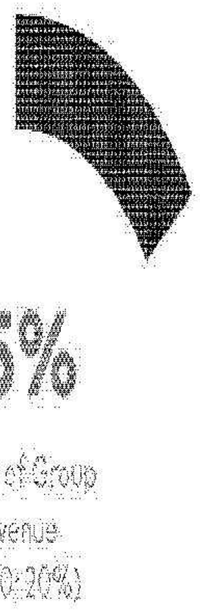
Direct Healthcare

30%

Share of Group revenue (2020: 27%)

Revenue DKK million	**3,556**
EBITA DKK million	**510**
EBITA margin %	**14.3**

Portfolio



15%

Share of Group revenue (2020: 20%)

Revenue DKK million	**1,725**
EBITA DKK million	**37**
EBITA margin %	**2.1**

*) Excluding Group costs and eliminations; see note 2.1

Emergency Response

Revenue and EBITA increased significantly due to the extraordinary business volume related to COVID-19 testing activities in Denmark.

Revenue increased to DKK 9,980 million (DKK 6,573 million) primarily driven by the testing activities in Denmark. In total, around 20 million tests have been performed in 2021, and testing activities contributed DKK 3,456 million to revenue (DKK 164 million in 2020).

Excluding testing activities, the underlying revenue in Emergency Response increased by 2.8% measured in fixed currencies to DKK DKK 6,524 million (DKK 6,409 million) primarily due to a higher volume of ambulance trips in the US as well as the new ambulance contract in San Diego, California.

In Ambulance Europe, revenue in Denmark was negatively impacted by the partial exit from the contract in the Central Region. Staff shortage in Denmark had an adverse impact on operations and led to contract-related penalties, in Q4 in particular, which negatively impacted revenue. However, this was more than compensated for by higher activity in Spain and Sweden as well as the new ambulance contract in Görlitz, Germany. In Germany, the positive impact was partly diluted by lower activity levels in Hamburg due to staff shortages. In Fire Services, revenue was higher than last year, in particular driven by the new contract with Airbus covering several European countries.

Cost of services (OPEX) increased to DKK 7,684 million (DKK 5,459 million), primarily due to testing activities performed in Denmark, involving around 7,000 additional employees in the peak activity months in the late spring, millions of test kits and a significant amount of other utensils. Excluding testing activities, OPEX increased by DKK 132 million to DKK 5,494 million.

The increase was partly driven by the San Diego contract in Ambulance US. Ramp-up costs related to the contract was DKK 45 million and the underlying increase in operational costs was DKK 45 million. Across all contracts in the US, operating costs have been higher than usual due to widespread staff shortages that have resulted in increased overtime pay as well as retention and recruitment costs. In Ambulance Europe, OPEX was also negatively impacted by staff shortage, which in turn led to higher overtime pay, in particular in Denmark but also in Germany and Sweden. In addition, the new contract in Görlitz also contributed to the OPEX increase. In Fire Services, OPEX was in line with last year as operational efficiencies compensated for costs related to start-up of the Airbus and smaller contracts. Total grants of DKK 141 million (DKK 121 million) were recognised, primarily in the US, to compensate for lower activity and higher costs due to COVID-19.

Excluding testing activities, the OPEX ratio increased by 0.6 percentage points to 84.2% negatively impacted by ramp-up costs and higher-than-normal operational costs due to staff shortage.

Key figures

DKK million	2021	2020
Revenue	9,980	6,573
EBITA	1,561	531
EBITA margin (%)	15.6	8.1
EBITA excl. testing	332	464
Free cash flow before tax	1,907	813
FTEs	12,397	10,973

Revenue
by business segment
Excluding testing activities

EBITA
by business segment
Excluding testing activities

Sales and administrative expenses (SG&A) increased by DKK 143 million to DKK 748 million of which testing activities accounted for DKK 37 million. In Ambulance Europe outside Denmark, administrative costs were reduced. In the remaining business units, SG&A increased due to higher administration costs related to the new San Diego contract as well as a higher level of bad debt provision. As a result, excluding testing activities, the SG&A ratio increased by 1.5 percentage points to 10.9%.

EBITA increased to DKK 1,561 million (DKK 531 million), corresponding to an EBITA margin of 15.6%. Excluding the contribution from testing activities of DKK 1,229 million (DKK 67 million), EBITA decreased by DKK 132 million to DKK 332 million, corresponding to an EBITA margin of 5.1% (7.2%). The decrease was partly due to ramp-up costs of DKK 45 million related to the San Diego contract. Contract-related penalties, overtime pay and recruitment costs as a result of staff shortage in Denmark and the US in particular had a negative impact of approximately DKK 60 million. Finally, the partial exit from the Central Region contributed to the decrease by DKK 30 million.

Free cash flow before tax amounted to DKK 1,907 million (DKK 813 million). The significant increase was driven in particular by operating profit from testing activities. Timing of trade payables and a relatively low level of CAPEX also had a positive impact.

Market characteristics

Emergency Response comprises the Ambulance Europe, Ambulance US and Fire Services business segments.

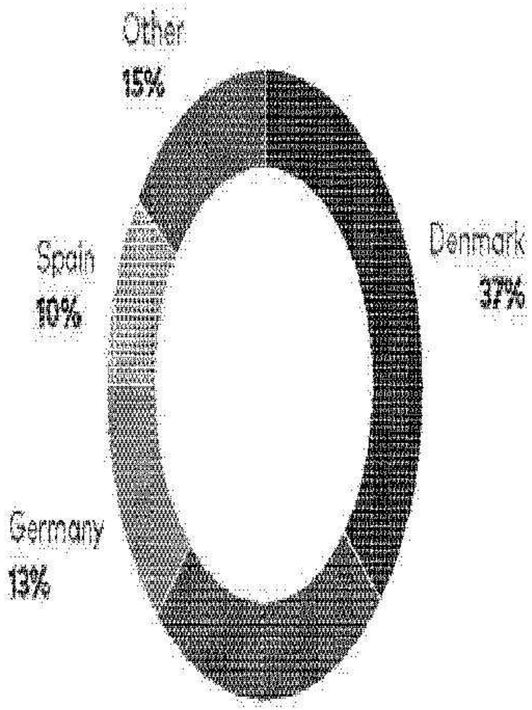
Ambulance Europe and **Ambulance US** provide emergency medical services and patient transport services.

These are offered on long-term contracts awarded in open public tenders on fixed or pay-on-use terms. The market is unconsolidated with many local operators. Two thirds of the emergency response market are currently insourced by healthcare authorities or awarded to NGOs, while one third is outsourced to private operators.

Fire Services offers policies, prevention, preparation, intervention and aftercare to a variety of industrial customers in Europe, typically in high-risk industries, e.g. airports and petrochemical, power generation and manufacturing plants. In Denmark, Falck offers public fire services to municipal customers via long-term contracts.

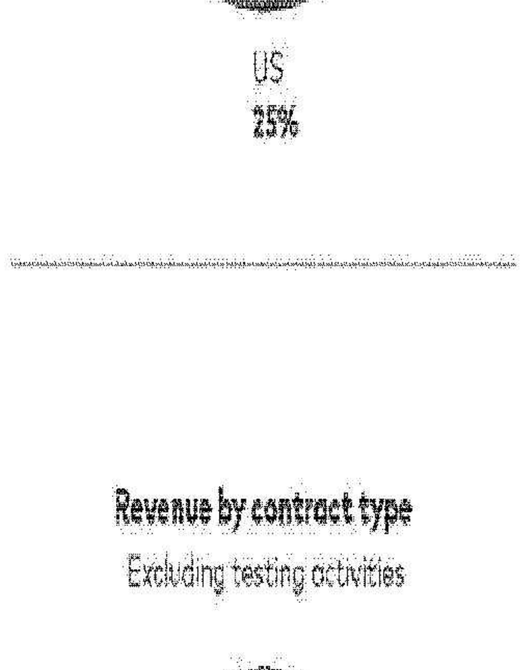
Revenue by geography

Excluding testing activities



Revenue by contract type

Excluding testing activities



Direct Healthcare

Revenue and EBITA increased due to the acquisition of Frisk Gruppen as well as higher activity levels and growth in the subscription base.

Revenue increased to DKK 3,556 million (DKK 3,409 million), corresponding to a growth rate of 4.7% measured in fixed currencies. The acquisition of Frisk Gruppen contributed DKK 90 million to revenue, corresponding to 2.6 percentage points of the growth measured in fixed currencies. In the remaining business, higher activity levels and growth in the subscription portfolio in Community Healthcare contributed to the growth.

In Employee Healthcare, revenue increased by 7.6% measured in fixed currencies of which the inclusion of Frisk Gruppen as of 15 October 2021 accounted for 7.2 percentage points. The underlying growth in the existing business was driven by a higher demand for services compared to last year when the COVID-19 pandemic resulted in widespread closure of physical and psychological treatment facilities across Scandinavia. In addition, strong commercial efforts to increase the value of framework contracts also had a positive impact. The increase in activities more than compensated for the decline in services to insurance companies and pension funds in Denmark resulting from discontinued contracts.

In Assistance, revenue was on par with last year as the solid commercial efforts and improved product offerings within healthcare and patient transport service led to an increase in the number of healthcare subscriptions. In addition to price increases and an increase in pay-on-use services, this compensated for the reduction in the number of roadside assistance subscriptions. In Community Healthcare, revenue increased by 7.6% measured in fixed currencies as a result of solid growth in the number of subscriptions compared to last year supported by higher levels in pay-on-use services and pricing.

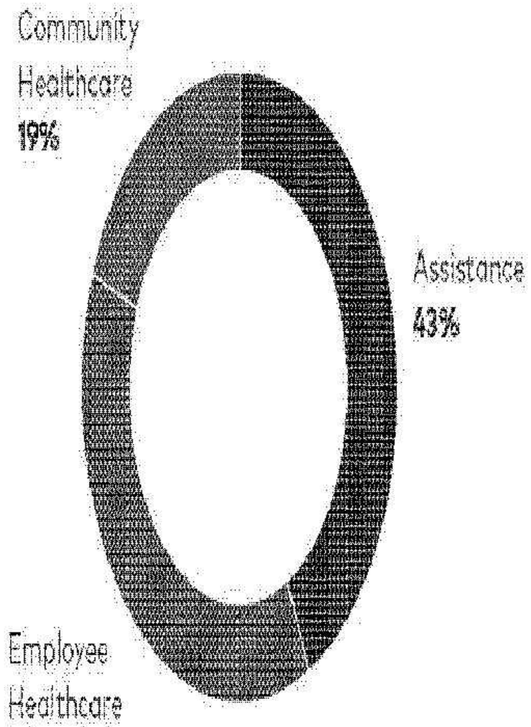
Cost of services (OPEX) increased to DKK 2,342 million (DKK 2,205 million), corresponding to an OPEX ratio of 65.9% (64.7%). The increase was primarily driven by the Assistance business as a result of a higher frequency of use of the subscription-based patient transport services compared to an extraordinarily low level last year. In Community Healthcare, OPEX increased less than revenue supported by a higher ratio of virtual services (instead of physical consultations), which led to an improved OPEX ratio. In Employee Healthcare, OPEX increased due to higher activity, but the OPEX ratio improved significantly due to an increased utilisation rate resulting from increased activity, an improved business mix (less B2I volume) and cost reductions in Sweden.

Grants of DKK 9 million were received to compensate for lower activity, mainly in the beginning of the year. Last year, the OPEX level was positively supported by government grants of DKK 67 million received to compensate for the reduced activity in Employee Healthcare and Assistance.

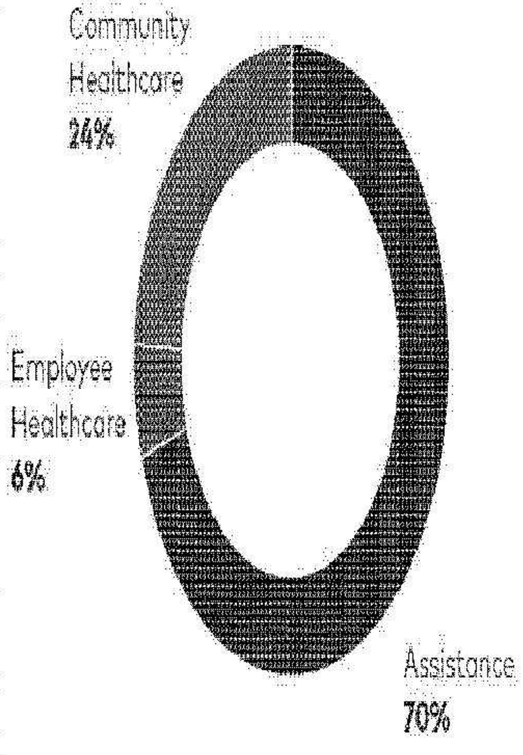
Key figures

DKK million	2021	2020
Revenue	3,556	3,409
EBITA	510	482
EBITA margin (%)	14.3	14.1
Free cash flow before tax	365	541
FTEs	5,353	5,244

Revenue by business segment



EBITA by business segment



Sales and administrative expenses (SG&A) decreased to DKK 707 million (DKK 727 million) due to efficiency improvements and cost savings in Employee Healthcare and reduced provisions for bad debt which more than offset an increase in marketing costs in Assistance. As a result, the SG&A ratio improved to 19.9% (21.3%).

EBITA increased by DKK 28 million to DKK 510 million, corresponding to an EBITA margin of 14.3% (14.1%). The positive effects of increased activity and a higher number of subscriptions in combination with improved utilisation and efficiency improvements more than offset the increase in services provided in the Assistance business. Government grants of DKK 9 million were received in 2021, whereas grants of DKK 67 million were received last year.

Free cash flow before tax was DKK 365 million (DKK 541 million). The reduction in cash flow compared to last year was driven by lower prepayments from insurance companies and timing of trade receivables.

Market characteristics

Direct Healthcare comprises the Employee Healthcare, Assistance and Community Healthcare business segments.

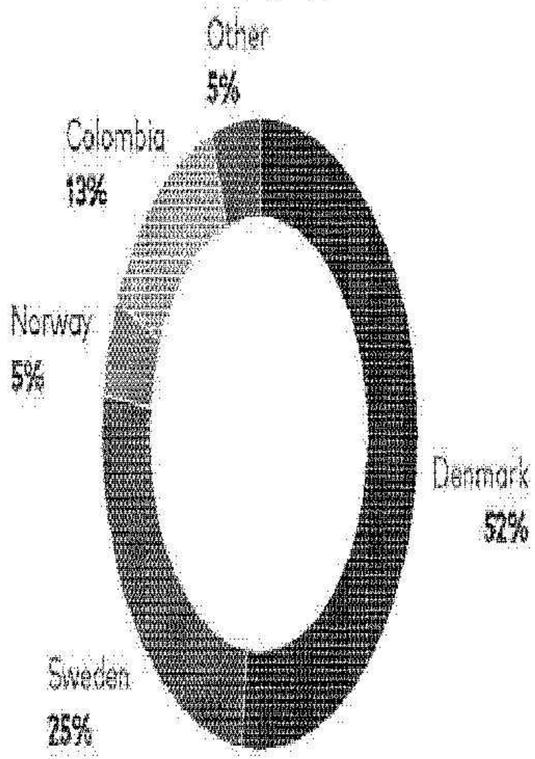
Employee Healthcare provides occupational healthcare services and treatments to private businesses, insurance companies, pension funds and public organisations. The business is subject to some degree of seasonality as demand for treatment usually declines during the summer period.

Assistance has a broad offering of healthcare-related services such as patient transport, personal health, first aid courses and kits as well as roadside assistance and fire prevention, primarily to subscribers.

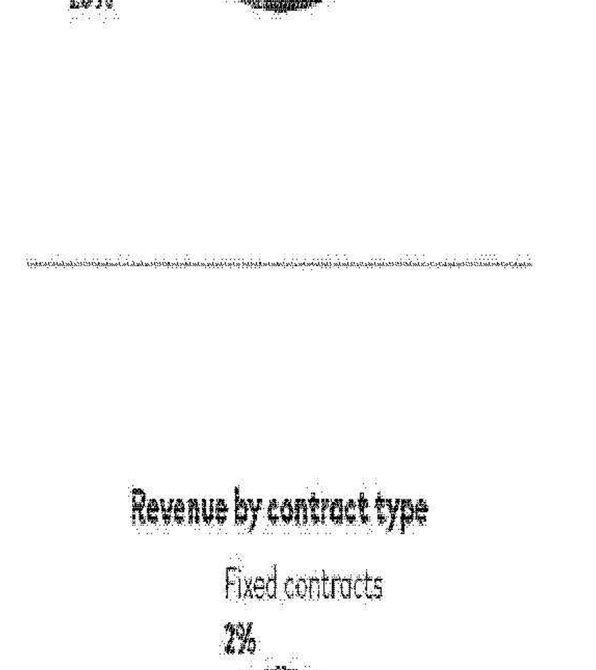
Community Healthcare in Latin America provides "doctors on call" services to individual subscribers, insurance holders and companies.

There is an increasing demand for healthcare plans supplementing the public healthcare system across a number of countries.

Revenue by geography



Revenue by contract type



Portfolio

EBITA improved due to the divestment of unprofitable businesses and efficiency-enhancing initiatives across the remaining Portfolio businesses.

Revenue decreased to DKK 1,725 million (DKK 2,433 million) as a result of the discontinuation of ambulance contracts in the US (mainly the East Coast region) and Slovakia as well as the divestment of ActivCare in Denmark in Q3. In combination, divestments and discontinued operations accounted for DKK 612 million of the revenue decrease. The underlying revenue decreased mainly due to reduced activity in Falck Global Assistance caused by lower levels of travel activity. However, this was offset by increased activity levels in Roadside Assistance in Finland and Sweden.

Cost of services (OPEX) decreased to DKK 1,424 million (DKK 2,092 million), primarily as a result of discontinued businesses as mentioned above, accounting for DKK 574 million of the OPEX decline. Efficiency initiatives implemented across all remaining Portfolio businesses during the past 12 months also had a positive effect on the OPEX performance. As a result, the OPEX ratio improved to 82.5% (86.0%).

Sales and administrative expenses (SG&A) decreased to DKK 309 million (DKK 460 million), driven by the discontinuation of businesses as well as cost reductions across the remaining businesses. The SG&A ratio decreased by 1.0 percentage point to 17.9%.

EBITA increased by DKK 126 million and amounted to DKK 37 million despite a significantly lower revenue, corresponding to an EBITA margin of 2.1% (negative 3.7%). The increase was driven by divestment of unprofitable business as well as efficiency improvements in the remaining business.

Free cash flow before tax amounted to negative DKK 48 million (positive DKK 46 million) and was adversely impacted by timing of trade receivables, trade payables and employee related liabilities. Last year's free cash flow was positively impacted by prepayments and by a reduction of working capital as activity levels declined and outstanding trade receivables were collected, which more than outweighed the negative EBITA.

Divestments

In July, Falck divested the Danish care staffing company ActivCare.

A sales agreement regarding the Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania was signed in December 2021 and is expected to be effective in Q1 2022. The divestment is subject to the approval of the competition authorities and the Financial Supervisory Authority of Norway.

In December, Falck divested its patient transport service business in the Czech Republic as well as its staffing services business in Sweden.

Key figures

DKK million	2021	2020
Revenue	1,725	2,433
EBITA	37	(89)
EBITA margin (%)	2.1	(3.7)
Free cash flow before tax	(48)	46
FTEs	2,799	4,321

Businesses in Portfolio

As part of Falck's Care for more '25 strategy, a number of non-core business entities have been regrouped to the Portfolio business area as they are considered to have limited strategic fit. This allows Falck to focus its strategic efforts on core business areas and to optimise the value of the portfolio independently of the strategic direction of the core business.

Patient transport services in:
- The UK
- Poland

Roadside assistance business in:*
- Norway
- Sweden
- Finland
- Estonia
- Lithuania

Global travel risk management under the Falck Global Assistance brand

Industrial fire and emergency response services in Australia

* Sales agreement signed in December 2021

Financial results for the Group

EBITA for the Falck Group increased to DKK 1,834 million of which COVID-19 testing activities accounted for DKK 1,229 million.

Revenue was DKK 15,173 million (DKK 12,348 million), positively impacted by COVID-19 antigen testing activities in Denmark. Excluding testing activities, revenue was DKK 11,717 million in 2021 compared to DKK 12,184 million in 2020, a decline of 3.3% measured in fixed currencies. The decline in underlying revenue was driven by divestment and discontinuation of operations in the Portfolio segment, whereas revenue increased in the Core business in both the Emergency Response and Direct Healthcare business areas.

Key figures

DKK million	2021	2020
Revenue	15,173	12,348
EBITA	1,834	675
EBITA margin (%)	12.1	5.5
EBITA excl. testing	605	608
Free cash flow after tax	1,888	1,410
FTEs	20,862	20,870

Cost of services (OPEX) increased to DKK 11,394 million (DKK 9,640 million), mainly driven by testing activities. Excluding testing activities, OPEX decreased to DKK 9,204 million, corresponding to an OPEX ratio marginally higher than last year at 78.6% (78.3%). The OPEX decrease was driven by the divestment of loss-making businesses, whereas the OPEX ratio was negatively impacted by higher costs, several of which can be considered as non-recurring.

Sales and administrative expenses (SG&A) decreased to DKK 2,006 million (DKK 2,087 million) due to the discontinuation of businesses in the Portfolio segment. In the Core business, cost savings carried out in the second half of 2020 had a positive effect on SG&A. In Q4 2021, however, SG&A was negatively impacted by costs of DKK 40 million related to the rebranding of Falck business units outside Denmark. All in all, excluding testing activities, the SG&A ratio was flat at 16.8% (17.1%).

EBITA increased to DKK 1,834 million (DKK 675 million), corresponding to an EBITA margin of 12.1% (5.5%). Excluding testing activities, EBITA was on level with last year at DKK 605 million (DKK 608 million) as higher earnings arising from generally higher contract volumes and business activity were offset by ramp-up costs for new contracts as well as higher operating costs due to an increase in the frequency of use of patient transport services combined with staff shortages in Emergency Response. Excluding testing activities, the EBITA margin increased slightly to 5.2%, positively impacted by the divestment of loss-making businesses partly offset by ramp-up costs and project costs related to the global rebranding in Q4. In 2021, grants of DKK 150 million were recognised in OPEX, mainly in Ambulance US. In 2020, total grants of DKK 188 million were recognised, of which Ambulance US accounted for the majority.

Operating profit (EBIT) was DKK 1,634 million (DKK 88 million) and was negatively impacted by DKK 107 million in losses related to the divestment of businesses, by amortisation of customer contracts of DKK 38 million and special items of DKK 55 million. Last year, EBIT was negatively impacted by DKK 306 million in losses related to the divestment of businesses, amortisation of customer contracts of DKK 48 million as well as special items of DKK 233 million.

Profit for the year was DKK 1,229 million (negative DKK 178 million). Net financial expenses were DKK 46 million. Compared to last year, these were positively impacted by reduced interest expenses on loans as well as foreign exchange gains. Income taxes amounted to DKK 359 million, corresponding to an average tax rate of 22.6%.

Free cash flow after tax was DKK 1,888 million (DKK 1,410 million), corresponding to a cash conversion rate of 103%. The cash flow was positively impacted by testing activities and negatively impacted by the payment of postponed direct and indirect taxes in Denmark. Last year's free cash flow was positively impacted by a reduction in working capital (mainly trade receivables), government grants as well as temporary relief from the payment of direct and indirect taxes.

Dividend policy

In 2021, the Board of Directors approved a dividend policy for Falck. According to this policy, it is the ambition of Falck A/S to maintain a stable and growing dividend in nominal terms and a pay-out ratio of at least 30% of profit for the year after tax. In addition, pay-out of extraordinary dividend may be used as a means to adjust the capital structure in case the leverage ratio is lower than targeted, subject to sufficient free reserves being available for dividend. Decisions on pay-out of ordinary as well as extraordinary dividends will be made with due considerations as to maintain adequate strategic flexibility, in particular in respect of possible acquisitions.

Equity increased to DKK 4,964 million compared to DKK 3,754 million at 31 December 2020.

Dividend

In accordance with the dividend policy, the Board of Directors proposes that the Annual General Meeting approves an ordinary dividend of DKK 250 million and an extraordinary dividend of DKK 750 million. In combination, this corresponds to a pay-out ratio of 81%. Based on result for the year excluding testing activities, the proposed ordinary dividend of DKK 250 million corresponds to a pay-out ratio of 93%.

Net interest-bearing debt was reduced by DKK 687 million and amounted to DKK 1,918 million compared to DKK 2,605 million at 31 December 2020. The reduction was driven by cash flow from operations partly offset by the acquisition of Frisk Gruppen.

Economic profit increased to DKK 919 million (negative DKK 52 million) as a result of the increase in operating profit after tax. Excluding testing activities, economic profit was negative DKK 40 million.

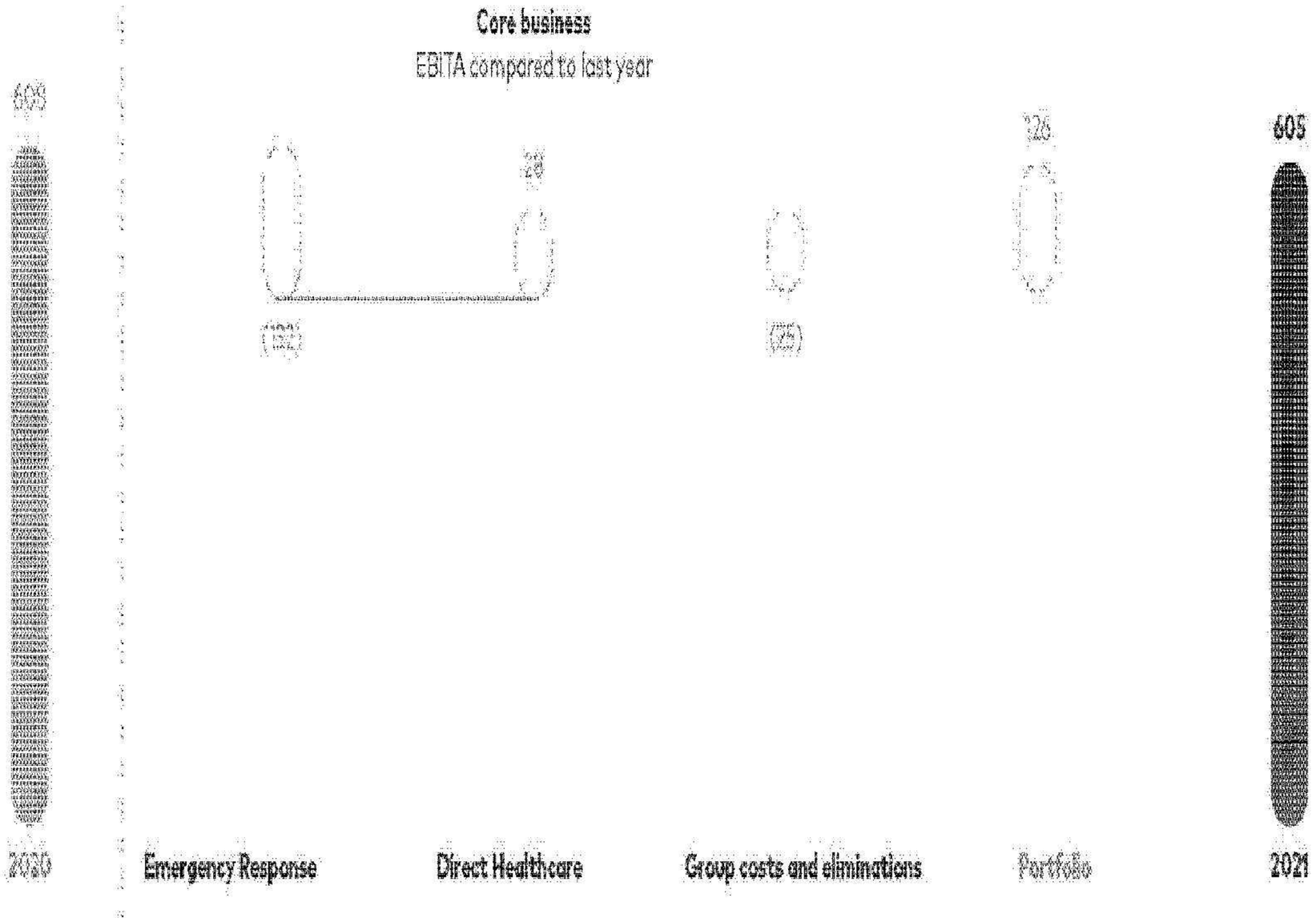
After the reporting date, no events have occurred that have had a material impact on the financial position of the Group.

Development in EBITA from 2020 to 2021

EBITA, DKK million, excluding testing

EBITA in 2021 excluding testing activities decreased to DKK 605 million compared to DKK 608 million in 2020.

EBITA in Falck's core business was DKK 129 million lower than last year, negatively impacted by large items, of which several can be viewed as non-recurring, in particular ramp-up costs in San Diego and global re-branding costs. Staff shortage also had a notable negative impact on the result.



Emergency Response

EBITA was DKK 132 million lower than 2020 impacted by:

- Ramp-up costs in San Diego of DKK 45 million
- Contract-related penalties, recruitment costs and overtime pay due to staff shortage of approx. DKK 60 million
- Reduced contract volume in Central Region of approx. DKK 30 million
- Provisions related to contract changes and restructuring in Ambulance Denmark

Direct Healthcare

EBITA was DKK 28 million higher than 2020 due to:

- Higher activity in the underlying Employee Healthcare business
- A higher subscription base compared to last year
- Cost reductions and operational efficiencies
- EBITA from the acquisition of Frisk Gruppen of DKK 8 million

Group costs and eliminations

Group costs and eliminations increased by DKK 25 million impacted by non-recurring project costs of DKK 40 million related to global rebranding of business operations outside Denmark.

Underlying cost development was positively impacted by cost savings executed in Q3 2020.

Portfolio

EBITA was DKK 126 million higher than 2020 due to:

- Divestment of non-profitable businesses, DKK 53 million
- Higher activity and efficiency improvements in all remaining business units

Q4 results

Emergency Response

EBITA was negatively impacted by ramp-up costs for the San Diego contract as well as overtime pay, recruitment costs and contract-related penalties as a result of widespread staff shortages.

Revenue increased to DKK 2,316 million (DKK 1,719 million), primarily due to testing activities in Denmark. Falck performed a total of approximately 4 million tests in Q4 which contributed DKK 644 million to revenue. Last year, testing activities contributed DKK 164 million. Excluding testing activities, the underlying revenue in Emergency Response increased by DKK 117 million or 6.7% measured in fixed currencies to DKK 1,672 million driven by higher activity in general and the new ambulance contract in San Diego.

In Ambulance Europe, revenue in Denmark was negatively impacted by approximately DKK 40 million as a result of the Central Region having insourced 30% of the ambulance contract effective from March 2021. In addition, contract-related penalties as a result of staff shortage had a negative impact on revenue of approximately DKK 20 million. This was partially offset by increased business activities in Spain and Sweden as well as the new ambulance contract in Görlitz, Germany. In Germany, the positive impact was partly offset by lower activity levels in Hamburg due to staff shortages. In the US, in addition to the San Diego contract, revenue was positively impacted by an increase in the number of ambulance services in general.

Cost of services (OPEX) increased to DKK 1,853 million (DKK 1,378 million), which primarily was driven by testing activities in Denmark. Excluding testing activities, OPEX increased to DKK 1,458 million, corresponding to an OPEX ratio of 87.2% (82.3%).

In Ambulance US, ramp-up costs related to the San Diego contract amounted to DKK 35 million and the underlying increase in operating costs related to the new contract amounted to DKK 45 million. OPEX was also negatively impacted by approximately DKK 20 million in increased costs for recruitment and overtime pay caused by widespread staff shortages in the US, Denmark and Germany. Finally, in Fire Services, ramp-up costs related to the Airbus and smaller contracts amounted to DKK 10 million in total. The remaining increase was driven by higher activity in the business in general, primarily in the US. Government grants of DKK 82 million (DKK 65 million) were recognised in the US to compensate for the adverse impacts of COVID-19. Last year, reversal of provisions and refund of trainee fees in Ambulance in Denmark positively impacted OPEX by DKK 40 million (no full-year impact).

Sales and administrative expenses (SG&A) increased to DKK 263 million (DKK 131 million) driven by testing activities in Ambulance Denmark and by Ambulance US due to higher administration costs and higher bad debt provisions. Excluding testing activities, SG&A increased to DKK 226 million, corresponding to an SG&A ratio of 13.5% (8.4%).

EBITA decreased to DKK 206 million (DKK 220 million). Excluding testing activities, EBITA was negative DKK 6 million, corresponding to a negative EBITA margin of 0.4% (9.9%). EBITA was negatively impacted by ramp-up costs and significantly increased operational costs due to staff shortages in both Europe and the US.

Free cash flow before tax was DKK 81 million (DKK 190 million) negatively impacted by payment of postponed employee related taxes. Conversely, in Q4 last year, cash flow was positively impacted by the postponement of employee related taxes.

Key figures

DKK million	Q4 2021	Q4 2020
Revenue	2,316	1,719
EBITA	206	220
EBITA margin (%)	8.9	12.8
EBITA excl. testing	(6)	153
Free cash flow before tax	81	190
FTEs	11,836	10,925

Q4 results

Direct Healthcare

Both revenue and EBITA increased as a result of higher activity and subscription growth. The acquisition of Frisk Gruppen also impacted the results positively.

Revenue increased to DKK 1,025 million (DKK 881 million), corresponding to a growth rate of 15.5% measured in fixed currencies of which the inclusion of Frisk Gruppen accounted for 10.2 percentage points. The underlying increase was driven by Employee Healthcare.

In Employee Healthcare, in addition to the impact from Frisk Gruppen, the revenue increase was driven by significantly stronger demand for services compared with last year when the COVID-19 pandemic caused widespread closures of treatment facilities. This more than offset the decline in services to insurance companies and pension funds in Denmark.

In Assistance, solid commercial efforts throughout the year and improved product offerings in the healthcare area contributed to an increase in revenue from subscriptions. Price increases and a higher level of pay-on-use services also contributed.

In Community Healthcare, underlying growth in the number of subscriptions was the main driver of a revenue increase, while increased activity levels in pay-on-use services as well as pricing also contributed.

Cost of services (OPEX) increased to DKK 697 million (DKK 582 million), corresponding to an OPEX ratio of 68.0% (66.1%). Part of the increase was driven by the inclusion of Frisk Gruppen in Employee Healthcare, whereas the underlying increase primarily was driven by an increased frequency of use of patient transport services in the Assistance business from an extraordinarily low level last year. For Community Healthcare and Employee Healthcare, in combination, OPEX increased in line with revenue growth and the OPEX ratio was on par with last year.

Sales and administrative expenses (SG&A) decreased to DKK 201 million (DKK 205 million) as the positive effects of general cost reductions and efficiency measures more than offset the effects of an increase in costs related to branding and marketing. As a result, the SG&A ratio decreased to 19.6% (23.3%).

EBITA increased by DKK 34 million to DKK 129 million, corresponding to an EBITA margin of 12.6% (10.8%). The positive effects of increased activity, a higher number of subscriptions and an improved SG&A development more than compensated for higher OPEX.

Free cash flow before tax was DKK 5 million (DKK 48 million). Compared to last year, the cash flow was negatively impacted by the build-up of trade receivables in Employee Healthcare and a lower level of prepayments.

Key figures

DKK million	Q4 2021	Q4 2020
Revenue	1,025	881
EBITA	129	95
EBITA margin (%)	12.6	10.8
Free cash flow before tax	5	48
FTEs	5,879	5,149

Q4 results

Portfolio

Divestment of unprofitable businesses and efficiency improvements in the remaining businesses had a positive impact on profitability.

Revenue decreased to DKK 371 million (DKK 576 million) due to discontinued ambulance contracts in the US (mainly the East Coast region) and Slovakia as well as the divestment of ActivCare. In combination, divestments and the discontinuation of operations had a negative effect on revenue of DKK 211 million in Q4. Revenue from continuing operations was on par with last year.

Cost of services (OPEX) decreased to DKK 302 million (DKK 497 million), primarily as a result of discontinued businesses as mentioned above. Efficiency initiatives across all remaining Portfolio businesses also had a positive impact. As a result, the OPEX ratio improved to 81.5% (86.4%).

Sales and administrative expenses (SG&A) decreased to DKK 74 million (DKK 111 million) driven by the discontinuation of businesses as well as cost reductions across the remaining businesses and the SG&A ratio was marginally increased to 20.0% (19.4%).

EBITA improved by DKK 31 million and amounted to DKK 11 million despite the significantly lower revenue, corresponding to an EBITA margin of 3.1% (negative 3.5%).

Free cash flow before tax was negative DKK 38 million (negative DKK 38 million) and was negatively impacted by the timing of net working capital. Last year's free cash flow was negatively impacted by special item costs of DKK 33 million related to restructuring and divestment of US ambulance entities.

An agreement regarding the divestment of Falck's Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania was signed in December 2021 and is expected to be effective in Q1 2022.

Key figures

DKK million	Q4 2021	Q4 2020
Revenue	371	576
EBITA	11	(20)
EBITA margin (%)	3.1	(3.5)
Free cash flow before tax	(38)	(38)
FTEs	2,333	3,421

Q4 results

Financial results for the Group

EBITA from testing activities compensated for the impact from large non-recurring costs related to contract ramp-up and global rebranding.

Revenue was DKK 3,680 million (DKK 3,151 million), positively impacted by COVID-19 antigen testing activities in Denmark. Excluding testing activities, revenue increased by DKK 49 million to DKK 3,036 million. The divestment and discontinuation of Portfolio businesses had a negative effect on revenue.

In the Core business, excluding testing activities, revenue increased by DKK 254 million of which DKK 140 million was driven by the inclusion of Frisk Gruppen and the San Diego contract. The underlying increase was driven by higher activity and an increased number of subscriptions.

Cost of services (OPEX) increased to DKK 2,911 million (DKK 2,426 million), mainly driven by testing activities. Excluding testing activities, OPEX increased by DKK 87 million to DKK 2,416 million, corresponding to an OPEX ratio of 79.6% (78.0%). The divestment of loss-making businesses had a positive impact, whereas ramp-up costs and higher operating costs in Emergency Response as already mentioned had a negative impact, and the inclusion of Frisk Gruppen also contributed to the increase. Last year, reversal of provisions had a positive impact on OPEX in Q4 (no full-year impact).

Sales and administrative expenses (SG&A) increased to DKK 616 million (DKK 495 million) and were to a large extent driven by the start-up of the San Diego contract and by project costs related to the global rebranding of Falck business units outside Denmark of DKK 40 million. The inclusion of Frisk Gruppen had a minor negative impact on SG&A in Q4. On the other hand, the divestment of Portfolio businesses had a positive effect on SG&A that partly compensated for the above-mentioned increased cost. Excluding testing activities, the SG&A ratio increased to 19.1% (16.6%).

EBITA increased to DKK 275 million (DKK 252 million), corresponding to an EBITA margin of 7.5% (8.0%). Excluding testing activities, EBITA was 63 million, negatively impacted by start-up costs, higher operating costs and project costs related to global rebranding. As a result, excluding testing activities, the EBITA margin decreased to 2.1% (6.2%).

Free cash flow after tax was negative DKK 210 million (DKK 105 million) due to the payment of postponed employee-related taxes and on-account income taxes which more than offset the positive EBITA impact.

Key figures

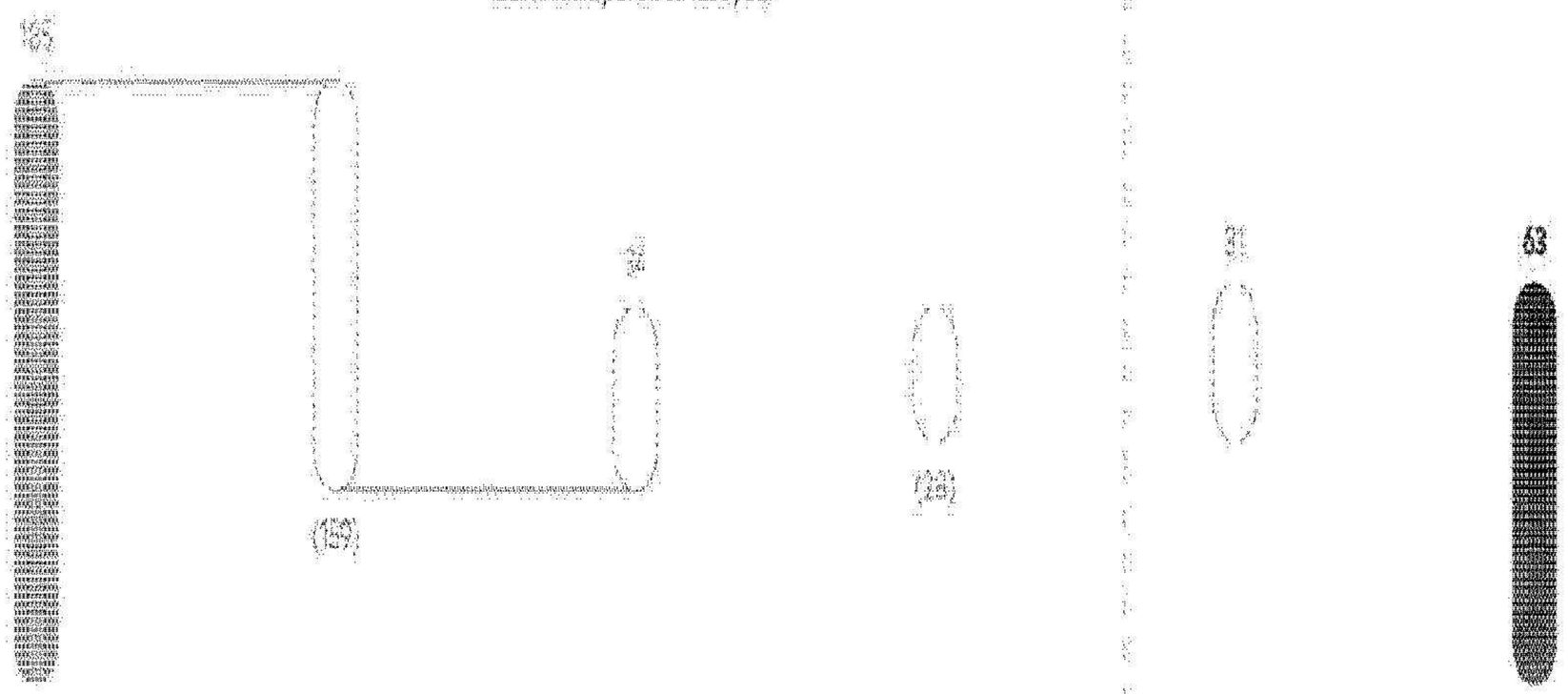
DKK million	Q4 2021	Q4 2020
Revenue	3,680	3,151
EBITA	275	252
EBITA margin (%)	7.5	8.0
EBITA excl. testing	63	185
Free cash flow after tax	(210)	105
FTEs	20,424	19,803

Development in EBITA, Q4 2020 to Q4 2021

EBITA, DKK million

EBITA in Q4 excluding testing activities decreased to DKK 63 million compared to DKK 185 million in 2020.

EBITA for the core business was DKK 153 million lower than last year negatively impacted by large items of which several can be viewed as non-recurring, in particular ramp-up costs in San Diego and global rebranding costs. Staff shortages also had a notable negative impact on the result.



Emergency Response

EBITA was DKK 159 million lower than 2020 impacted by:

- Ramp-up costs in San Diego of DKK 35 million
- Contract-related penalties, recruitment costs and overtime pay due to staff shortage of approx. DKK 40 million
- Reduced contract volume in Central Region of approx. DKK 10 million
- Provisions related to contract changes and restructuring in Ambulance Denmark
- 2020 was positively impacted by reversal of provisions of DKK 40 million (no full-year impact)

Direct Healthcare

EBITA was DKK 34 million higher than 2020 due to:

- Higher activity in the underlying Employee Healthcare business
- A higher subscription base compared to last year
- Cost reductions and operating efficiencies
- EBITA from the acquisition of Frisk Gruppen of DKK 8 million

Group costs

Group costs and eliminations increased by DKK 28 million impacted by non-recurring project costs of DKK 40 million related to global rebranding of business operations outside Denmark.

Underlying cost development was positively impacted by cost savings executed in Q3 2020.

Portfolio

EBITA was DKK 31 million higher than 2020 due to:

- Divestment of non-profitable businesses, DKK 83 million
- Higher activity and efficiency improvements in all remaining business units

Governance

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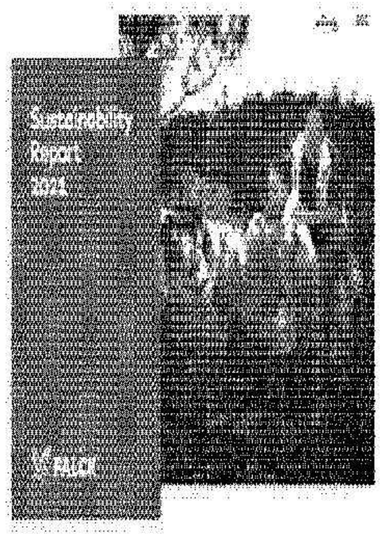
Sustainability

Supporting society is our core business. We help people in urgent need and bring peace of mind to the local communities we serve.

We are committed to supporting and contributing to the societies we are a part of. Our commitment extends to acting responsibly and to contributing to socially, environmentally and economically sustainable developments.

We give particular attention to our impact on

1. Health & well-being
2. People
3. Climate & environment
4. Trust



Sustainability Report 2021

Our initiatives and results in 2021 within these four focus areas are described in more detail in Falck's Sustainability Report which also serves as our annual Communication on Progress to the UN Global Compact and as our disclosure in accordance with section 99a and 99b of the Danish Financial Statements Act.

www.falck.com/about-us/sustainability

ESG KPIs and targets

During 2021, Falck redefined and set long-term targets for the KPIs used to show progress within sustainability. The KPIs included in the dashboard on the following page have been chosen to reflect Falck's **E**nvironmental, **S**ocial and ethical (**G**overnance) impact given the nature of Falck's business.

In Q3 2021, Falck completed a refinancing of its long-term funding facilities amounting to a total of DKK 3.7 billion (EUR 500 million) with a syndicate of five banks. The terms of the facilities are linked to selected environmental and social sustainability targets, thus underlining the Group's long-term sustainability commitment.

It is Falck's intention to commit to the Science Based Targets initiative in 2022, and thereby commit to setting targets for greenhouse gas emissions in line with the Paris Agreement goals.

Governance

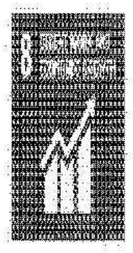
Falck's sustainability efforts form an integral part of its day-to-day business decisions and strategy. Initiatives are managed by relevant business areas and Group functions by their respective management. KPIs and targets are determined by the Executive Management and approved by the Board of Directors. Annual results for each KPI are presented in Falck's Sustainability Report and in the Annual Report.

Health & well-being

Healthcare services, saving lives and promoting health and well-being are at the heart of our business and our business model.

People

We aim to provide our employees with an inspiring, diverse and safe workplace that provides equal opportunities and where everybody can thrive personally and professionally.



Climate & environment

We commit to identifying and mitigating risks, promoting sustainable processes and products and increasing energy efficiency with a special focus on fuel consumption.

Trust

Our compliance strategy and Code of Conduct contribute to our ability to build trust and develop a culture of integrity.

ESG key figures

The ESG dashboard presents a number of KPIs reflecting Falck's[1] performance related to Environmental impact, Social impact and Governance.

In 2021, targets were set for eight of the KPIs, reflecting where Falck aims to make the biggest impact given the nature of our business. The initiatives leading to the results as well as the definitions of the KPIs and the accounting policies are described in Falck's Sustainability Report 2021.

	Unit	Target	Baseline year 2021	2020	2019	2018
Environment						
CO_2e emissions, total[2,3]	Total tonnes	50% reduction in 2030 (Baseline: 2021)	53,194	59,467	69,784	75,479
CO_2e emissions, relative	Tonnes / revenue (DKK million)	10% reduction y-o-y	3.95	4.82	5.05	5.40
Green kilometres	Kms in EVs + kms on HVO / total kms, %		4.7%	-	-	-
Social						
No. of services delivered	Number		8,064,000	6,570,000	-	-
Employee engagement	Number (0-100 scale)	75 in 2025	72	72	71	69
Gender diversity, Executive Management	Female / Total, %	40%	40%	50%	33%	0%
Lost Time Injury Rate (LTIR)	LTIs per 1 million working hours	10% reduction y-o-y (Baseline: 2021)	22.1	17.9	14.3	11.9
Fatalities	Number	Zero	1	11	6	-
Governance						
Whistleblower reporting ratio	Number of reports per 100 employees	>1	1.32	1.17	1.07	0.20
Code of conduct – training	% of employees trained	All full-time employees trained every year	55%	-	-	-

1) Falck Core business
2) Scope 1 emissions
3) A major ambulance contract in San Diego started up in November 2021. This will impact the total CO_2e emission in 2022 significantly. If adding the calculated full-year effect of the contract, Falck's total CO_2 emission in 2021 would be 56,683.

Risk management

Mitigating risks to safeguard our business

The Enterprise Risk Management process plays an instrumental role in strategic and operational planning at Falck. To secure Falck's ability to deliver on its promises and safeguard the interests of its stakeholders, Falck continuously focuses on integrating risk management into all organisational activities and aligning it with Falck's corporate governance and culture.

Risk management

Falck targets near-term to medium-term risks, i.e. threats that may jeopardise Falck's operations and profitability on a 12 to 24-month horizon, and long-term threats where actions are required in the near-term to mitigate future threats.

In 2021, Falck focused on further promoting and integrating risk awareness into its culture and business planning, as well as continuously monitoring the risk picture relative to the Group's objectives.

During the year, the Risk Board, consisting of representatives from Audit, Quality, Legal, Insurance and External Reporting, analysed worldwide megatrends and potential disruptions to ensure that Falck's risk awareness, prioritisation and focus were up to date. The Risk Board closely monitored the progress and effect of mitigating actions designed by the assigned risk owners to address the top-five risks.

The risk appetite, risk picture and progress on mitigating actions to the top-five risks have been monitored by the Executive Management, the Audit Committee and the Board of Directors on a regular basis during year.

The established risk management process enables Falck to ensure that changes in external and internal contexts are adequately captured and reflected in the strategic and operational planning. The evaluation of the Group's performance and the delivery on its strategic objectives serve as an indicator of an efficient risk management process.

Mitigating actions taken to address the top-five enterprise risks in 2021

The top-five enterprise risks disclosed in the Annual Report 2020 have either moved down the list in 2021 in terms of likelihood and potential impact or were merged with newly identified broader risks, except for Compliance breach risk, which continues to be one of the top-five risks for Falck.

The following mitigating actions were taken during 2021 to address the top-five risks:

A. Compliance breach

Falck has further matured its governance of compliance with relevant laws and regulations by providing training to all employees and launching awareness campaigns, screening Falck's contractors and conducting internal audits of the GDPR process and Code of Conduct in respect of compliance with the Foreign Corrupt Practices Act and the UK Bribery Act. This continues to be a significant inherent risk for Falck.

B. Increased churn in subscription business

The risk of losing subscriptions is addressed by Falck's new strategy to become an integrated healthcare services provider and by developing new healthcare services. The risk of not delivering on the strategy is reflected in the newly defined risk "Lack of commercial resources, capabilities, and prioritisation".

C. Changes in the payor environment in the US

A healthcare reform, which could adversely impact Falck's margins if a shift is made towards the government as the main payor, is considered less likely in 2022 due to the changes in the US political environment. As a result, this risk is no longer on the top-five list.

D. Medical malpractice

Since Falck improved its governance of patient incidents and malpractice, and quantified risk by formalising incident reporting, non-compliance with medical standards is no longer seen as a stand-alone risk and has therefore been merged with the "Compliance breach" risk to be treated like other breaches of compliance.

E. Severe cyber security attack

In 2021, Falck worked on developing recovery plans for the most critical IT systems, and continuously increased security awareness among Falck employees to prevent potential cyberattacks and breaches. In 2022, this risk will be merged with a broader risk of "Insufficient planning on emergency preparedness, crisis management and business continuity", which aggregates various threats and disasters, including cyberattacks.

To ensure the successful delivery of Falck's strategy, the top-five enterprise risks for 2022 have been redefined. The broader strategic risk areas have been identified and now include three of the top-five risks set out in the 2020 Annual Report. At the same time, two new risks have moved into the top-five risks for 2022 as shown on the following page.

Top-five risks identified for 2022

	A	B	C	D	E
	Compliance breach	**Shortage of healthcare professionals**	**Cyber security attack, insufficient planning on emergency preparedness, crisis management and business continuity**	**Lack of commercial resources, capabilities and prioritisation**	**Insufficient operational due diligence and incomplete integration of acquired entities**
What is the risk?	Due to the nature of Falck's business, the Group is exposed to various compliance risks. Business ethics requirements, competition laws, GDPR and medical standards are all considered high-risk areas. Not complying with these laws and regulations may result in fines and reputational damage that could jeopardise Falck's license to operate.	Falck's operations may be jeopardised by a shortage of professionals in the healthcare and emergency service areas. This could lead to increased costs of retaining the existing workforce as well as the risk of not being able to meet contractual obligations. This could potentially damage Falck's reputation and deteriorate its market position.	A cyberattack remains a significant threat for Falck due to the complexity of its IT landscape. The lack of preparedness, and lack of robust, global, and standardised business continuity plans may result in the inability to efficiently manage potential critical threats, attacks and disasters. This could impact the ability to continue operations as well as Falck's reputation.	Lack of core commercial resources and capabilities in areas such as market analysis, customer relations, digitalisation and innovation may lead to the inability to keep pace with market trends, digitalisation and technology innovation and therefore result in loss of market share and inability to grow the business.	Acquisition of entities may have an adverse impact on Falck's market value and ability to deliver on its strategy due to insufficient operational due diligence processes and the lack of a structured integration approach.
Planned mitigating actions	Falck monitors changes in laws and regulations, including local medical standards, and trains the organisation to ensure compliance. Falck continues to implement its data protection framework across Falck entities. Third parties are screened against sanctions, adverse media, and criminal findings in accordance with Falck's predetermined risk categories. Internal audits are conducted to provide assurance. Further promotion of the Falck Alert whistleblower system will support timely awareness of potential non-compliance issues.	Falck will analyse current and future workforce demands within key markets for critical segments of healthcare and emergency service professionals to assess Falck's ability to meet future business needs. Retention is critical to reduce the overall risk of a shortage of healthcare and emergency services professionals. Falck will analyse key drivers of professionals leaving Falck and thereby identify the most impactful initiatives to reduce turnover.	Falck will focus on further strengthening its cyber security and global crisis management framework along with business continuity and recovery plans for defined threats, attacks and crisis scenarios. The emergency response set-up will be further developed to enable immediate response to incidents.	Falck will review existing commercial competences against its strategic goals and global best practices with focus on digitalisation, applied analytics and customer experience and address identified gaps. In relation to public contracts, Falck will ensure strong local presence in pre-tender dialogues with the relevant country, municipality or region. Customer experience will be further enhanced by aligning the practices of how Falck interacts with its customers supported by a global customer platform.	Falck will assess future potential acquisitions against its strategy with timely involvement of relevant internal stakeholders and expert advisors. Each acquisition project will follow a newly developed integration methodology to ensure the target is sufficiently integrated. The plan will be reassessed after each project to utilise acquired knowledge and ensure efficiency of future integrations.

Corporate governance

Falck's Management consistently monitors corporate governance with a view to ensuring that the Group is managed in a manner compliant with corporate governance principles and recommendations, and that it meets the expectations of its stakeholders and applies high levels of transparency and compliance.

The ultimate authority of Falck lies with the shareholders who exercise their rights at the Annual General Meeting. Here, the shareholders elect members to the Board of Directors and appoint the independent auditors. Falck has a two-tier management system consisting of a Board of Directors (Board) and an Executive Committee. The two bodies do not have overlapping members, nor do members retiring from the Executive Committee join the Board immediately hereafter.

The Board and the Executive Committee strive to ensure transparency and accountability by building trusting relationships with shareholders, customers, suppliers, employees and the local communities in which Falck operates.

The Board of Directors

The Board is responsible for the overall management and strategic direction of the Group and appoints the members of the Executive Committee. The Board guides and supervises Falck's activities, development, management and organisation. The Board acts in compliance with applicable legislation and meets at least seven times a year or as required by special circumstances.

The Board currently has nine members. Six members are elected by the shareholders and three are elected by the employees in Denmark. Shareholder-elected board members serve for terms of one year and are up for election at the following annual general meeting, whereas employee-elected members are elected for terms of four years.

The most recent election of employee representatives for the Board was held in March 2021. Vagn Flink Møller Pedersen and Henrik Villsen Andersen were re-elected as members and Jacob Bonne Guldberg was elected as member for the 2021-2025 term. Allan Rensgaard stepped down in connection with the election. In May 2021, Henrik Villsen Andersen stepped down and was replaced by elected alternate Stefan Fyhn Gregersen.

Lundbeckfonden is represented on the Board by Peter Schütze (Chairman) and Lene Skole (Deputy Chairman) while KIRKBI is represented by Thomas Lau Schleicher. The other three shareholder-elected members are considered independent whereas none of the employee-elected members are considered independent as defined by the Danish Recommendations on Corporate Governance.

The Board regularly reviews the Group's corporate governance framework and policies in relation to the Group's activities, business environment and the Danish Recommendations on Corporate Governance. The 2021 Comply or explain analysis on corporate governance is available at www.falck.com/about-us/corporate-governance/

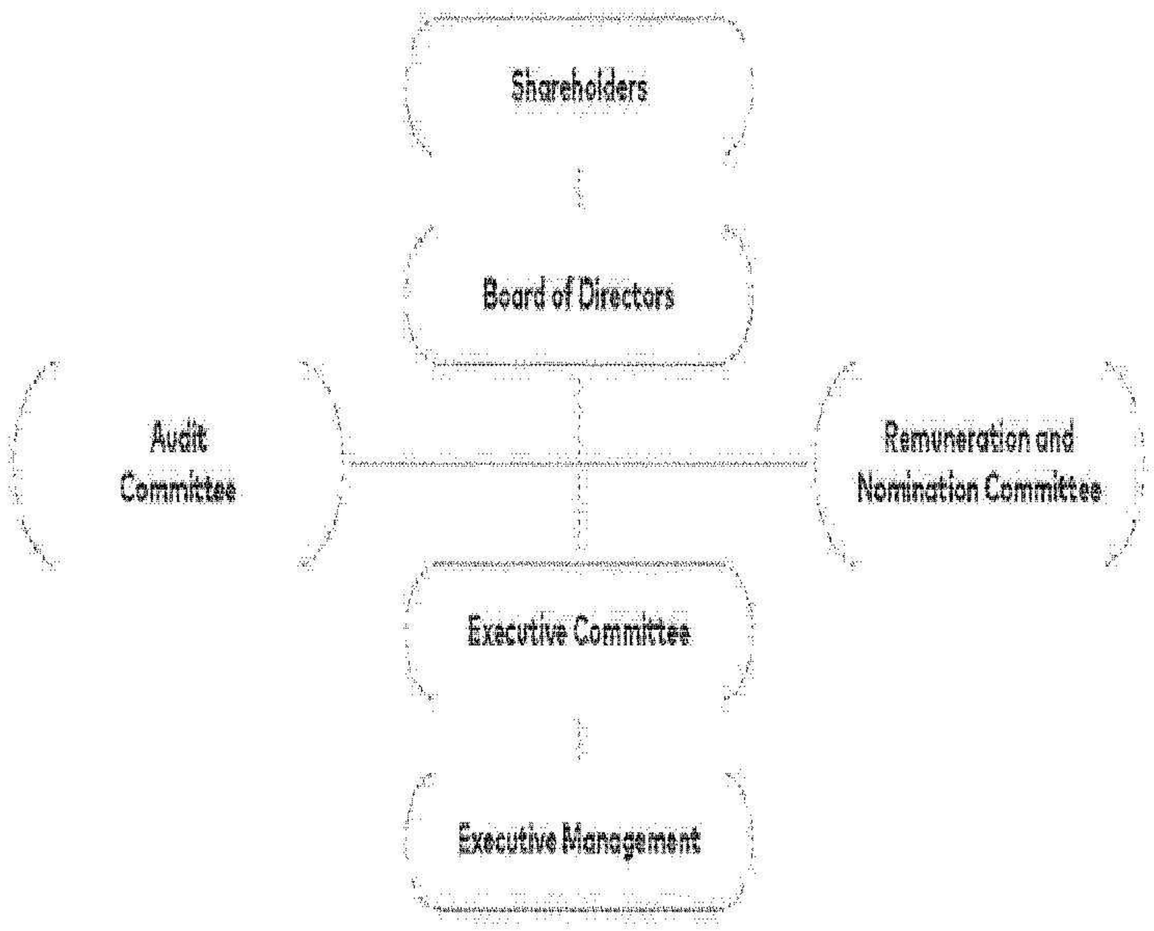
Board competencies

All members of the Board hold equal rights and obligations. The Board believes that members should be chosen based on their overall competencies and recognises the importance and beneficial effect of board diversity with respect to experience, cultural and educational backgrounds and gender.

In 2021, the Board identified a range of competencies that are deemed important for ensuring continued progress of Falck. These are:

- Global business management and strategic operations and governance
- Healthcare industry and market access
- People leadership and change management
- Technology and digitalisation
- Risk management
- Innovation

Governance structure



The Audit Committee and the Remuneration and Nomination Committee are established by the Board of Directors and are responsible for preparing decisions and recommendations for consideration and approval by the Board of Directors. The Executive Committee has established an Executive Management team, which is responsible for the day-to-day management of the Group.

Special competencies required from employee-elected members of the Board are:

- Experience and broad knowledge of how the Company conducts its business
- The ability to balance Falck Group employee perspective and business perspective
- Strong knowledge of what employees in the Company are occupied with and pay attention to
- The ability to advise on appropriate forms of communication between the Company and the employees.

Board evaluation process

The Board conducted the annual board evaluation, which included a collective assessment and self-assessments of the effectiveness of the Board, the processes supporting its work, individual board members' contributions, the Chairman's performance and its interaction with the Executive Committee. In 2021, the collective and individual competencies of the Board were included in the evaluation.

The assessment was conducted by way of each individual board member and member of the Executive Committee anonymously completing a questionnaire, which was then summarised by an external company.

The overall result of the evaluation was a score of 9.84 on a scale from 1 - 10, up from 9.24 last year. All individual board members saw an increase in the scores related to their individual contribution to the Board's work.

According to the conclusion of the evaluation, the Board is generally well-organised and well-functioning and the work of the Board is characterised by open and trusting relationships and cooperation both among its members and with the Executive Committee. The Chairman has provided each board member with feedback.

The two main areas for improvement which were identified in last year's evaluation have been addressed throughout the year: 1) By implementing a clear process for succession planning and by building a talent mentoring programme, 2) by having deep-dives on strategic priorities and/or Falck's important markets on the agenda at each board meeting.

The evaluation in 2021 identified three main focus areas for 2022:

1) ESG
2) Succession for key positions
3) Continuation of relevant deep-dives according to the strategy and its implementation with special focus on Ambulance US and Direct Healthcare

Board activities

The Board held 13 ordinary or extraordinary board meetings as well as a strategy seminar in 2021. The most significant activities were related to the development of Falck's strategy, Care for more '25, the divestment of Falck's Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania and the acquisition of Frisk Gruppen. The regular activities of the Board included discussions and approvals of:

- **Financials:** Annual and interim reports, sustainability report, remuneration report, forecast and targets, ESG-linked syndicated refinancing agreement
- **Strategic and commercial topics:** Acquisitions, divestments, tenders, business updates
- **People and Culture:** Engagement survey results and actions, succession planning
- **Policies:** Tax Policy, Insurance Policy, Risk Policy, M&A Policy, Diversity & Inclusion Policy, Remuneration Policy, Communication Policy, Investor Relations Policy, Sustainability Policy, Data Ethics Policy, Treasury Policy, Whistleblower Policy and Policy on the provision of non-audit services by the independent auditors.
- **Other main topics:** Recommendations on Corporate Governance, Health & Safety, Risks, Whistleblower and Compliance reporting.

Data Ethics Policy

Falck's Data Ethics Policy was developed and approved by the Board in 2021. It is based on the basic principles of data ethics set out by the think tank, DataEthics, and covers the following areas:

- **Purpose and usage:** Human interests prevail over commercial interests. The data that we are legally required to store are held for the benefit of the individual
- **Individual data control:** Individuals should have primary control over the usage of their own data
- **Transparency:** We strive to be transparent when we communicate purposes and interests of data usage to individuals via privacy notices and policies
- **Accountability and governance:** Efforts are made to reduce the risks to individuals and to mitigate undesirable social and ethical implications.

A working group with representatives from global functions and business segments has been established as an advisory board to local and global managements on data ethical matters. The policy is available at www.falck.com/data-protection.

Board committees

The Board has established two committees to support the Board in its decision-making: An Audit Committee and a Remuneration and Nomination Committee.

The Audit Committee assists the Board in monitoring Falck's financial reporting process, accounting policies, statutory audits of annual reports, assessment of quarterly reports, effectiveness of internal control and risk management systems, tax and treasury governance, compliance and whistleblower systems, IT security and the independence of the external auditors. The Audit Committee makes recommendations on these topics to the Board and, on behalf of the Board, follows up on the implementation of initiatives taken by the Executive Committee.

The Board appoints the Audit Committee members from among its members for one-year terms. One member is designated as Committee Chairman. In March 2021, Lene Skole, Lars Frederiksen and Niels Smedegaard were re-appointed to the Audit Committee and Lene Skole was re-appointed Chairman. The Audit Committee meets at least four times a year. The Committee's work and responsibilities are established in a charter.

The most significant activities of the Audit Committee during 2021 were the recommendation for approval of the Annual Report, the Interim Reports and the Sustainability Report, as well as discussions and recommendations related to audit and compliance, IT and cyber security, enterprise risks, and the refinancing agreement linked to selected sustainability KPIs.

The Remuneration and Nomination Committee assists the Board in overseeing the remuneration of members of the Board, members of board committees and members of the Executive Committee, including the determination of remuneration levels and incentive programmes. In addition, the Remuneration and Nomination Committee is responsible for the Remuneration Report and Remuneration Policy, including the general guidelines governing incentive programmes for members of the Executive Committee.

The Remuneration and Nomination Committee is responsible for assisting the Board in performing its duties in terms of ensuring that the Board and the Executive Committee always have the necessary professional competencies and experience, and that they both have an appropriate number of members, for nominating members to the Board and the Executive Committee, and for regularly reviewing the performance of the Board and the Executive Committee. Remuneration and Nomination Committee members are appointed by the Board from among its members for one-year terms. In March 2021, Dorthe Mikkelsen, Peter Schütze and Lene Skole were re-appointed to the Remuneration and Nomination Committee, and Peter Schütze was re-appointed Chairman. The Remuneration and Nomination Committee meets at least twice a year. The Committee's work and responsibilities are established in a charter.

The most significant activities of the Remuneration and Nomination Committee during 2021 were the discussions on and recommendation for approval of remuneration of the Executive Committee and the Board, short-term and long-term incentives, succession planning and definition of competence profiles for the Board and Executive Committee.

The Executive Committee and Executive Management team

The Executive Committee is responsible for the day-to-day management and operation of Falck in accordance with the guidelines and recommendations as set out by the Board and with the primary focus on developing and implementing strategies and significant initiatives. Moreover, the Executive Committee is responsible for ensuring that the Board is informed of all material matters and that proposals and recommendations concerning the Group's overall strategy and objectives are submitted to the Board. The Executive Committee consists of the Group CEO and the Group CFO. In November, Tor Magne Lønnum announced his decision to leave the position as Group CFO as per 30 April 2022 and take up a position outside Falck.

The Executive Committee has established an Executive Management team which is responsible for the day-to-day management of the Group. In addition to the Executive Committee members, the Executive Management team consists of the EVP Assistance, the SVP Healthcare, the SVP Ambulance US, the SVP Ambulance Europe and Fire, the SVP Community Healthcare, the SVP Commercial, the SVP Global People & Culture, and the VP Strategy, Innovation, Communications, Risk & Quality and Executive Office. From 1 November 2021, Gorka Vigara de Otazu was appointed SVP Community Healthcare for Latin America and member of the Executive Management team.

Remuneration

Remuneration of the members of the Board and the Executive Committee is governed by Falck's Remuneration Policy, which complies with the Danish Recommendations on Corporate Governance. The Remuneration Policy and the annual Remuneration Report are both available at www.falck.com/about-us/corporategovernance/remuneration.

Internal controls

The overall responsibility for Falck's internal control environment lies with the Board and the Audit Committee, which monitor the effectiveness of internal controls. The Executive Committee is in charge of implementing and monitoring the appropriate internal control environment.

Falck requires that business procedures and internal controls are laid down and complied with by all entities of the Group. Business procedures and internal controls include standardised requirements with respect to the segregation of duties, authorisations, approval procedures and documentation. Internal financial controls have been implemented to ensure the quality of the annual reporting. The financial controls are defined by External Reporting & Consolidation and are designed to ensure that entities comply with the accounting policies and report accurate numbers to the Group.

Global Audit & Compliance audits entities of the Group as well as the global functions to ensure compliance with the requirements set forth in policies and procedures based on a risk-based approach. Reports are submitted to local and Group management. The Audit Committee receives a quarterly update on the audits performed and any special focus areas, as well as a risk-based list of entities and functions where audits are planned during the following period. In 2021, Global Audit & Compliance conducted control audits of eight businesses in five countries, and 10 other audits of e.g. strategic projects or processes.

Local management is in charge of addressing all findings and Global Audit & Compliance performs a formal follow-up in accordance with agreed deadlines. For each quarter, local business finance is required to perform a sign-off on the quality and compliance with global requirements in respect of the financial reporting and the internal control environment.

Compliance

Falck's Code of Conduct applies to all employees as well as to Falck's business partners. It informs employees of their rights and responsibilities and how to make the best decisions, covering 13 areas, including antibribery, competition compliance, facilitation payments, gifts & hospitality and conflicts of interest.

In 2021, 227 reports were received through Falck's whistleblower system, Falck Alert, from Falck's core business (excl. Frisk Gruppen).

The responsibility for the Code of Conduct is anchored with Quality Management, whose focus is on awareness, training and providing guidance to the organisation.

The responsibility for assessing the level of compliance in the organisation lies with the Global Audit & Compliance function, which provides assurance by conducting audits of the various entities. In 2021, compliance audits were conducted in six business entities in five countries. Global Audit & Compliance reports directly to the Board.

	Board & committees			Meetings		Attendance		
Name	Board	Audit	Remuneration and Nomination	Board meetings	Attendance	Audit	Remuneration and Nomination	Competencies*
Peter Schütze	Chairman		Chairman	●●●●●●●●●●●●	100%		●●●●	●● ●
Lene Skole	Deputy Chairman	Chairman	Member	●●●●●●●●●●●●	100%	●●●●●●	●●●●	●● ●
Lars Frederiksen	Member	Member		●●●●●●○●●●●●	92%	●●●●●●		● ●●
Dorthe Mikkelsen	Member		Member	●●●●●●●●●●●○	92%		●●●●	● ●●
Niels Smedegaard	Member	Member		●●●●●●●●●●●●	100%	●●●●●●		● ●●
Thomas Lau Schleicher	Member			●●●●●●●●●●●●	100%			●● ●
Vagn Flink Møller Pedersen (E)	Member			●●●●○●●●○●●●●	85%			●●
Allan Rensgaard (E)[1]	Member			○●●	67%			
Henrik Villsen Andersen (E)[2]	Member			●●●●●	100%			
Jacob Bonne Guldberg (E)[3]	Member			●●●●●●●●●●	100%			●●
Stefan Fyhn Gregersen (E)[4]	Member			●●●●●●○	86%			●●

(E) Elected by the employees

1) Stepped down as member of the Board of Directors in March 2021

2) Stepped down as member of the Board of Directors in May 2021

3) Elected member of the Board of Directors in March 2021

4) Replaced Henrik Villsen Andersen as member of the Board of Directors in May 2021

● Attended ○ Did not attend

* Strongest competencies

Competencies

- Global business management and strategic operations and governance
- Healthcare industry and market access
- People leadership and change management
- Technology and digitalisation
- Risk management
- Innovation

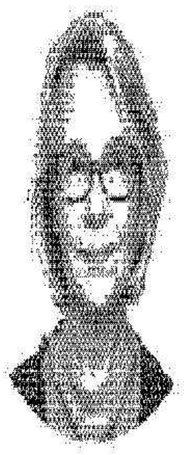
For employee-elected Board members

- Experience and broad knowledge of how the Company conducts its business
- Ability to balance Falck Group employee perspective and business perspective
- Strong knowledge of what employees in the Company are occupied with and pay attention to
- Ability to advise on appropriate forms of communication between the Company and the employees.

Board of Directors

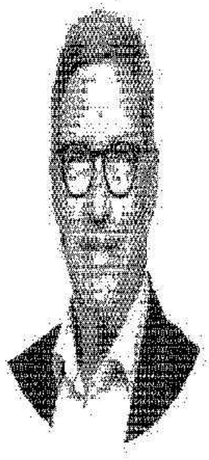
Peter Schütze
Chairman

Board member since	2015
Current term	2021-2022
Considered independent	No
Nationality	Danish
Born	1948
Profession	Professional board member
Competencies	Global business management and strategic operations and governance, healthcare industry and market access, technology and digitalisation, risk management
Board positions	• SimCorp A/S (Chairman) • Nordea-fonden and Tietgenfonden (Chairman) • DSB SOV (Chairman) • The Danish SDG Investment Fund (Chairman) • Lundbeckfonden and Lundbeckfond Invest A/S (Deputy Chairman) • Axcel Future • Member of The Systemic Risk Council • Gösta Enboms Fond • Dronning Margrethe II's Arkæologiske Fond (Chairman)



Lene Skole
Deputy Chairman

	2015
	2021-2022
	No
	Danish
	1959
	CEO of Lundbeckfonden
	Global business management and strategic operations and governance, healthcare industry and market access, people leadership and change management, risk management
	• H. Lundbeck A/S (Deputy Chairman) • ALK-Abelló A/S (Deputy Chairman) • Ørsted A/S (Deputy Chairman) • Tryg A/S and Tryg Forsikring A/S

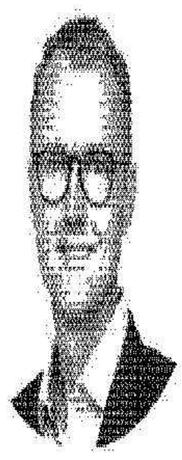


Lars Frederiksen

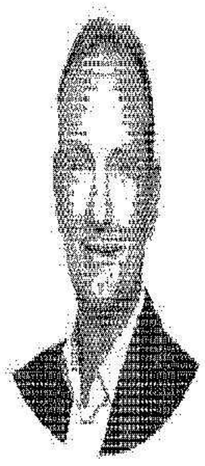
	2014
	2021-2022
	Yes
	Danish
	1958
	Professional board member
	Global business management and strategic operations and governance, people leadership and change management, technology and digitalisation, risk management, innovation
	• Matas A/S (Chairman) • Hedorf Foundation (Chairman) • Atos Medical AB (Chairman) • Hedorf A/S • PAI Partners SA (Chairman Supervisory Board) • Tate & Lyle PLC

Board of Directors

Dorthe Mikkelsen



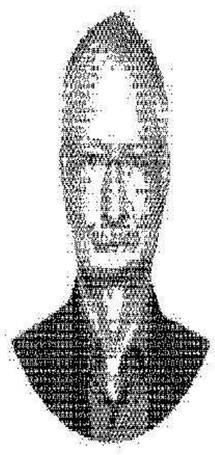
Thomas Lau Schleicher



Niels Smedegaard

Board member since	2014	2020	2016
Current term	2021-2022	2021-2022	2021-2022
Considered independent	Yes	No	Yes
Nationality	Danish	Danish	Danish
Born	1967	1973	1962
Profession	Professional board member	Chief Investment Officer, KIRKBI A/S	Professional board member
Competencies	Global business management and strategic operations and governance, people leadership and change management, technology and digitalisation, risk management	Global business management and strategic operations and governance, healthcare industry and market access, people leadership and change management, risk management	Global business management and strategic operations and governance, people leadership and change management, technology and digitalisation, risk management, innovation
Board positions		• Välinge Group AB (Chairman) • Gölwiken Newco AB (Chairman) • Nilfisk A/S • Adapture Renewables Inc • Topsøe Holding A/S • Boston Holding A/S • KIRKBI Burbo Extension Holding (UK) Limited, a wholly-owned subsidiary of KIRKBI A/S	• ISS A/S (Chairman) • Abacus Medicine (Chairman) • Molslinjen A/S (Chairman) • The Bikuben Foundation (Chairman) • DSV • UK P&I • TT Club • Frederiksberg Fonden • Nikolaj og Felix Fonden • Danish Board Leadership Society

Board of Directors



	Stefan Fyhn Gregersen	Jacob Bonne Guldberg	Vagn Flink Møller Pedersen
Board member since	2021	2021	2015
Current term	2021-2025	2021-2025	2021-2025
Considered independent	No, elected by the employees	No, elected by the employees	No, elected by the employees
Nationality	Danish	Danish	Danish
Born	1989	1978	1957
Profession	Emergency Medical Technician, Respance A/S	Paramedic, Falck Danmark A/S	Rescue Officer, Falck Danmark A/S
Competencies	Experience and a broad understanding of how the Company conducts its business, ability to balance employee and commercial interests, in-depth knowledge of the duties, skills and main concerns of the Company's employees, ability to advise on appropriate forms of communication between the Company and its employees.	Experience and a broad understanding of how the Company conducts its business, ability to balance employee and commercial interests, in-depth knowledge of the duties, skills and main concerns of the Company's employees, ability to advise on appropriate forms of communication between the Company and its employees.	Experience and a broad understanding of how the Company conducts its business, ability to balance employee and commercial interests, in-depth knowledge of the duties, skills and main concerns of the Company's employees, ability to advise on appropriate forms of communication between the Company and its employees.
Board positions			• Lundbeckfonden and Lundbeckfond Invest A/S (elected by the employees) • Falck Danmark A/S (elected by the employees)

Executive Management

Jakob Riis
President and CEO

Tor Magne Lønnum
CFO

Michala Fischer-Hansen
EVP Assistance

Joined Falck	2017	2017	2019
Nationality	Danish	Norwegian	Danish
Born	1966	1967	1974
Educational background	MSc and PhD, Forestry and Econometrics, Faculty of Science, University of Copenhagen	BSc in Accounting & Finance, BI Norwegian School of Management. Master in Accounting, Norwegian School of Economics. Diploma from École nationale des ponts et chaussées	MSc in International Business, Copenhagen Business School. Executive Programme at Wharton Business School, University of Pennsylvania. Novo Nordisk Strategy Execution Programme, Harvard Business School
Career	Prior to joining Falck, Jakob had a 20-year career with Novo Nordisk in commercial roles, i.a. as Executive Vice President North America, Executive Vice President China, Pacific & Marketing and Senior Vice President Global Marketing. He is a member of Falck's Executive Committee.	Tor joined Falck from a position as CFO at Almia Inc. Prior to that he was CFO and member of the executive management at Tryg and deputy CEO and CFO at Gjensidige Forsikring ASA. Tor has also held a number of board positions. He is a member of Falck's Executive Committee.	Michala joined Falck following a 19-year commercial career at Novo Nordisk, i.a. as VP and General Manager Novo Nordisk Australia and New Zealand, Corporate Vice President HQ Marketing and Senior Director Commercial Effectiveness at Novo Nordisk Inc. in the US.
Board positions	• ALK-Abelló A/S • Danish Board of Business Development (Chairman) • Subsidiaries of Falck Group	• Gjensidige Forsikring ASA • Recover Nordic as • Subsidiaries of Falck Group	• Abacus Medicine • Subsidiaries of Falck Group

Executive Management

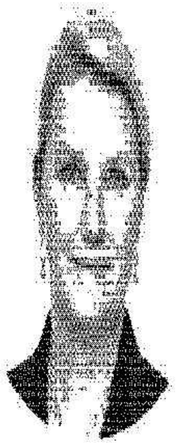
Anette Damgaard
SVP Healthcare

Yann Hedoux
SVP Ambulance US

Lars Dam Jensen
SVP Commercial

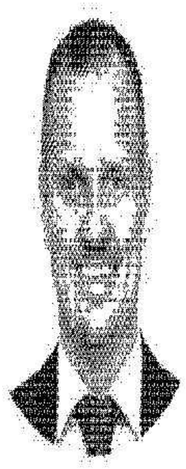
Joined Falck	2018	2011	2021
Nationality	Danish	French	Danish
Born	1968	1974	1972
Educational background	Master of Laws, University of Copenhagen	International commercial executive, Fim France	Graduate diploma in Business Administration, Copenhagen Business School. BA, Electronic Engineering, Universidad Politecnica de Valencia, Spain. Supplementary commercial education from Harvard Business School and Stanford University
Career	Anette joined Falck from a position as Chief Development Officer at Private Hospital Mølholm. Prior to that she served as Managing Director at Privathospital Hjertecenter Varde and Head of Health Policy at The Danish Chamber of Commerce. She has also held management positions with insurance company Skandia and pension funds PFA and Pension Danmark.	Prior to joining Falck, Yann held directive positions within marketing, organisation, operational excellence and core operations at Carrefour in France and Spain. In 2007, he joined the private equity fund Tribeca to become president of Grupo emi, which was acquired by Falck in 2011. In 2020, he joined the Executive Team as SVP Community Healthcare and was later appointed SVP Community Healthcare and Ambulance US. Since November 2021, he has held the position as SVP Ambulance US.	Lars has 20+ years of experience in international leadership, commercial strategy and growth execution, from companies like Rockwool, Capgemini and TDC. From 2011 to 2021, Lars headed up commercial execution at ISS A/S both locally in the Danish and US subsidiaries and at global level.
Board positions	• Subsidiaries of Falck Group	• Subsidiaries of Falck Group	• Hans Christian Andersen Airport

Executive Management



Elisabeth Milton
SVP Global People & Culture

Gorka Vigara de Otazu
SVP Community Healthcare, Latam



Lars Tue Toftild
SVP Ambulance Europe and Fire

Camilla Krohn
VP Strategy, Innovation, Communications, Risk and Quality and Executive Office

Joined Falck	2019	2021	2017	2018
Nationality	Swedish	Spanish	Danish	Danish
Born	1967	1984	1972	1972
Educational background	Master of Business Administration and Economics, International Business Program, Uppsala University. Executive Board Program, Copenhagen Business School	Master's degree in mechanical engineering from ICAI, Universidad Pontificia de Comillas in Madrid and an MBA from Haas School of Business, University of California Berkeley	BSc in International Business (HD(U)) at Copenhagen Business School. Executive Master of Business Administration, RSM Erasmus University, Rotterdam	Master of Laws, University of Copenhagen. Executive MBA, Middlesex University
Career	Elisabeth joined Falck from a position as Vice President Sales & Distribution, Air Italy. Prior to that, she was Chief Commercial Officer, Tivoli, following a 20-year executive career with SAS, both in head office positions and 10 years abroad in the international organisation.	Gorka joined Falck from a position as CEO of Falabella Insurance Colombia. Additionally, he has 7 years of experience from strategy consulting in both Accenture and McKinsey.	Lars joined Falck as Managing Director of Falck Rettungsdienst GmbH in Germany. Prior to that he held various director positions with AP Moller-Maersk, DFDS and Blue Water Shipping in Denmark, Sweden, the Netherlands, Belgium, Italy and Brazil.	Camilla joined Falck from a similar position with COWI, which she had held for 10 years. Prior to this, Camilla had served as Head of Division in the Danish IT and Telecom Agency, among other positions.
Board positions	• Sport Event Denmark (Deputy Chairman)		• Subsidiaries of Falck Group	

Consolidated financial statements

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Income statement

1 January - 31 December

DKK million	Note	2021	2020
Revenue	2.1	15,173	12,348
Cost of services	2.2, 2.7, 3.1, 3.3, 3.4	(11,394)	(9,640)
Gross profit		**3,779**	**2,708**
Sales and administrative expenses	2.2, 3.1, 3.3, 3.4	(2,006)	(2,087)
Other operating income and expenses, net	2.4	61	54
Operating profit before special items (EBITA)[1]		**1,834**	**675**
Special items	2.5	(55)	(233)
Amortisation of customer contracts and brand	3.1	(36)	(48)
Gains/losses from divestments of enterprises	4.2	(107)	(306)
Operating profit (EBIT)		**1,634**	**88**
Financial income	5.3	107	49
Financial expenses	5.3	(153)	(195)
Profit/loss before tax		**1,588**	**(58)**
Income taxes	2.6	(359)	(120)
Profit/loss for the year		**1,229**	**(178)**
Profit/loss for the year attributable to:			
Shareholders in Falck A/S		1,219	(168)
Non-controlling interests		10	(10)
Profit/loss for the year		**1,229**	**(178)**

1) EBITA is defined as operating profit before special items, amortisation of customer contracts and brand, and gains/losses from divestments of enterprises.

Statement of comprehensive income

1 January - 31 December

DKK million	Note	2021	2020
Profit/loss for the year		**1,229**	**(178)**
Actuarial adjustment of pension provisions		1	1
Items that will not be reclassified to the income statement		**1**	**1**
Foreign currency translation adjustment		9	98
Tax on other comprehensive income	2.6	(21)	15
Items that will be reclassified to the income statement		**(12)**	**113**
Other comprehensive income		**(11)**	**114**
Total comprehensive income		**1,218**	**(64)**
Total comprehensive income attributable to:			
Shareholders in Falck A/S		1,208	(54)
Non-controlling interests		10	(10)
Total comprehensive income		**1,218**	**(64)**

Statement of cash flows

1 January - 31 December

DKK million	Note	2021	2020
Operating profit (EBIT)		**1,634**	**88**
Depreciation, amortisation and impairment	3.1, 3.3, 3.4	471	645
Amortisation of customer contracts and brand	3.1	38	48
Change in net working capital	5.6	(12)	542
Gains/losses on non-current assets and enterprises, net		96	293
Interests paid		(151)	(189)
Interests received		107	49
Income tax paid	2.6	(317)	(165)
Cash flows from operating activities		**1,866**	**1,311**
Purchase of property, plant and equipment	3.3	(101)	(37)
Sale of property, plant and equipment		87	25
Purchase of intangible assets	3.1	(8)	(29)
Acquisition of subsidiaries	4.1	(680)	-
Divestment of enterprises	4.2	81	16
Divestment of associated companies		-	5
Purchase of publicly traded securities [1]		(200)	-
Sale of publicly traded securities [1]		199	-
Cash flows from investing activities		**(622)**	**(20)**

DKK million	Note	2021	2020
Transactions with shareholders	6.2	-	(3)
Transactions with non-controlling interests		(187)	(96)
Interest-bearing debt raised	5.2	1,117	552
Repayment of interest-bearing debt, including lease liabilities	5.2	(1,954)	(1,664)
Cash flows from financing activities		**(1,024)**	**(1,211)**
Total cash flows		**220**	**80**
Cash at 1 January		1,111	1,071
Foreign currency translation adjustment		28	(40)
Total cash flows		220	80
Cash at 31 December	5.5	**1,359**	**1,111**

1) Purchase of securities is part of an alternative placement of cash where Falck entered into a repurchase setup agreement (Repo) to ensure Falck at all times had full cash access to the market value of the purchased securities. Purchase was performed in Q2 2021 and sale in Q3 2021.

Statement of financial position

At 31 December

DKK million	Note	2021	2020
Assets			
Goodwill	3.1, 3.2	6,099	5,813
Other intangible assets	3.1	874	650
Property, plant and equipment	3.3	805	912
Right-of-use assets	3.4	1,199	1,122
Investments in associates and joint ventures		1	1
Deferred tax assets	3.5	175	111
Other receivables	3.9	16	40
Total non-current assets		**9,169**	**8,649**
Inventories		70	53
Contract assets	3.6	353	506
Trade receivables	3.8	1,258	1,238
Income tax receivable		25	37
Other receivables	3.9	410	437
Cash	5.5	1,359	1,111
Total current assets		**3,475**	**3,382**
Total assets		**12,644**	**12,031**

DKK million	Note	2021	2020
Equity and liabilities			
Share capital		136	133
Other reserves		(260)	(248)
Retained earnings		5,071	3,686
Equity attributable to Falck A/S		**4,947**	**3,571**
Non-controlling interests		17	183
Total equity	5.1	**4,964**	**3,754**
Loans	5.2	2,083	2,590
Lease liabilities	5.2	747	821
Deferred tax liabilities	3.5	118	52
Provisions	3.11	137	71
Contract liabilities	3.7	20	36
Other payables	3.10	3	2
Total non-current liabilities		**3,108**	**3,572**
Loans	5.2	19	16
Lease liabilities	5.2	429	289
Trade payables		1,118	794
Income taxes payables		300	181
Provisions	3.11	242	195
Contract liabilities	3.7	1,128	1,158
Other payables	3.10	1,336	2,072
Total current liabilities		**4,572**	**4,705**
Total liabilities		**7,680**	**8,277**
Total equity and liabilities		**12,644**	**12,031**

Statement of changes in equity

1 January - 31 December

2021 DKK million	Share capital	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2021	**133**	**(248)**	**3,686**	**3,571**	**183**	**3,754**
Foreign currency translation adjustment[1]	-	9		9	-	9
Actuarial adjustment of pension provisions	-	-	1	1	-	1
Tax on other comprehensive income (relating to intercompany loans)	-	(21)	-	(21)	-	(21)
Other comprehensive income	-	(12)	1	(11)	-	(11)
Profit/loss for the year	-	-	1,219	1,219	10	1,229
Total comprehensive income	**-**	**(12)**	**1,220**	**1,208**	**10**	**1,218**
Capital increase	3	-	-	3	-	3
Dividend paid/declared	-	-	-	-	(4)	(4)
Change in non-controlling interests' ownership share[2]	-	-	172	172	(172)	-
Revaluation of put options related to non-controlling interests	-	-	(7)	(7)	-	(7)
Total transactions with owners	**3**	**-**	**165**	**168**	**(176)**	**(8)**
Total changes in equity in 2021	**3**	**(12)**	**1,385**	**1,376**	**(166)**	**1,210**
Total equity at 31 December 2021	**136**	**(260)**	**5,071**	**4,947**	**17**	**4,964**

1) Includes the impact from recycling of foreign exchange reserves of DKK 18 million related to divested and liquidated entities.

2) The change in non-controlling interets' ownership share mainly relates to the acquisition of shares in Falck Healthcare A/S at DKK 125 million paid in Falck shares. Please refer to note 6.2 on this.

Statement of changes in equity

1 January - 31 December

2020 DKK million	Share capital	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2020	**133**	**(361)**	**3,858**	**3,630**	**252**	**3,882**
Foreign currency translation adjustment[1]	-	98	-	98	-	98
Actuarial adjustment of pension provisions	-	-	1	1	-	1
Tax on other comprehensive income (relating to intercompany loans)	-	15	-	15	-	15
Other comprehensive income	-	113	1	114	-	114
Profit/loss for the year	-	-	(168)	(168)	(10)	(178)
Total comprehensive income	**-**	**113**	**(167)**	**(54)**	**(10)**	**(64)**
Change in non-controlling interests' ownership share	-	-	(22)	(22)	(59)	(81)
Purchase and sale of treasury shares, warrants, etc.	-	-	(3)	(3)	-	(3)
Adjustment of provision for acquisition of non-controlling interests relating to acquisitions after 1 January 2010	-	-	20	20	-	20
Total transactions with owners	**-**	**-**	**(5)**	**(5)**	**(59)**	**(64)**
Total changes in equity in 2020	**-**	**113**	**(172)**	**(59)**	**(69)**	**(128)**
Total equity at 31 December 2020	**133**	**(248)**	**3,686**	**3,571**	**183**	**3,754**

1) Includes the impact from recycling of foreign exchange reserves of DKK 226 million related to divested and liquidated entities.

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Note 1

Basis of reporting

Note 1.1
Accounting policies

This note sets out the accounting policies applied to the consolidated financial statements as a whole. Where an accounting policy is specific to a financial statement item, the policy is described in the related note.

Falck A/S is a limited liability company domiciled in Denmark. The Annual Report 2021 includes both the consolidated financial statements of Falck A/S and its subsidiaries (Falck) and separate financial statements of the parent company.

The annual report of Falck is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional Danish disclosure requirements for the annual reports of large reporting class C entities.

The annual report has been prepared under the historical cost convention. The accounting policies have been applied consistently to the financial year and for the comparative figures.

The annual report is presented in Danish kroner (DKK) rounded to the nearest million. Danish kroner is the presentation currency of Falck's activities and the functional currency of the parent company.

The accounting policies are consistent with those applied in the Annual Report 2020, to which reference is made, except for the presentation of "Gains/losses from divestments of enterprises" and "Income after tax from associates and joint arrangements" in the income statement, which are now included in EBIT compared to previous presentation after EBIT.

Divestment related transaction costs are reported as special items. These expenses have previously been presented in the "Gains/losses from divestments of enterprises" line. Acquisition and integration related costs are also presented as special items. These expenses have previously been presented in the "Gains/losses from divestments of enterprises" line. Comparison figures have not been adjusted as these corrections are considered immaterial. The above reclassification has had no impact on the profit/loss for the year. Please see note 2.5 for further guidance on this.

Basis of consolidation

The consolidated financial statements include the parent company, Falck A/S, and its subsidiaries. Subsidiaries are entities controlled by Falck. Control means that Falck controls the company, i.e., that Falck is exposed to, or has rights to, variable returns from the company and has the ability to affect the size of those returns through its power over the company. Control is usually achieved by directly or indirectly holding or controlling more than 50% of the voting rights or other rights such as agreements on management control. The consolidated financial statements are prepared on the basis of the financial statements of Falck A/S and subsidiaries by adding items of similar nature.

The financial statements used for consolidation have been prepared in accordance with Falck's accounting policies. On consolidation, investments in subsidiaries, intra-group income and expenses, intragroup balances and dividends and realised and unrealised gains and losses on transactions between Falck entities are eliminated. The line items of the financial statements of subsidiaries have been fully consolidated in the consolidated financial statements. Profit for the year and equity attributable to non-controlling interests in subsidiaries that are not wholly owned have been included in the consolidated profit and equity, respectively, but as separate line items.

Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included as part of Falck's profit and equity, respectively, but shown as separate items.

Foreign currency translation

A functional currency is determined for each of the reporting entities of Falck. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies. On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Exchange differences arising between the exchange rate at the transaction date and at the date of payment have been recognised in the income statement as financial income or expenses.

Receivables, payables and other monetary items in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The difference between the exchange rate at the reporting date and at the date of which the receivable or payable arose or the exchange rate applied in the most recent financial statements has been recognised in the income statement under financial income or financial expenses.

On recognition in the consolidated financial statements in other subsidiaries with another functional currency than DKK, the income statement is translated at the exchange rates at the transaction date and the statement of financial position is translated at the exchange rates at the reporting date. Average exchange rates for the month are used as the exchange rate at the transaction date to the extent that this does not significantly change the presentation of the underlying transactions. Exchange rate differences arising on the translation of the equity of these subsidiaries at the beginning of the year to the exchange rates at the reporting date; and on the translation of the income statement from the exchange rate at the transaction

Note 1.1
Accounting policies (continued)

date to the exchange rate at the reporting date are recognised directly in other comprehensive income and classified in equity in a separate currency translation reserve. Exchange rate differences are allocated between the parent company's and the non-controlling interests' shares of equity.

On full or partial divestment of foreign subsidiaries, where Falck ceases to have control, foreign exchange adjustments accumulated in equity through other comprehensive income and which can be attributed to entities are recirculated from the "Currency translation reserve" to the income statement together with any gain or loss from the divestment.

Non-controlling interests

The proportionate shares of the profits and equity of subsidiaries attributable to non-controlling interests are recognised as a separate item under equity.

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or as the non-controlling interests' proportionate share of the acquiree's identifiable assets liabilities and contingent liabilities as measured at fair value (excluding the fair value of goodwill related to non-controlling interests' share of the acquiree). The measurement basis for non-controlling interests is selected for each individual transaction.

Acquisition and divestment of non-controlling interests

Increases and reductions of non-controlling interests are accounted for as transactions with shareholders, in their capacity as shareholders. As a result, any differences between adjustment to the carrying amount of non-controlling interest and the fair value of the consideration received or paid are recognised directly in equity.

Note 1.2
Significant accounting estimates and management judgements

In preparing Falck's consolidated financial statements, Management makes a number of accounting estimates and judgements on complex areas of accounting. The assessments are based on assumptions concerning future developments and may have a significant effect on recognised assets and liabilities, as well as income and expenses. As a consequence of their complex nature and their effect on the consolidated financial statements, these assessments receive close attention from Management throughout the year. Thus, all estimates and judgement assumptions are regularly reassessed as more detailed information based on historical data, experience, the financial situation, market situation and other external factors become available.

The level of impact on Falck from this combination of estimates, judgements and assumptions is described in the following table.

Note 1.2

Significant accounting estimates and management judgements (continued)

Note	Accounting policies	Accounting estimates and judgements by Falck	Estimate/ judgement	Impact from estimates and management judgements
2.1	Revenue	Future collectability of revenue by Ambulance in the US (other than cash accounting) is estimated using actual collection percentage to revenue from last year's comparison period (half year) as a proxy for what is expected to be collected in the future.	Estimate	●●○○
3.1, 3.2	Intangible assets / Impairment tests	Estimates are applied in the assessment of future revenues, gross profits, operating margins, discount rates and growth expectations in the terminal period in the impairment testing (value-in-use calculation) and for valuation of intangible assets in connection with acquisitions. These are based on an assessment of current and future developments in the cash-generating units and on historical data and assumptions of expected future developments.	Estimate	●●●●
3.4	Right-of-use assets	In accounting for lease contracts, various estimations are applied in determining right-of-use assets and lease liabilities. Estimates include assessment of lease periods, utilisation of extension options and applicable discount rates.	Estimate	●●●○
3.5	Deferred tax	Estimates are applied in valuation of deferred tax assets and liabilities. Management evaluates the tax treatment of transactions and balances including future use of deferred tax assets based on estimated future taxable income.	Estimate	●●●○
3.6, 3.8	Contract assets / Trade receivables	Estimates are applied when assessing input to the expected credit loss model. Management evaluates the expected losses and the nature of the receivables. Judgements are applied in determining credit risk characteristics of the customer category.	Estimate/ judgement	●●●○

Definition

●●●●	High impact from estimates / management judgement	●●●○	Medium impact from estimates / management judgement	●●○○	Low impact from estimates / management judgement	●○○○	Limited impact from estimates / management judgement

Note 1.3

New accounting standards, amendments and interpretations

Implementation of new accounting standards, amendments and interpretations

The following accounting standards, amendments (IAS and IFRS) and interpretations have been implemented as at 1 January 2021:

- Amendments to IFRS 9 "Financial Instruments"
- Amendments to IFRS 16 "Leases"

The implementation has not had a significant impact on recognition, measurement or disclosures in the Annual Report 2021 and is not expected to have significant impact on the financial reporting for future periods.

New standards and interpretations, not yet adopted

IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the Annual Report 2021. Falck expects to adopt the accounting standards and interpretations when they become mandatory.

None of the new or amended standards or interpretations are expected to have an impact on the consolidated financial statements.

Note 1.4

Definitions of key figures and ratios

Falck calculates several key figures and financial ratios to provide useful information to stakeholders. The definitions of the ratios are stated below.

Economic profit

Means the value created in excess of the required return to investors. Economic profit is calculated as follows:

NOPAT - (NOA x WACC)

For Economic profit, WACC is set at a simplified rate of 8% (2020: 8%).

EBITA margin (%)

EBITA x 100

Revenue

Cash conversion rate (%)

Free cash flow x 100

EBITA

Equity ratio (%)

(Total equity + subordinated shareholder loans) x 100

Total assets

Net interest-bearing debt to EBITDA (leverage)

Net interest-bearing debt

EBITDA including full year impact of acquisitions and divestments, normalised for non-recurring costs

Net interest-bearing debt consists of interest bearing debt, including lease liabilities, less cash.

Cost of services ratio

Cost of services x 100

Revenue

Cost of services includes direct costs for staff, external assistance and vehicles and indirect costs for staff, facilities and vehicles.

Sales and administrative expenses ratio

Sales and administrative expenses x 100

Revenue

Sales and administrative expenses include costs for administrative staff, facilities, depreciation and other administrative items.

EBITA

Operating profit before special items, amortisation of customer contracts and brand, and impairment of goodwill.

EBITDA

EBITA adjusted for depreciation, amortisation and impairment.

Net Operating Profit After Tax (NOPAT)

EBIT adjusted for non-recurring items and tax.

Tax rate is set at 22% (2020: 22%).

Net operating assets (NOA)

Intangible assets, property, plant and equipment, working capital, operating provisions, receivables from associates and taxes, net.

Working capital

Inventories + contract assets + trade receivables + other operating assets - provisions - contract liabilities - trade payables - other operating liabilities.

Free cash flow

Cash flow from operating activities + net interests paid - purchase of property, plant and equipment + sale of property, plant and equipment - purchase of intangible assets.

FTEs

Full-time Equivalents (FTEs) is the average number of employees calculated as total hours worked divided by full-time working hours per person for the year.

Dividend pay-out ratio

Dividend pay out

Net result (profit after tax)

Note 1.5
Income statement by function

DKK million	2021	2020
Revenue	15,173	12,348
Cost of services	(11,394)	(9,863)
Gross profit	**3,779**	**2,485**
Sales and administrative expenses	(2,099)	(2,145)
Other operating income and expenses	61	54
Operating profit before special items (EBITA)	**1,741**	**394**
Special items	-	-
Amortisation of customer contracts and brand	-	-
Gains/losses from divestments of enterprises	(107)	(306)
Operating profit (EBIT)	**1,634**	**88**

Falck classifies the income statement by the function of expense. As Management uses "Operating profit before special items" (EBITA) as a measure of profit for internal purposes, special items, the amortisation of customer contracts and brand and impairment of goodwill are separated from the individual functions and presented separately. This table shows how these items would have been presented if special items were not presented separately.

In the above income statement, amortisation of customer contracts and special items have been allocated to the following functions:

Cost of services	-	(184)
Sales and administrative expenses	(93)	(97)
Total	**(93)**	**(281)**

Note 2

Operating profit and tax

Note 2.1

Segment and revenue information

Business areas	Core business												Portfolio business	Eliminations	Falck Group
	Emergency Response					Direct Healthcare				Unallocated	Eliminations	Total core business			
Segments	Ambulance Europe	*Of which test*[1]	Ambulance US	Fire Services	Total	Employee Healthcare	Assistance	Community Healthcare	Total						
2021															
Income statement															
Revenue	7,180	3,456	1,623	1,177	9,980	1,350	1,542	664	3,556	-	(63)	13,473	1,725	(25)	15,173
Operating profit before special items, etc. (EBITA)	**1,423**	1,229	**81**	**57**	**1,561**	**29**	**354**	**127**	**510**	**(274)**	-	**1,797**	**37**	-	**1,834**
Key ratios															
EBITA margin (%)	19.8	35.6	4.9	4.9	15.6	2.1	23.0	19.1	14.3	-	-	13.3	2.1	-	12.1
2020															
Income statement															
Revenue	3,884	164	1,539	1,150	6,573	1,224	1,524	661	3,409	-	(41)	9,941	2,433	(26)	12,348
Operating profit before special items, etc. (EBITA)	**346**	67	**129**	**56**	**531**	**(56)**	**428**	**110**	**482**	**(249)**	-	**764**	**(89)**	-	**675**
Key ratios															
EBITA margin (%)	8.9	40.9	8.4	4.9	8.1	(4.6)	28.1	16.7	14.1	-	-	7.7	(3.7)	-	5.5

1) Contribution from the COVID-19 antigen testing in Denmark.

Note 2.1
Segment and revenue information (continued)

Revenue and non-current assets are presented by geographical region. The geographical breakdown of revenue is based on the location of the activity or the location where the service is delivered.

No single customer accounts for 10% or more of revenue. More than 98% of Falck's revenue is recognised over time, as the customers receive the benefits of the service Falck delivers over time.

Falck is entitled to a consideration that corresponds to the work performed if a customer terminates a contract before the original contract expiry. Therefore, Falck has used the permitted clause in IFRS 15 and does not disclose the transaction price allocated to unsatisfied performance obligations.

Accounting policies revenue

Revenue includes services and goods delivered together with invoiced subscriptions attributable to the financial period. Revenue is recognised in the income statement if the control of the services or goods are transferred to the customer. Services are recognised over time when the customer receives and consumes the benefits as the service is delivered by Falck.

For contracts with predetermined price reductions, the transaction price will be recalculated to an average price covering the total contract period. For contracts where Falck acts as an agent (mainly claims handling), the revenue is recognised as the net amount that Falck is entitled to retain in return for its services as agent. For contracts where Falck acts as a principal, the revenue is recognised as the gross amount to which Falck expects to be entitled.

Revenue is measured at the fair value of the agreed consideration excluding VAT and other taxes collected on behalf of third parties. All discounts granted are recognised in revenue.

Contracts with variable considerations are measured using the most likely amount and re-measured on a monthly basis.

Accounting policies segment

To increase the clarity on business unit performance, Falck has made a change in reporting structure where activities have been grouped in two core business areas, Emergency Response and Direct Healthcare.

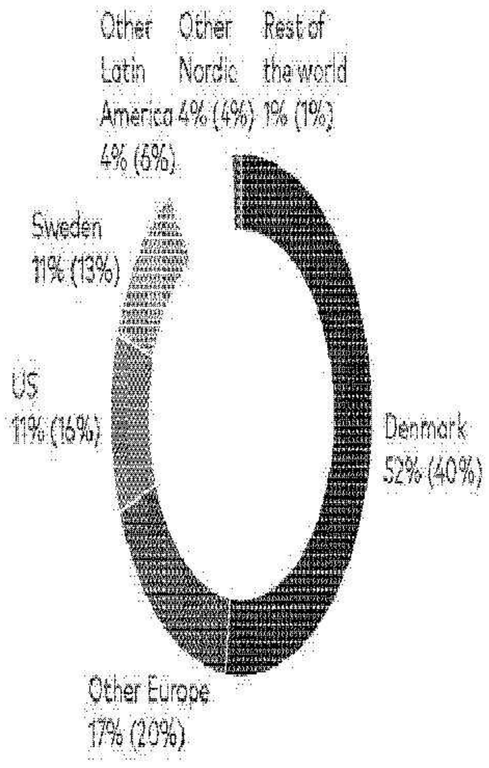
Emergency Response comprises the segments Ambulance Europe, Ambulance US and Fire Services. Ambulance Europe and Ambulance US provide emergency medical services and patient transportation services. Fire Services provides services to industrial customers across several European markets as well as to municipalities in Denmark. Direct Healthcare comprises the segments Employee Healthcare, Assistance and Community Healthcare business segments where Falck has a direct relation with the end-user. Employee Healthcare provides occupational healthcare services and treatments to private businesses, insurance companies, pension funds and public organisations. Assistance has a broad offering of healthcare related services such as patient transportation, personal health, first aid courses and kits as well as roadside assistance and fire prevention. Community Healthcare in Latin America provides "doctors on call" services to individual subscribers, insurance holders and companies. A number of non-core business entities have been regrouped to the Portfolio segment as these are considered to have limited strategic fit.

The segments reflect the structure in the internal management reporting.

Transactions between segments or entities are made on an arm's length basis. Unallocated mainly consists of Group costs not allocated to the business areas.

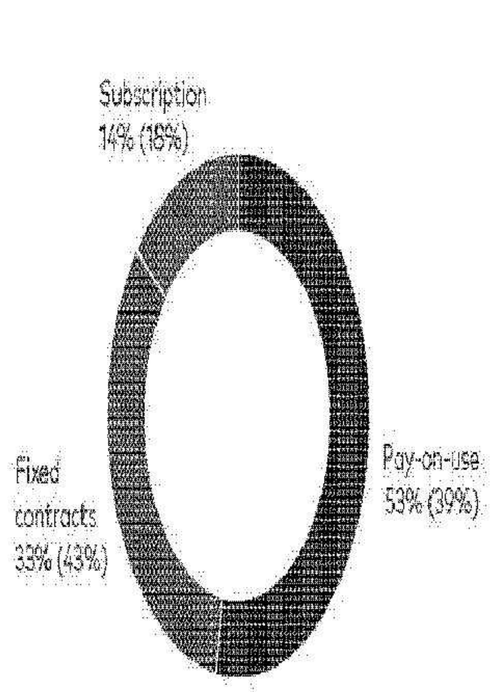
Revenue by geography

2021 (2020)



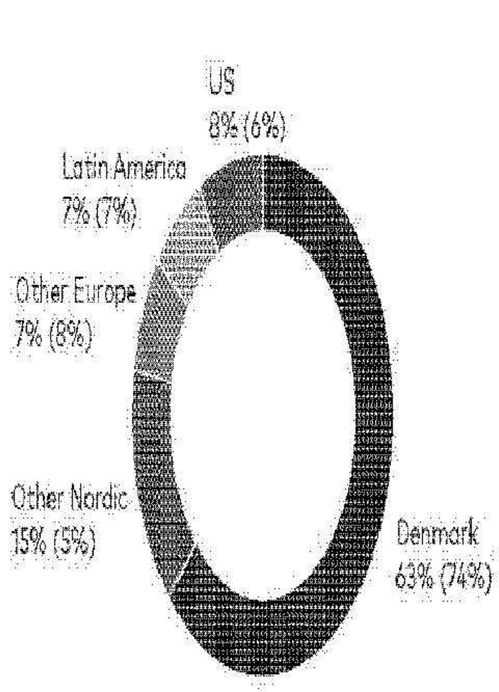
Revenue by contract type

2021 (2020)



Non-current assets excluding deferred tax asets

2021 (2020)



Note 2.2
Staff costs

DKK million	2021	2020
Wages, salaries and remuneration	(7,016)	(6,340)
Defined contribution pension plans	(350)	(346)
Other social security costs	(754)	(771)
Other staff costs	(373)	(369)
Total staff costs	**(8,493)**	**(7,825)**
Number of employees at 31 December	33,268	27,340
Average full-time equivalents (FTEs)	20,862	20,870

Staff costs are included in the following line items in the income statement:

	2021	2020
Cost of services	(7,389)	(6,700)
Sales and administrative expenses	(1,104)	(1,042)
Special items	-	(83)
Total staff costs	**(8,493)**	**(7,825)**

Comments

Please refer to note 2.3 for remuneration of the Board of Directors and the Executive Management.

Pension plans

The Group contributes to pension plans which cover employees in various companies of the Group. The pension plans are typically defined contribution plans.

Number of employees

Average number of employees (full-time equivalents) is on par with 2020. However, number of headcount has increased compared to 2020 due to many part-time employees working with antigen testing.

Note 2.3

Remuneration of the Board of Directors and the Executive Management

	Executive Committee [1]		Other members of Executive Management [2]		Board of Directors		Total remuneration	
DKK '000	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Salaries	13,859	16,218	17,608	12,688	4,263	4,263	35,730	33,169
Pension	-	-	1,621	1,364	-	-	1,621	1,364
Short-term incentive plan [3]	10,855	(592)	9,322	288	-	-	20,177	(304)
Long-term incentive plan [3]	5,796	9,073	3,961	6,196	-	-	9,757	15,269
Social security	17	21	347	60	-	-	364	81
Severance payment/one off payments	-	-	702	-	1,000	-	1,702	-
Total remuneration	30,527	24,720	33,561	20,596	5,263	4,263	69,351	49,579

1) The members of the Executive Committee are: CEO, Jakob Riis and CFO, Tor Magne Lønnum. Based on the accounting approach, utilised in the table above, the total remuneration of the individual members in 2021 (2020) was: Jakob Riis DKK 20,398,000 (DKK 14,555,000) and Tor Magne Lønnum DKK 10,129,000 (DKK 8,606,000). The table above shows the value of the short-term incentive to be paid in 2022 based on 2021 performance. The long-term incentive value is the target value of the programme launched in 2021.

2) The other members of the Executive Management are: Anette Damgaard (appointed 5 August 2019), Elisabeth Milton (appointed 19 August 2019), Michala Fischer-Hansen (appointed 1 September 2019), Yann Hedoux (appointed 1 January 2020), Camilla Krohn (appointed 6 November 2020), Lars Tue Toftild (appointed 6 November 2020), Lars Dam Jensen (appointed 1 February 2021) and Jorge Vigara de Otazu (appointed 1 November 2021).

3) The values of the short-term programme and the long-term programme are based on the best estimate of the 2021 and 2020 programmes and adjustments of the accrued amounts for the 2019 programmes.

Comments

Remuneration of the Board of Directors and Executive Committee is governed by Falck's Remuneration Policy, which complies with the Danish Recommendations on Corporate Governance.

Remuneration of the Board of Directors

The remuneration package for the members of the Board of Directors comprises an annual fixed fee and an annual committee membership fee. Members of the Board of Directors are not eligible for any variable pay programmes. However, employee-elected members of the Board of Directors may be eligible for general incentive schemes applicable to Falck's employees.

Total fees to the Board of Directors amounted to DKK 5,263 thousand in 2021 and DKK 4,263 thousand in 2020.

Remuneration of the Executive Committee

The remuneration of the members of the Executive Committee consists of three key components: base salary, a short-term incentive plan and a long-term incentive plan.

Upon termination of employment by the Company, for any reason, including a change in control of the Company, the members of the Executive Committee are not entitled to receive any severance payment except ordinary remuneration as per their employment contracts during their respective notice periods.

Note 2.4
Other operating income and expenses, net

DKK million	2021	2020
Gain from sale of assets	35	28
Other operating income	53	42
Loss from sale of assets	(24)	(14)
Other operating expenses	(3)	(2)
Other operating income and expenses, net	**61**	**54**

Comments

Other operating income consists of compensation received, income from the sub-leasing of premises and other non-primary income.

Note 2.5
Special items

DKK million	2021	2020
Transaction costs related to acquisitions and divestments	(55)	-
Redundancy and restructuring costs, etc.	-	(181)
Impairment of non-current assets	-	(52)
Special items	**(55)**	**(233)**

Comments

Special items of DKK 55 million were recognised in the income statement below EBITA, covering transaction costs related to acquisitions and divestments.

In 2020, special items of DKK 233 million related to restructuring and reorganisation costs for closing down activities in the US and the overall adjustments to the Falck organisation.

Accounting policies

The definition of special items has been changed in 2021, and special items are including transaction costs relating to divestments and acqusitions and incremental integration costs relating to acquisitions. Please see note 1.1 for further guidance on this. Special items are defined as non-recurring income and expenses that Falck does not consider to be part of its ordinary operations including restructuring projects. The use of special items entails management judgement in the separation from the ordinary operations of Falck. When using special items, it is essential that these constitute items that cannot be attributed directly to Falck's ordinary operating activities.

Note 2.6
Income taxes

DKK million	2021	2020
Current tax	(386)	(129)
Change in deferred tax for the year	6	28
Prior year adjustments	53	(2)
Change in tax rate and other	(32)	(17)
Total income taxes	(359)	(120)
Tax on comprehensive income	(21)	15
Total tax	**(380)**	**(105)**
Income tax paid during the year	**(317)**	**(165)**

Explanation of total tax expense

Total income taxes	(359)	(120)
Profit/loss before tax	**1,588**	**(58)**

	2021		2020	
	Tax	Effective tax rate	Tax	Effective tax rate
Danish tax rate	348	22.0%	(13)	22.0%
Differences in foreign tax rates relative to Danish rate	20	1.2%	10	(17.2%)
Non-deductible costs	6	0.4%	6	(10.3)%
Tax effect of gain/loss from divestment of business - non-deductible	24	1.5%	72	(124.1%)
Reassessment of tax assets	(63)	(4.0%)	46	(79.3%)
Other including payroll tax	77	4.8%	(3)	5.2%
Prior year adjustments	(53)	(3.3)%	2	(3.2%)
Total tax for the year and effective tax rate	**359**	**22.6%**	**120**	**(206.9%)**

DKK million	2021	2020
Tax on other comprehensive income		
Tax on foreign currency translation adjustments	(21)	15
Total tax on other comprehensive income	**(21)**	**15**

Comments

The prior year adjustments as well as the reassurement of tax assets are mainly related to US.

Accounting policies

Falck A/S and the Group's Danish subsidiaries are included in national joint taxation with Lundbeckfonden (Lundbeckfond Invest A/S) and its Danish subsidiaries.

Current Danish corporation tax is allocated among the jointly taxed companies according to the taxable income of these companies.

Income tax for the year comprises current tax for the year, any adjustments to previous years' tax and changes in deferred tax. Tax is recognised in the income statement except for tax related to items recognised in other comprehensive income or directly to equity.

Tax payable and tax receivable recognised in the statement of financial position include expected tax on the taxable income for the year together with unsettled tax payments for prior years.

Note 2.7

Government grants

Comments

Government grants in 2021 related to the recognition of COVID-19 relief packages, where Falck made use of certain relief and support measures available from governments in various countries to mitigate the effects of COVID-19.

Falck has recognised DKK 150 million (DKK 188 million) in the cost of services line in the income statement in 2021. The amount taken to income in 2021 was mainly received in 2020, where Falck received a total of DKK 309 million, mainly in Denmark, Sweden and the US. The DKK 121 million which has been taken to income in 2021 was recognised as a liability in Other payables in the 2020 Annual Report.

The grants primarily relate to reimbursement of salaries to employees, compensation of costs and negative effect from lost revenue.

Accounting policy

Government grants are recognised in the income statement as a reduction of the expenses the grants relate to on a systematic basis over the periods in which the grants are compensating. Government grants are recognised in the income statement when there is reasonable assurance that Falck will comply with the conditions attached to them.

Note 3

Net operating assets

Note 3.1
Intangible assets

2021 DKK million	Goodwill	Customer contracts	Brands	Software and other intangible assets	Total intangible assets
Cost at 1 January 2021	8,966	2,869	514	915	13,264
Foreign currency translation adjustment	95	11	-	3	109
Additions	-	-	-	8	8
Additions from acquisitions	446	269	42	-	757
Disposals on divestments	(358)	(64)	-	(2)	(424)
Disposals and reclassifications	-	(2,822)	-	(224)	(3,046)
Cost at 31 December 2021	**9,149**	**263**	**556**	**700**	**10,668**
Impairment and amortisation at 1 January 2021	(3,153)	(2,843)	-	(805)	(6,801)
Foreign currency translation adjustment	(36)	(19)	-	(2)	(57)
Disposals on divestments	139	63	-	2	204
Disposals and reclassifications	-	2,822	-	224	3,046
Amortisation	-	(35)	(3)	(49)	(87)
Impairment and amortisation at 31 December 2021	**(3,050)**	**(12)**	**(3)**	**(630)**	**(3,695)**
Carrying amount at 31 December 2021	**6,099**	**251**	**553**	**70**	**6,973**

Comments

The acquisitions of goodwill and customer contracts have primarily been made to achieve synergies with existing business units, to further develop existing markets and to establish a presence on new markets. In 2021, Falck acquired Frisk Gruppen, which explains the additions to the intangible assets. Please refer to note 4.1 for further guidance on this.

Except for goodwill and the value of the Falck brand, all intangible assets are deemed to have a definite life. The Falck brand is considered to have an indefinite useful life since there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows. However, the brand value related to Frisk Gruppen will be amortised as this is not considered to have an indefinite life.

Customer contracts have, besides the addition related to Frisk Gruppen, been fully amortised during 2021, hence these contracts are considered expired and have been disposed of.

Software and other intangible assets are mainly related to operational systems in Assistance and dispatch, planning and vehicle maintenance systems in Ambulance.

Note 3.1
Intangible assets (continued)

2020 DKK million	Goodwill	Customer contracts	Brands	Software and other intangible assets	Total intangible assets
Cost at 1 January 2020	9,144	2,995	514	1,013	13,666
Foreign currency translation adjustment	(173)	(44)	-	(8)	(225)
Additions	-	-	-	29	29
Disposals on divestments	(4)	(22)	-	(15)	(41)
Disposals and reclassifications	(1)	(60)	-	(104)	(165)
Cost at 31 December 2020	**8,966**	**2,869**	**514**	**915**	**13,264**
Impairment and amortisation at 1 January 2020	(3,221)	(2,920)	-	(829)	(6,970)
Foreign currency translation adjustment	68	45	-	6	119
Disposals on divestments	-	20	-	13	33
Disposals and reclassifications	-	60	-	83	143
Impairment	-	-	-	(2)	(2)
Amortisation	-	(48)	-	(76)	(124)
Impairment and amortisation at 31 December 2020	**(3,153)**	**(2,843)**	**-**	**(805)**	**(6,801)**
Carrying amount at 31 December 2020	**5,813**	**26**	**514**	**110**	**6,463**

Impairment and amortisation are included in the following line items in the income statement:

	2021	2020
Cost of services	(8)	(14)
Sales and administrative expenses	(41)	(54)
Amortisation of customer contracts and brand	(38)	(48)
Special items	-	(10)
Total impairment and amortisation	**(87)**	**(126)**

Note 3.1
Intangible assets (continued)

Accounting policies

Intangible assets

Goodwill is recognised in the statement of financial position at cost on initial recognition. Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is not amortised.

Intangible assets acquired are measured upon acquisition at cost. Acquired intangible assets are amortised over the expected economic life, estimated to be 3 to 10 years.

Other intangible assets are measured at costs less accumulated impairment and amortisation.

Costs include the purchase price and costs directly or indirectly attributable to bringing the asset to its intended use.

Customer contracts are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on their estimated useful lives.

Other intangible assets mainly relate to software. Software is amortised on a straight-line basis over the expected economic life, estimated to be 3 to 5 years.

Goodwill and other intangible assets with indefinite lives are tested for impairment annually or whenever there is an indication of impairment, while intangible assets with definite lives are tested when there is an indication of impairment.

If a write-down is required, the carrying amount is written down to the higher of the net selling price and the value-in-use. The value-in-use is calculated based on the estimated future cash flows, discounted by using a pre-tax discount rate.

Note 3.2
Impairment tests

Comments

Outcome of the impairment tests

The impairment tests in 2021 and 2020 did not result in any impairment losses.

Falck's cash-generating units (CGUs)

Impairment tests are carried out per business segment which is the lowest level of cash-generating units (CGUs) to which the carrying amount of intangibles, i.e. goodwill and customer contracts, can be allocated and monitored with any reasonable certainty.

Impairment tests are carried out on the business segments Ambulance Europe, Ambulance US, Fire Services, Employee Healthcare, Assistance, Community Healthcare and Portfolio business following the changes in the segment structure in 2021 as described in note 2.1.

The goodwill has been reallocated in 2021 to the new business segments. The carrying amounts and the key assumptions are not directly comparable with 2020.

Impairment test of the Falck brand

The carrying amount of the Falck brand is tested at Group level based on Group-wide cash flows (aggregate cash flows determined for each CGU) less the total carrying amount of the goodwill and other non-current assets. The impairment test shows significant headroom from comparing the value in use to the carrying amount of all assets in the Falck Group.

Key assumptions in the impairment test

Goodwill is tested for impairment at least once a year, and more frequently if there are indications of impairment. The recoverable amounts for the CGUs are determined based on the value-in-use.

In the impairment tests, the discounted values of the future net cash flows of each of the CGUs value-in-use are compared with their carrying amounts. The value-in-use is calculated using certain key assumptions for the expected future cash flows and applied discount factor.

The cash flow projections are based on financial budgets and business plans approved by Management. In nature, these projections are subject to judgement and estimates that are uncertain, though based on experience. The discount rates applied reflect the time value of money as well as the specific risks related to the underlying cash flows, i.e. project and/ or country-specific risk premium. Further, any uncertainties reflecting past performance and possible variations in the amount or timing of the projected cash flows are generally reflected in the discount rates.

The value-in-use calculation comprises of the following key assumptions:

- Revenue growth in the forecast period
- EBITA margin
- Development in net working capital
- Discount rates
- Growth rate in terminal period

Note 3.2

Impairment tests (continued)

Revenue growth

Revenue growth projections in the financial forecast for 2022-2026 are estimated based on current operations and the expected market development for the individual CGUs.

For Ambulance Europe, a decrease in revenue is expected based on current awarded business in the Danish market, but growth is expected from other geographical areas and from pursuing new business opportunities. Revenue from antigen testing activities is not considered for impairment testing exercise, given the uncertainty on the need of testing activities in future periods.

For Ambulance US, an increase in revenue is expected from current awarded business in San Diego city in 2022 and the volume is expected to remain at 2022 level in forecasting period.

Employee Healthcare is expecting an increase in the revenue from 2022 to 2026 through organic growth and general recovery from COVID-19. The financial forecast for Employee Healthcare does not include the impact of Frisk Gruppen, as it was acquired in 2021 and will be tested separately.

Assistance is expecting an increase in revenue in the forecast period from new services and organic growth.

Community Healthcare expects revenue will grow from increased numbers of subscribers in the forecasting period. Fire Services and Portfolio Business also expects overall growth in the forecasting period.

EBITA margin

When estimating the CGUs EBITA margin in the financial forecast for 2022-2026, past experiences are taken into consideration.

The EBITA margin in Ambulance Europe is expected to be lower in 2022 as compared to 2021, however it is expected to gradually improve over the forecast period.

The EBITA margin in Ambulance US is expected to marginally improve in 2022 and expected to maintain the level in forecast period.

Employee Healthcare has been impacted by COVID-19 in 2020 and 2021, but the EBITA margin is expected to improve in the forecast period.

Assistance, Community Healthcare, Fire Services and the Portfolio business expect improvement in the EBITA margin during the forecast period.

Discount rates and terminal growth

The discount rates for 2021 impairment testing purposes are based on calculation of weighted average cost of capital (WACC) applicable for Falck, considering both debt and equity.

The cost of equity is calculated using Capital Asset Pricing Model (CAPM). The beta applied at year-end 2021 is obtained from comparable peers. Market risk premiums have been added to reflect different market risks within the countries in which the CGU's operate.

The market risk premium is based on observed market data and is calculated as the average of the equity risk premiums and country risk premiums and the global split of revenue within the CGUs.

The cost of debt is based on the long-term interest cost related to Falck's borrowings plus the risk-free interest of the countries in which the CGU operates.

Further, country risk is added based on split of revenue where applicable. A risk premium is added if special conditions indicate a need hereto.

Terminal growth rates do not exceed the expected long-term rate for inflation based on a weighted average for the countries in which the CGU operates.

Note 3.2
Impairment tests (continued)

Carrying amounts and key assumptions

The carrying amount of goodwill and customer contracts, and the key assumptions used in the impairment testing at 31 December are presented below for each CGU[1]:

	Carrying amount			Forecasting period		Terminal period		Applied discount rate	
2021 DKK million	Goodwill[2]	Customer contracts	Total carrying amount	Total growth (avg.)	Margin (avg.)	Growth	EBITA margin	After tax	Pre-tax
Ambulance Europe	416	-	416	0.7%	5.9%	1.7%	7.4%	6.5%	7.7%
Ambulance US	519	-	519	7.4%	5.2%	4.3%	5.3%	8.0%	9.4%
Fire Services	584	-	584	9.6%	7.6%	2.1%	8.7%	7.3%	8.9%
Employee Healthcare	547	-	547	4.7%	8.0%	1.9%	9.8%	6.8%	8.0%
Assistance	2,556	-	2,556	6.7%	23.7%	1.4%	25.8%	6.5%	7.9%
Community Healthcare	576	-	576	7.3%	21.9%	4.4%	24.5%	12.4%	15.4%
Portfolio business	466	-	466	4.9%	5.5%	2.4%	5.9%	7.6%	8.7%
Total	**5,664**	**-**	**5,664**						

1) The goodwill has been reallocated to the new business segments in 2021. Therefore, the carrying amounts and the key assumptions are not directly comparable with 2020.
2) Goodwill and earnings related to acquisition of Frisk Gruppen is not included in the impairment test.

	Carrying amount			Forecasting period		Terminal period		Applied discount rate	
2020 DKK million	Goodwill	Customer contracts	Total carrying amount	Total growth (avg.)	Margin (avg.)	Growth	EBITA margin	After tax	Pre-tax
Ambulance	1,053	25	1,078	2.5%	6.7%	0.8%	8.4%	6.5%	8.6%
Assistance	2,814	-	2,814	1.6%	19.9%	0.6%	21.1%	6.2%	7.8%
Healthcare	727	-	727	4.5%	2.2%	0.6%	3.4%	6.2%	7.4%
Community Healthcare	541	-	541	4.8%	19.2%	4.6%	20.8%	10.4%	12.9%
Fire Services	580	1	581	8.7%	7.6%	0.7%	9.6%	6.9%	8.7%
Portfolio business	98	-	98	9.3%	1.1%	1.0%	12.8%	6.5%	7.7%
Total	**5,813**	**26**	**5,839**						

Note 3.3

Property, plant and equipment

2021 DKK million	Land and buildings	Leasehold improvements	Fixtures, fittings, tools and equipment	Total property, plant and equipment
Cost at 1 January 2021	783	218	2,006	3,007
Foreign currency translation adjustment	-	2	37	39
Additions	6	3	92	101
Additions from acquisitions	-	1	5	6
Disposals on divestments	-	-	(132)	(132)
Disposals and reclassifications	(113)	(7)	(256)	(376)
Cost at 31 December 2021	**676**	**217**	**1,752**	**2,645**
Impairment and depreciation at 1 January 2021	(202)	(148)	(1,745)	(2,095)
Foreign currency translation adjustment	-	(1)	(29)	(30)
Disposals on divestments	-	-	124	124
Disposals and reclassifications	36	6	256	298
Depreciation	(25)	(15)	(97)	(137)
Impairment and depreciation at 31 December 2021	**(191)**	**(158)**	**(1,491)**	**(1,840)**
Carrying amount at 31 December 2021	**485**	**59**	**261**	**805**
Hereof assets under construction	5	-	39	44

Accounting policies

Property, plant and equipment

Land and buildings are measured at cost, less accumulated depreciation and impairment of buildings. Cost includes direct costs related to the asset, and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located if the costs meet the definition of a liability. Where items of property, plant and equipment have different useful lives, they are accounted for as separate items.

Property, plant and equipment are tested when there is an indication of impairment. If a write-down is required, the carrying amount is written down to the higher of the net selling price and the value-in-use. The value-in-use is calculated based on estimated future cash flows, discounted by using a pre-tax discount rate.

Depreciation of buildings is calculated on a straight-line basis over the expected useful lives of the assets, estimated to be between 10 and 33 years.

Leasehold improvements are depreciated on a straight-line basis over the term of the lease. Other fixtures and fittings, tools and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets.

The expected useful lives in years are:

Vehicles	5-12
Medical equipment	3-10
IT equipment	3-5
Fire extinguishers and similar equipment installed at customer locations	3-5

Note 3.3

Property, plant and equipment (continued)

2020 DKK million	Land and buildings	Leasehold improvements	Fixtures, fittings, tools and equipment	Total property, plant and equipment
Cost at 1 January 2020	776	246	2,263	3,285
Foreign currency translation adjustment	12	(11)	(84)	(83)
Additions	1	7	29	37
Disposals on divestments	-	(4)	(33)	(37)
Disposals and reclassifications	(6)	(20)	(169)	(195)
Cost at 31 December 2020	**783**	**218**	**2,006**	**3,007**
Impairment and depreciation at 1 January 2020	(165)	(164)	(1,868)	(2,197)
Foreign currency translation adjustment	(13)	10	77	74
Disposals on divestments	-	2	29	31
Disposals and reclassifications	3	21	170	194
Depreciation	(27)	(17)	(153)	(197)
Impairment and depreciation at 31 December 2020	**(202)**	**(148)**	**(1,745)**	**(2,095)**
Carrying amount at 31 December 2020	**581**	**70**	**261**	**912**
Hereof assets under construction	1	-	-	1

Depreciation is included in the following line items in the income statement:

	2021	2020
Cost of services	(125)	(167)
Sales and administrative expenses	(12)	(17)
Special items	-	(13)
Total impairment and depreciation	**(137)**	**(197)**

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognised in the income statement as other operating income and other operating expenses, respectively.

Note 3.4
Right-of-use assets

2021 DKK million	Land and buildings	Fixtures, fittings, tools and equipment	Total right-of-use assets
Cost at 1 January 2021	1,211	653	1,864
Foreign currency translation adjustment	6	25	31
Additions	167	156	323
Additions from acquisitions	95	-	95
Re-measurement of lease obligation	(47)	(12)	(59)
Disposal on divestments	-	(15)	(15)
Disposals and reclassifications	-	(56)	(56)
Cost at 31 December 2021	**1,432**	**751**	**2,183**
Impairment and depreciation at 1 January 2021	(419)	(323)	(742)
Foreign currency translation adjustment	-	(12)	(12)
Disposal on divestments	-	12	12
Disposals and reclassifications	-	43	43
Impairment and depreciations	(170)	(115)	(285)
Impairment and depreciation at 31 December 2021	**(589)**	**(395)**	**(984)**
Carrying amount at 31 December 2021	**843**	**356**	**1,199**

2020 DKK million	Land and buildings	Fixtures, fittings, tools and equipment	Total right-of-use assets
Cost at 1 January 2020	1,283	699	1,982
Foreign currency translation adjustment	(16)	(32)	(48)
Additions	54	75	129
Re-measurement of lease obligation	(80)	(19)	(99)
Disposals and reclassifications	(30)	(70)	(100)
Cost at 31 December 2020	**1,211**	**653**	**1,864**
Impairment and depreciation at 1 January 2020	(202)	(265)	(467)
Foreign currency translation adjustment	-	17	17
Disposals and reclassifications	15	63	78
Impairment and depreciations	(232)	(138)	(370)
Impairment and depreciation at 31 December 2020	**(419)**	**(323)**	**(742)**
Carrying amount at 31 December 2020	**792**	**330**	**1,122**

Impairment and depreciation are included in the following line items in the income statement.

DKK million	**2021**	2020
Cost of services	(261)	(317)
Sales and administrative expenses	(24)	(24)
Special items	-	(29)
Total impairment and depreciation	**(285)**	**(370)**

Lease expenses recognised in the income statement.

DKK million	**2021**	2020
Interest expenses related to lease liabilities	(21)	(29)
Expenses related to short-term leases (12 months or less)	(78)	(61)
Expenses related to low-value leases	(48)	(26)
Total lease expenses	**(147)**	**(116)**

Accounting policies

Right-of-use assets

A right-of-use asset is defined as a contract, or part of a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration.

The right-of-use assets are initially measured at the amortised cost which equals the lease liability plus prepayments made to the lessor before the commencement date, and the initial direct cost incurred by Falck less lease incentives received.

Subsequently, the right-of-use assets are depreciated on a straight-line basis over the lease term. If it is reasonably certain (judgement) that an extension option will be exercised at the end of the lease term, this will be included in the lease liability.

This assessment is based on judgement.

The right-of-use assets are re-measured when the lease liability is impacted following reassessment of lease terms, modifications to lease agreements and when applying indexation or a rate.

The right-of-use assets in Falck are depreciated in years as follows:

Buildings	5-35
Vehicles	5-7
Medical equipment	3-10

Leases with a contract period of 12 months or less or which are of low-value are recognised in the income statement on a straight-line basis over the lease term. Low-value assets mainly comprise office and medical equipment.

Please refer to note 5.2 Loans for further information related to lease liabilities.

Note 3.5

Deferred tax

DKK million	2021	2020
Deferred tax (assets)/ liabilities at 1 January	(59)	(8)
Foreign currency translation adjustment	(3)	2
Net addition on acquisitions and divestments	67	-
Change in deferred tax for the year	(6)	(28)
Change in deferred tax for prior years	9	(5)
Revaluation of deferred tax and other	(64)	(20)
Deferred tax (assets)/liabilities at 31 December	**(56)**	**(59)**
Deferred tax assets	(174)	(111)
Deferred tax liabilities	118	52
Net deferred tax (assets)/liabilities at 31 December	**(56)**	**(59)**

2020 DKK million	Deferred tax 1 January 2020	Exchange difference	Prior year adjustments	Change in other	Changes during the year	Deferred tax 31 December 2020
Intangible assets	188	-	39	(5)	(18)	204
Property, plant and equipment	39	1	(31)	(1)	-	8
Current assets	(5)	-	(2)	-	4	(3)
Non-current liabilities and provisions	(14)	-	(13)	2	1	(24)
Current liabilities	(12)	1	5	3	(13)	(16)
Tax losses carried forward	(201)	-	(6)	(19)	(2)	(228)
Other	(3)	-	3	-	-	-
Net deferred tax	**(8)**	**2**	**(5)**	**(20)**	**(28)**	**(59)**

2021 DKK million	Deferred tax 1 January 2021	Exchange difference	Prior year adjustments	Additions from acquisitions	Change in other	Changes during the year	Deferred tax 31 December 2021
Intangible assets	204	-	(7)	67	(1)	(56)	207
Property, plant and equipment	8	-	-	20	-	(1)	27
Current assets	(3)	-	(6)	-	-	41	32
Non-current liabilities and provisions	(24)	-	11	(14)	-	(5)	(32)
Current liabilities	(16)	(1)	(1)	(6)	-	(4)	(28)
Tax losses carried forward	(228)	(2)	12	-	(63)	19	(262)
Net deferred tax	(59)	(3)	9	67	(64)	(6)	**(56)**

Comments

At 31 December 2021, Falck recognised deferred tax assets net of DKK 56 million (deferred tax assets DKK 59 million in 2020), primarily related to the net of deferred tax on intangible assets (liabilities) and tax losses carried forward (assets).

Unrecognized deferred tax assets from tax losses were DKK 176 million (deferred tax assets DKK 228 million in 2020) with DKK 102 million (DKK 137 million in 2020) of this related to the US as additional tax losses have been recognized in 2021.

The deferred tax assets are recognized, if there is convincing evidence to support future taxable income against which the Group can utilize those tax losses.

Unrecognized tax losses may, in the majority of cases, be carried forward indefinitely in the relevant individual countries.

Accounting policies

Deferred tax arises from timing differences between the accounting and the taxable value of assets and liabilities, and from realisable tax losses carried forward.

The tax value of tax losses carried forward is included in deferred tax assets to the extent that these are expected to be utilised in future taxable income. When alternative tax rules can be applied, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised under other non-current assets at the expected value at the point of their utilisation, either as an offset against tax on future income or as an offset against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity or jurisdiction.

Note 3.5
Deferred tax (continued)

Deferred tax is measured using the tax rate expected to apply when timing differences are reversed. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

The Group operates in a multi-national tax environment. Complying with tax rules can be complex as the interpretation of legislation and case law may not always be clear or may change over time. In addition, transfer pricing disputes with tax authorities may occur. Uncertain tax positions are recognised under corporation tax payable and corporation tax receivable. The actual obligation may differ from the provision made and depends on the outcome of litigation and settlements with the relevant tax authorities.

Note 3.6
Contract assets

DKK million	**2021**	2020
Contract assets (not invoiced)	355	521
Impairment of contract assets	(2)	(15)
Total contract assets	**353**	**506**
Expected loss rate	0%	3%

Comments

Contract assets relate to Falck's right to considerations for completed services which have not been invoiced at the reporting date. Contract assets are transferred to trade receivables when the rights become unconditional.

Accounting policies

Contract assets are recognised at amortised cost.

Impairments for lifetime expected credit losses (ECL) are recognised in the income statement upon initial recognition of the receivable. The expected credit losses are calculated according to the portfolio of receivables and are grouped by credit risk characteristics. A provision matrix is established based on the historical development in contract assets and historical credit losses, and adjusted for forward-looking factors specific to the debtors and the economic environment.

The expected credit losses are recognised in sales and administrative expenses.

Note 3.7
Contract liabilities

DKK million	**2021**	2020
Stepped-pricing contracts	34	54
Prepayments	1,114	1,140
Total contract liabilities	**1,148**	**1,194**
Classification of contract liabilities by expected maturity		
Within 1 year	1,128	1,158
More than 1 year	20	36
Total contract liabilities	**1,148**	**1,194**
Revenue recognised in the period from amounts included in contract liabilities at the beginning of the period	1,140	1,021
Revenue recognised in the year from performance obligations satisfied in previous years	(16)	(16)

Accounting policies

Stepped-pricing contracts

Where the service is transferred over time, predetermined price reductions are recalculated in the transaction price and are recognised at the same average consideration over the term of the contract.

Prepayments

When a customer pays a consideration in advance before the transfer of services, the amount received is recognised under prepayments in contract liabilities. The prepayments mainly include accrued subscriptions and prepayment according to contracts.

Note 3.8

Trade receivables

DKK million	Expected loss rate %	Trade receivables	Expected loss	2021 Total	2020 Total
Not due	1%	830	(7)	823	803
Overdue 1 to 30 days	13%	289	(37)	252	176
Overdue 31 to 90 days	20%	133	(27)	106	116
Overdue 91 to 180 days	38%	76	(29)	47	64
Overdue more than 181 days	45%	54	(24)	30	59
Total trade receivables	**9%**	**1,382**	**(124)**	**1,258**	**1,238**

DKK million	2021	2020
Impairments at 1 January	122	260
Foreign currency translation adjustments	(5)	(19)
Divestments	(87)	-
Impairment adjustments	191	(32)
Losses recognised	(94)	(75)
Reversal of unused impairments	(3)	(12)
Total impairments at 31 December	**124**	**122**

Comments

Falck has trade receivables related to government, insurance and private payers.

Falck has significant trade receivables mainly within the Ambulance and Healthcare businesses.

Write downs relate to private payers only as Falck sees minimal risk related to government and insurance customers.

Write-downs on trade receivables are significantly affected by Ambulance companies in the US, which relates to private payers.

Accounting policies

Trade receivables are recognised at amortised cost.

Impairments for lifetime expected credit losses (ECL) are recognised in the income statement upon initial recognition of the receivable. The expected credit losses are calculated according to the portfolio of receivables and are grouped by shared credit risk characteristics. A provision matrix is established based on the historical development in trade receivables and historical credit losses, and adjusted for forward-looking factors specific to the debtors and the economic environment.

The expected credit losses are recognised in sales and administrative expenses.

Note 3.9
Other receivables

DKK million	2021	2020
Prepaid expenses	209	208
Rent deposits	33	34
Receivables from divestment of companies	-	30
Employee-related receivables	12	12
Reimbursement costs	43	46
Other receivables	129	147
Total other receivables	**426**	**477**
Classification of other receivables by expected maturity		
Within 1 year	410	437
More than 1 year	16	40
Total other receivables	**426**	**477**

Comments

Other receivables decreased by DKK 51 million from DKK 477 million at 31 December 2020, primarily due to receiving final payment from divestment of a company.

Note 3.10
Other payables

DKK million	2021	2020
Holiday pay, wages, etc.	688	855
Employee taxes, etc.	308	413
VAT	151	311
Deposits from customers	76	84
Put options	2	173
Other payables	114	238
Total other payables	**1,339**	**2,074**
Classification of other payables by expected maturity		
Within 1 year	1,336	2,072
More than 1 year	3	2
Total other payables	**1,339**	**2,074**

Comments

Other payables decreased by DKK 735 million from DKK 2,074 million at 31 December 2020. The main reason was a decrease in employee liabilities in Denmark, government grants in the US prepaid in 2020, divestment of entities, exercise of put options in US and Spain, and payment of VAT liabilities. Please refer to note 2.7 Government grants for further information.

Note 3.11
Provisions

2021 DKK million	Outstanding considerations and earn-outs	Occupational injuries	Pension obligations	Other provisions	Total provisions
Provisions at 1 January 2021	7	22	4	233	266
Foreign currency translation adjustment	-	2	1	7	10
Additions from acquisitions	-	-	-	4	4
Divestments	-	(2)	(1)	(4)	(7)
Provisions added	-	29	-	168	197
Provisions used	(6)	(6)	-	(59)	(71)
Unused provisions, reversed	(1)	(17)	-	(3)	(21)
Reclassified to and from the statement of financial position	-	2	1	(2)	1
Provisions at 31 December 2021	**-**	**30**	**5**	**344**	**379**
Classification of provisions by expected maturity					
Within 1 year	-	26	-	216	242
Between 1 and 5 years	-	4	(5)	116	115
More than 5 years	-	-	10	12	22
Provisions at 31 December 2021	**-**	**30**	**5**	**344**	**379**

Comments

Provisions increased by DKK 113 million from DKK 266 million at 31 December 2020, primarily due to additional provisions relating to antigen testing activities in Denmark and provisions for legal and tax cases.

Note 3.11
Provisions (continued)

2020 DKK million	Outstanding considerations and earn-outs	Occupational injuries	Pension obligations	Other provisions	Total provisions
Provisions at 1 January 2020	22	16	7	126	171
Foreign currency translation adjustment	-	(1)	-	(6)	(7)
Provisions added	-	21	1	149	171
Provisions used	-	-	(2)	(28)	(30)
Unused provisions, reversed	-	(14)	(2)	(23)	(39)
Reclassified to and from the statement of financial position	(15)	-	-	15	-
Provisions at 31 December 2020	**7**	**22**	**4**	**233**	**266**
Classification of provisions by expected maturity					
Within 1 year	-	12	-	183	195
Between 1 and 5 years	7	10	-	44	61
More than 5 years	-	-	4	6	10
Provisions at 31 December 2020	**7**	**22**	**4**	**233**	**266**

Accounting policies

Occupational injuries

Provisions for retained risks related to occupational injuries are recognised at the time of the claim and include an estimate of claims incurred but not reported based on actuarial calculations.

Other provisions

Other provisions mainly consist of provisions for re-establishment of leased premises, injuries in connection with accidents and restructuring.

Provisions are recognised when, as a consequence of an event occurring before or on the reporting date, the Group has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of expenses required to settle the obligation.

Provisions for restructuring are recognised when a detailed, formal plan for the restructuring has been made before or on the reporting date and has been announced to the parties involved.

A provision for onerous contracts is made when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting obligations under the contract.

Note 4

Acquisitions and divestments

Note 4.1
Acquisitions

Investment in subsidiaries DKK million	2021	2020
Assets		
Intangible assets	311	-
Property, plant and equipment	6	-
Right-of-use assets	95	-
Contract assets	6	-
Trade receivables	59	-
Other current assets	10	-
Cash	29	-
Liabilities		
Lease liabilities	(95)	-
Deferred tax liabilities	(67)	-
Contract liabilities	(14)	-
Other payables	(62)	-
Trade payables	(11)	-
Provisions	(4)	-
Acquired net assets	**263**	-
Goodwill	446	-
Purchase price	**709**	-
Hereof cash	(29)	-
Cash consideration for acquisitions	**680**	-
Revenue of acquired companies after date of acquisition	90	-
Profit of acquired companies after date of acquisition	7	-
Full-year revenue including acquisitions	15,624	-
Full-year profit including acquisitions	1,264	-

Comments

In September 2021, Falck signed an agreement to acquire all shares in Frisk Gruppen. The acquisition was approved by the competition authorities in Norway in mid-October and completed by payment of the full consideration on 15 October 2021, from which point control was gained.

Frisk Gruppen provides healthcare services within labour market services, occupational health services and specialist healthcare accross Norway. The acquisition has strengthened Falck's Nordic presence in line with the strategy to develop Falck as an integrated healthcare business with dedicated health and labour market services to citizens, to the public sector and to private businesses.

The total consideration amounted to DKK 709 million. Adjusted for cash of DKK 29 million, the total net consideration amounted to DKK 680 million. There are no contingent or deferred consideration arrangements and indemnification assets.

Transaction costs for Falck Group related to acquisitions were DKK 13 million related to external consultants. The amount is included in special items.

Besides customer contracts and brand amoutning to DKK 311 million, no assets or liabilities have been identified which were not recognised in the companies acquired on the date of acquisition.

Net assets, goodwill and contingent assets and liabilities recognised at the reporting date are to some extend still provisional. Adjustments may be applied to these amounts for a period of 12 months from the acquisition date in accordance with IFRS 3.

Valuation of intangible assets

An assessment was made of the value of the customer agreements, framework agreements and customer portfolios taken over. The valuation thereof was based on the "Multi Period Excess Earnings Method (MEEM-method)" in which the value was calculated on the basis of expected future cash flow. The principle assumptions were expected lives of the existing agreements and portfolios, earnings and contribution for using associated assets and employees.

An assessment was made of the brand in Frisk Gruppen. The valuation was based on the "Relief From Royalty Method" (RFR-method), which calculates the value based on the hypothetical royalty payments that are saved by owning the asset rather than licensing it. The royalty payment was calculated as a percentage of the revenue.

Note 4.1
Acquisitions (Continued)

Acquired assets include receivables from sales at fair value of DKK 59 million. The contractual gross receivable is DKK 60 million of which DKK 1 million was deemed to be unrecoverable as of the date of takeover.

After recognition of identifiable assets, liabilities and provisions at fair value, goodwill of DKK 446 million has been calculated. The recognised goodwill is not tax deductible. Goodwill mainly represents the value of operational synergies from the integration of Frisk Gruppen into Falck Group and the experienced and knowledgeable Frisk Gruppen workforce.

Note 4.2
Divestments

Gains/losses from divestments of enterprises

DKK million	2021	2020
Assets		
Goodwill	219	4
Other intangible assets	-	8
Right-of-use assets	2	-
Property, plant and equipment	8	6
Current assets	120	93
Cash	83	6
Liabilities		
Other payables	(134)	-
Provisions	(7)	-
Other current liabilities	(39)	(15)
Net assets divested	**252**	**102**
Recirculation of exchange rate adjustments from divestments	19	226
Gain/(loss) from divestment of businesses, net	(111)	(298)
Sales price	**160**	**30**
Hereof cash	(83)	(6)
Adjustments related to prior years divestments	6	-
Transaction costs	(2)	(8)
Cash flow from divestment of subsidiaries and operations	**81**	**16**

Comments

In 2021, Falck divested its shares in a number of entities from the portfolio businesses in Denmark, Sweden, US and the Czech Republic. A total loss on the divestment of enterprises of DKK 107 million was recognised in the income statement, consisting of the loss from divestments, net DKK 111 million, adjustments related to prior years divestments DKK 6 million and transactions cost DKK 2 million.

Transaction costs to external consultants related to divestments were DKK 44 million in total, DKK 2 million was included in the gain loss from divestments, whereas DKK 42 million is included in Special items.

In December 2021 Falck announced the divestment of its Roadside Assistance (RSA) business in Sweden, Norway, Finland, Estonia and Lithuania. The divestment is subject to regulatory approval which is expected in Q1 2022.

In 2020, Falck divested its shares in a number of entities in US, Sweden and Venezuela. A total loss on the divestment of enterprises of DKK 306 million was recognised in the income statement, consisting of the loss from divestments, net DKK 298 million and transactions cost DKK 8 million.

Accounting policies

Companies divested or discontinued are recognised in the income statement until the date of divestment or discontinuation.

Divested activities are shown separately as discontinued operations.

Gains and losses on divestment or winding up of subsidiaries and associates are stated as the difference between the sales price and the carrying amount of the net assets, including goodwill at the time of sale, accumulated foreign exchange adjustments recognised in other comprehensive income and anticipated disposal costs. In addition, any retained non-controlling interests are measured at fair value. Gains and losses on the disposal and the effect of renewed measurement of any retained non-controlling interests are recognised in the income statement.

Note 5

Capital structure, financial items and cash flows

Note 5.1
Equity

Comments

Share capital

The share capital is divided into 136,480,060 shares (133,292,060 shares) with a nominal value of DKK 1.00 each. In March 2021, the share capital increased by DKK 3,188,000 in relation to acquisition of shares in Falck Health Care Holding A/S, which was merged with Falck Healthcare A/S with the latter as the continuing company.

No shares are subject to special rights or restrictions on voting rights. The shares are fully paid up and are not divided into classes. Falck is generally not subject to any capital requirements other than the usual statutory requirements.

Falck monitors and manages its capital structure with a view to ensure that it can meet its financing obligations. No changes have been made to Falck's management of capital compared to 2020.

Treasury shares

The portfolio of treasury shares has been acquired in connection with the purchase of shares from former employees/minority shareholders.

Capital management

As at 31 December 2021, Falck was mainly funded by equity totalling DKK 4,964 million (DKK 3,754 million) and syndicated loan of DKK 1,715 million (DKK 2,164 million).

Distribution to the Company's shareholders

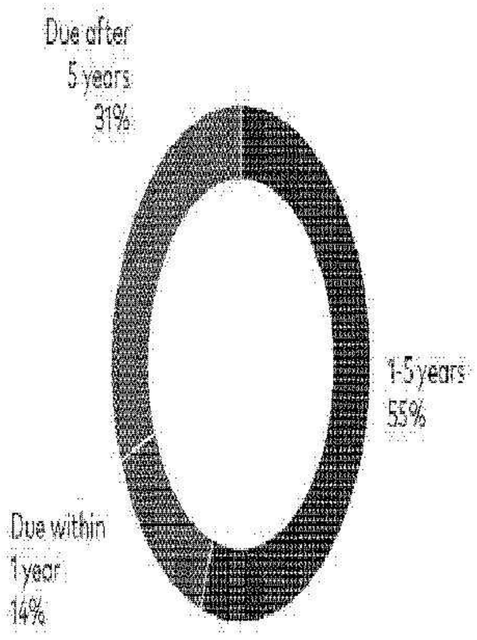
It is proposed to distribute a dividend of DKK 1,000 million for 2021 (DKK 0). This corresponds to a dividend per share of DKK 7.33. Dividend to shareholders is based among others on the current and expected future financial leverage measured as the ratio between NIBD and EBITDA.

	Number of shares		Nominal value DKK thousand		% of share capital	
Treasury shares	**2021**	2020	**2021**	2020	**2021**	2020
Treasury shares at 1 January	81,141	15,116	81	15	0.061	0.011
Additions	-	66,025	-	66	-	0.050
Change due to increase in share capital	-	-	-	-	(0.002)	-
Treasury shares at 31 December	**81,141**	**81,141**	**81**	**81**	**0.059**	**0.061**

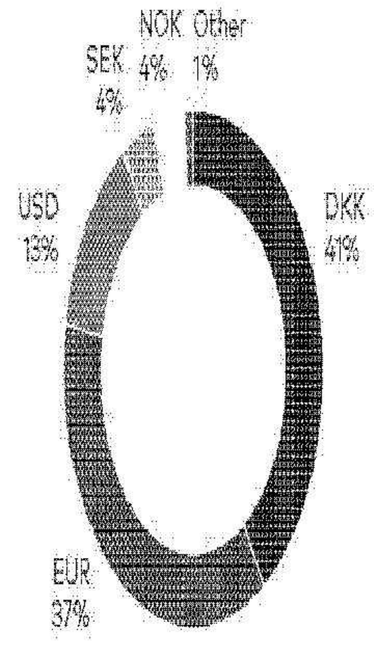
Note 5.2
Loans

DKK million	2021	2020
Non-current liabilities		
Syndicated loan	1,715	2,164
Mortgage loans	359	419
Lease liabilities	747	821
Other non-current loans	9	7
Total	**2,830**	**3,411**
Current liabilities		
Mortgage loans	10	13
Lease liabilities	429	289
Other current loans	9	3
Total	**448**	**305**
Total loans	**3,278**	**3,716**
Interest reset periods		
Within 3 months	1,715	2,173
Between 3 and 12 months	456	43
After 12 months	1,107	1,500
Total	**3,278**	**3,716**

Breakdown by maturity
2021



Breakdown by currency
2021



Comments

Falck's primary debt financing is a syndicated bank loan facility of DKK 1,715 million (DKK 2,164 million) split between a Term Loan expiring September 2023 and a Revolving Credit Facility expiring January 2027. The syndicated bank loan facility was refinanced in 2021, where the facility was ESG-linked.

Accounting policies

Loans

Debt to credit institutions, etc., is recognised at the time of obtaining the loan at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost.

Lease liabilities

Falck recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The following is included in the lease payments:

- Fixed payments
- Variable payments that depend on index or a rate
- The exercise price of purchase options reasonably certain to be exercised
- Payments related to periods covered by an extension option reasonably certain to be exercised
- Penalty payments in connection with termination options reasonably certain to be exercised

Falck has chosen to exclude any service component from lease payments. Falck determines the lease term based on the non-cancellable lease period identified in the contract together with any periods covered by an extension option reasonably certain to be exercised or any periods covered by a termination option reasonably certain not to be exercised. After the commencement date, Falck reassesses the lease term if there is a significant event or change in circumstances that is within Falck's control and affects its ability to exercise (or not to exercise) the options.

When discounting the lease payments to present value, Falck uses the incremental borrowing rate. Falck estimates the incremental borrowing rate by using a market interest rate that reflects the currency and average term of the leases plus a credit margin.

Note 5.2
Loans (continued)

Breakdown of liabilities from financing activities

DKK million	2020	Cash flows	New leases and re-measurement	Foreign exchange movement	Other transactions	**2021**
Long-term borrowings	2,590	(503)	-	-	(4)	2,083
Short-term borrowings	16	(3)	-	-	6	19
Lease liabilities	1,110	(331)	377	20	-	1,176
Total liabilities from financing activities	**3,716**	**(837)**	**377**	**20**	**2**	**3,278**

Non-cash changes

Lease liabilities

In 2021, Falck paid DKK 352 million for lease agreements of which interest expenses amounted to DKK 21 million.

Financing activities

In 2021, the syndicate financing agreement with Falck's core banking group was refinanced at improved terms, extended maturities as well as ESG-linked. Excess cash has been used continuosly throughout 2021 to repay debt.

Note 5.3
Financial income and expenses

DKK million	2021	2020
Financial income		
Interest on deposits measured at amortised cost	13	2
Foreign exchange gains	79	47
Other financial income	15	-
Total financial income	**107**	**49**
Financial expenses		
Interest on loans measured at amortised cost	(79)	(80)
Interest element on discounted liabilities	(21)	(29)
Foreign exchange losses	(33)	(70)
Other financial expenses	(20)	(16)
Total financial expenses	**(153)**	**(195)**

Accounting policies

Financial income and expenses

Financial income and expenses represent interest income and interest expenses, realised and unrealised capital gains and losses, and amortisation related to financial assets and liabilities. Dividends to capital holders who have received put options in connection with business combinations are recognised as a financial expense in cases where the option price is independent of dividend payments. Financial income and expenses are recognised at the amounts related to the year. Furthermore, realised and unrealised gains and losses on derivative financial instruments, which cannot be classified as hedging arrangements are included.

Note 5.4
Financial instruments

Comments

Financial risks

As a consequence of its operations, investments and financing, Falck is exposed to a number of financial risks, including liquidity risk, market risk (foreign exchange and interest rate risk) and credit risk. Financial risks are managed in accordance with the Treasury Policy, which is reviewed and approved by the Board of Directors. Falck's policy is not to speculate in financial risks. Accordingly, Falck's financial risk management exclusively involves the management and mitigation of financial risks that arise as a direct consequence of Falck's operations, investments and financing.

Liquidity risk

Falck aims to, at all times, have sufficient available liquidity to meet all its obligations. This is ensured via a solid liquidity buffer consisting of committed credit facilities and cash, as well as continuously monitoring the liquidity situation and utilising cash concentration of Group cash and long-term committed credit facilities provided by core banks.

Foreign exchange risk

Falck's subsidiaries' revenues and most of the costs of the individual subsidiaries are denominated in their respective reporting currency, thus natural hedges are in place and exposure to exchange gain/losses from transactions is limited.

The main exchange rate exposure faced by Falck relates to the translation of the financial results and the equity of foreign subsidiaries into Danish kroner.

Falck's business is for a large part denominated in Danish kroner (DKK). Other currencies that accounted for a significant share are Colombian Peso (COP), Euro (EUR), US Dollar (USD), and Swedish kronor (SEK).

Sensitivity: Impact on EBITA from 5% change in key exchange rates.

DKK million	Increase in foreign exchange rates[1)]	Delta impact on EBITA
COP	5%	4.79
USD	5%	5.17
SEK	5%	5.60

1) Due to the European Exchange Rate Mechanism (ERM 2) resp. a fluctuation band for EURDKK of +/- 2.25% around a central rate of 7.46038, we do not consider exposures in EUR as a risk.

Note 5.4
Financial instruments (continued)

Interest rate risk

Falck's interest rate risk is composed of interest on Falck's corporate debt. Falck's interest rate risk mainly stems from its debt portfolio and cash management activities. Falck's debt portfolio consists of both floating and fixed interest rates. Falck is hereby exposed to interest fluctuations, either via increased interest (cash flow) expenses or fair value adjustment. Falck continuesly monitors and hedges the exposure where deemed significant in accordance with the Treasury Policy.

Sensitivity

A change in relevant interest rates of 1 percentage point will, all other things being equal, increase interest expenses by DKK 7 million (DKK 15 million), calculated as 1% of net interest-bearing debt excluding lease liabilities.

Credit risk

Falck is exposed to credit risk from its operating activities (mainly contract assets and trade receivables) and from its financing activities with respect to deposits with banks and financial institutions.

Banks and other trading partners are monitored regularly to assess that the credit risk is considered acceptable. The credit risk against Falck's main banking partners is monitored regularly and mitigated by only using counterparties with a solid credit rating. The Group's maximum credit risks, including both commercial and financial contracts, amounted to DKK 2,021 at 31 December 2021 (DKK 2,181).

The credit risk originating from subsidiaries having funds in smaller local banks is partly mitigated by seeking to have low cash positions and deposits in subsidiaries.

Falck is not exposed to significant credit risks concerning material customers or business partners. When entering into significant contracts, Falck makes a credit assessment of the customer in order to reduce the potential credit risk. Falck's credit exposure is generally considered low as Falck's large customers are mainly public authorities in countries with stable economies.

Note 5.4
Financial instruments (continued)

2021 DKK million	Contractual cash flows: Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total	Total carrying amount	Market value
Financial liabilities						
Loans	52	1,266	929	2,247	2,102	2,102
Lease liabilities	439	682	105	1,226	1,176	1,176
Trade payables	1,118	-	-	1,118	1,118	1,118
Other payables	1,336	3	-	1,339	1,339	1,339
Financial liabilities measured at amortised cost	**2,945**	**1,951**	**1,034**	**5,930**	**5,735**	**5,735**
Total financial liabilities	**2,945**	**1,951**	**1,034**	**5,930**	**5,735**	**5,735**

2020 DKK million	Contractual cash flows: Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total	Total carrying amount	Market value
Financial liabilities						
Loans	67	2,242	443	2,752	2,606	2,606
Lease liabilities	300	583	264	1,147	1,110	1,110
Trade payables	794	-	-	794	794	794
Other payables	2,072	2	-	2,074	2,074	2,074
Financial liabilities measured at amortised cost	**3,233**	**2,827**	**707**	**6,767**	**6,584**	**6,584**
Total financial liabilities	**3,233**	**2,827**	**707**	**6,767**	**6,584**	**6,584**

Note 5.4
Financial instruments (continued)

Accounting policies
Fair value measurement

Falck uses the fair value convention for certain disclosure requirements and for the recognition of financial instruments. Fair value is defined as the amount that would be received by selling an asset or would be paid to transfer a liability, respectively, in an orderly transaction between market participants.

Fair value is based on the primary market. If no primary market exists, fair value will be based on the most advantageous market, defined as the market that maximises the price of the asset or liability less transaction and transport costs.

In the determination of fair value, Falck uses, to the widest possible extent, observable prices in active markets for identical instruments (level 1). Alternatively, other observable inputs are used, such as similar instruments in active markets or identical instruments in markets that are not active, or a valuation model based on other observable market data (level 2).

To the extent that observable information is not available or cannot be used without material modifications, Falck uses generally accepted valuation methods based on all other inputs (level 3).

Methods and assumptions for the determination of market values

The portfolio of listed securities is measured at officially quoted prices or price quotes. The market value of mortgage debt is measured on the basis of the market value of the underlying bonds. The market value of credit institutions is measured by discounting based on market expectations.

Forward exchange contracts and interest rate swaps are measured using generally accepted valuation techniques based on relevant observable swap curves and exchange rates.

Measurement of the fair value of financial instruments is categorised as level 2 in the fair value hierarchy, as measurement is based on observable input.

Categories of financial instruments

Securities and derivatives are measured at fair value through the income statement, whereas the rest of Falck's financial assets are measured at amortised cost, including trade receivables, other receivables, cash, etc.

Falck's financial liabilities, including debt portfolio, trade payables and other payables, are measured at amortised cost.

Note 5.5
Cash

DKK million	**2021**	2020
Cash can be specified as follows:		
Cash, available	1,359	1,115
Bank overdrafts that are part of the ongoing cash management	-	(4)
Cash at 31 December	**1,359**	**1,111**

Accounting policies

The cash flow statement is presented according to the indirect method and shows how income and changes in the statement of financial position items affect cash. The cash flow statement includes cash flows from companies acquired as from the date of acquisition, and cash flows from companies divested until the date of divestment.

Cash flows from operating activities convert income statement items from an accounting basis to a cash basis. Further, the change in working capital is stated as it shows the development in cash tied up in the statement of financial position.

Cash flows from investing activities include cash flows related to purchase and sale of Falck's long-term investments. This includes acquisitions and divestments of companies, non-controlling interests and operations, together with the purchase and sale of intangible assets, property, plant and equipment and other non-current, assets and the purchase and sale of securities not included in cash.

Cash flows from financing activities include cash flows from changes in share capital and related costs, purchases and sales of treasury shares together with cash flows from dividends and interest-bearing debt raised and repayment thereof.

Cash flows in currencies other than the functional currency are translated at average exchange rates unless these differ materially from the exchange rate at the transaction date.

Note 5.6

Change in net working capital

DKK million	2021	2020
Change in inventories	(18)	(27)
Change in contract assets	144	(120)
Change in trade receivables	(36)	197
Change in other receivables	34	(186)
Change in provisions	113	120
Change in contract liabilities	(59)	(69)
Change in trade payables	318	132
Change in other payables	(508)	495
Change in net working capital	**(12)**	**542**

Comments

Change in trade payable of DKK 318 million was mainly caused by the increase in the antigen activities in Q4 2021.

Change in other payables of DKK 508 million was mainly caused by decrease in employee liabilities including payment of the "frozen" holiday pay accrual as well as payment of postponed direct and indirect taxes in 2020.

Note 6

Other disclosures

Note 6.1
Contingent liabilities and collateral securities

Comments

With respect to pending litigations and claims to which Falck is a party, it is expected that the rulings in these matters will have no material impact on Falck's financial position.

As part of Falck's activities, usual supplier agreements have been entered into. Usual representations and warranties are made in connection with the divestment of companies and operations. There are currently no significant outstanding claims that are not sufficiently recognised in the statement of financial position.

The Group may be liable in environmental cases related to cleaning of some properties. The matter is being investigated, and it is currently not practical to estimate the potential outcome.

Joint taxation

Falck A/S and the Group's Danish subsidiaries are included in national joint taxation with Lundbeckfonden (Lundbeckfond Invest A/S) as the administration company. Pursuant to the Danish Corporation Tax Act, the companies are liable for income taxes, etc. for the jointly taxed companies and, from and including 1 July 2012, also for any obligations to withhold tax at source on interest, royalties and dividends from the jointly taxed companies.

DKK million	2021	2020
Collateral security		
Carrying amount of Falck's properties that have been mortgaged in security of loans	364	293
Mortgages issued and used as collateral for credits	36	432

Note 6.2

Related parties

The following investors have reported holdings of more than 5% of Falck A/S' share capital	2021	2020
Lundbeckfond Invest A/S, Copenhagen	57.8%	59.2%
KIRKBI Invest A/S, Billund	27.9%	28.6%
TryghedsGruppen smba, Virum	14.0%	11.9%

Transactions with shareholders were as follows (DKK million):		
Paid tax to Lundbeckfond Invest A/S	(243)	(96)

Comments

Related party that has control over the Group comprises Falck A/S' principal shareholder, Lundbeckfonden, Scherfigsvej 7, DK-2100 Copenhagen Ø, Denmark.

Related party with a significant influence includes KIRKBI Invest A/S.

Falck A/S is 57.8% owned by Lundbeckfond Invest A/S and is included in the consolidated annual report of Lundbeckfonden, which is the ultimate parent company of Falck A/S.

The share capital in Falck A/S was increased by 3,188,000 shares in 2021 and the new shares were used as consideration to TryghedsGruppen s.m.b.a. for acquisition of 46,8% of the shares in Falck Health Care Holding A/S, which was merged with Falck Healthcare A/S with the latter as the continuing company.

Consequently, Falck Healthcare A/S and its subsidiaries are now fully owned by the Falck Group, and TryghedsGruppen has increased its ownership of Falck A/S from 11.9% to 14.0%.

Besides transactions related to the joint taxation with Lundbeckfond Invest A/S, as described in note 2.6, no material transactions other than the one stated above were completed with the related party during the year.

Transactions with related parties are made on arm's length terms. Intra-group transactions have been eliminated in the consolidated financial statements.

Management

Other related parties comprise Falck's Executive Committee and Executive Management, the Board of Directors, companies in which the principal shareholder exercises control, and such companies' subsidiaries, in this case H. Lundbeck A/S and ALK-Abelló A/S and their subsidiaries.

Transactions with key management personnel consisted of remuneration; please see note 2.3.

Apart from the remuneration paid to the key management personnel, Falck had no transactions with the Executive Committee and Executive Management, Board of Directors, major shareholders or other related parties.

Associates

The related parties of Falck also include associates and joint ventures in which the Group has significant influence. Please refer to note 6.5 for an overview of Group companies. Receivables from and payables to associates are shown in notes 3.9 and 3.10. Trading activities with associates and joint ventures are insignificant.

Note 6.3
Fees to auditors

DKK million	2021	2020
Statutory audit	(7)	(8)
Other assurance engagements	(1)	-
Tax advisory service	-	-
Other services	(4)	(1)
Total fees to PwC	**(12)**	**(9)**

Comments

PwC is Falck's auditor as appointed at the Annual General Meeting. PwC audits the consolidated financial statements of Falck and a majority of the subsidiaries' financial statements. In addition, PwC provides consultancy services and performs other audit-related tasks.

Note 6.4
Events after the reporting date

No events have occurred after the reporting date affecting Falck's financial position at 31 December 2021.

Note 6.5
Group companies

The list below shows the Group's subsidiaries and associates by business unit at 31 December

Ambulance Europe	Country	Equity interest
Falck Danmark A/S	Denmark	100.0%
Respons A/S	Denmark	100.0%
Falck Arbeitsgemeinschaft		
Rettungsdienst Plauen GmbH & Co. oHG	Germany	100.0%
Falck Notfallrettung und Katastrophenschutz GmbH	Germany	100.0%
Falck Notfallrettung und Krankentransport Cuxhaven GmbH	Germany	100.0%
Falck Notfallrettung und Krankentransport Dortmund GmbH	Germany	100.0%
Falck Notfallrettung und Krankentransport GmbH	Germany	100.0%
Falck Notfallrettung und Krankentransport Spree-Neiße GmbH	Germany	100.0%
Falck Rettungsdienst GmbH	Germany	100.0%
Falck Rettungsdienst Hanse GmbH	Germany	100.0%
Falck Rettungsdienst Holding GmbH	Germany	100.0%
Falck Rettungsdienst Nord GmbH	Germany	100.0%
Falck Eurasia B.V.	Netherlands	100.0%
Falck VL Servicios Sanitarios, S.L.	Spain	100.0%
Falck Ambulans AB	Sweden	100.0%
Falck Services AB	Sweden	100.0%
Falck Sverige Holding AB	Sweden	100.0%

Ambulance US	Country	Equity interest
Falck Mobile Health Corp.	US	100.0%
Falck Northwest Corp.	US	100.0%
Falck Rocky Mountain, Inc.	US	100.0%
Falck USA, Inc.	US	100.0%

Fire Services	Country	Equity interest
Falck Fire Services BE NV	Belgium	100.0%
Falck Fire & Safety do Brasil S.A.	Brazil	65.0%
Falck France SAS	France	65.0%
Falck Fire Services DE GmbH	Germany	100.0%
Falck Operations Services DE GmbH	Germany	100.0%
Falck Servizi Industriali di Emergenza S.r.l.	Italy	65.0%
Falck Holding B.V.	Netherlands	100.0%
Falck Brann og Redningstjeneste AS	Norway	100.0%
Falck Fire Services Polska Sp. z.o.o.	Poland	100.0%
Falck SCI Portugal - Segurança Contra Incêndios, SA.	Portugal	100.0%
Falck Fire Services S.R.L.	Romania	100.0%
Falck Fire Services a.s.	Slovakia	100.0%
Falck SCI, S.A.	Spain	65.0%
Falck Räddningstjänst AB	Sweden	100.0%
Falck Fire Services UK Limited	UK	100.0%

Employee Healthcare	Country	Equity interest
Falck Healthcare A/S	Denmark	100.0%
Falck Helse AS	Norway	100.0%
Frisk Aktimed Helse AS	Norway	100.0%
Frisk Gruppen AS	Norway	100.0%
Frisk Utvikling AS	Norway	100.0%
AB Previa	Sweden	100.0%
Alviva AB	Sweden	100.0%
Falck Health Care Holding AB	Sweden	100.0%
Falck Healthcare AB	Sweden	100.0%

Note 6.5
Group companies (continued)

Assistance	Country	Equity interest
Falck Assistance A/S	Denmark	100.0%
Falck Investment Sverige AB	Sweden	100.0%

Community Healthcare	Country	Equity interest
Falck Brasil 747 Participações Ltda.	Brazil	100.0%
Falck Servicios Logisticos S.A.S.	Colombia	100.0%
Empresa de Medicina Integral EMI S.A. Servicio de Ambulancia Prepagada - Grupo EMI S.A.	Colombia	100.0%
Haces Inversiones y Servicios S.A.S.	Colombia	100.0%
EMI Ecuador S.A. - Emergencia Medica Integral	Ecuador	100.0%
EMI El Salvador S.A. de C.V.	El Salvador	100.0%
EMI Central America Holding S.A.	Panama	100.0%
EMI Holdings Management S.A.	Panama	100.0%
EMI Panama S.A.	Panama	100.0%
Luvtel S.A.	Uruguay	100.0%
Portovenus S.A.	Uruguay	15.5%
UCM Uruguay S.A.	Uruguay	100.0%

Portfolio business	Country	Equity interest
Falck (Victoria) Pty. Ltd.	Australia	100.0%
Falck Pty. Ltd.	Australia	100.0%
Falck Global Assistance (China) Limited	China	100.0%
Falck Global Assistance A/S	Denmark	100.0%
Falck Autoabi OÜ	Estonia	100.0%
Falck Global Assistance Oy	Finland	100.0%
Falck Oy	Finland	100.0%
Falck India Pvt. Ltd. (India)	India	100.0%
Falck Services Pvt. Ltd. (India)	India	100.0%
UAB Falck Lietuva	Lithuania	100.0%
Falck Services Limited	Mauritius	100.0%
Falck Global Assistance Norway AS	Norway	100.0%
Falck Redning AS	Norway	100.0%
Falck Medycyna Sp. z.o.o.	Poland	100.0%
Falck Global Assistance Singapore Pte. Ltd.	Singapore	100.0%
Falck Emergency AS	Slovakia	100.0%
Falck SK a.s.	Slovakia	100.0%
Falck Záchranná a.s.	Slovakia	100.0%
Falck Global Assistance Spain S.L.	Spain	100.0%
Falck Lanka (Pvt) Ltd.	Sri Lanka	50.0%
Falck Global Assistance AB	Sweden	100.0%
Falck Hälsopartner AB	Sweden	100.0%
Falck Räddningskår AB	Sweden	100.0%
Falck Global Assistance (Thailand) Ltd.	Thailand	49.0%
Falck Global Assistance Ltd.	Thailand	100.0%
Falck Saglik AS	Turkey	100.0%
Falck India Limited	UK	100.0%
Falck UK Ambulance Service Limited	UK	100.0%
Falck Northern California Corp.	US	100.0%
Falck Global Assistance, LLC	US	100.0%

Group	Country	Equity interest
Falck Properties A/S	Denmark	100.0%
Falck Fire Services A/S	Denmark	100.0%

Parent company financial statements

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Income statement

1 January - 31 December

DKK million	Note	2021	2020
Other operating income	1	5	5
Other external costs	2	(2)	(1)
Staff costs	3	(42)	(20)
Operating profit		**(39)**	**(16)**
Dividend from group companies		2,275	-
Financial income	4	597	123
Financial expenses	5	(48)	(71)
Profit/loss before tax		**2,785**	**36**
Income taxes	6	(5)	3
Profit/loss for the year	9	**2,780**	**39**

Statement of financial position

At 31 December

DKK million	Note	2021	2020
Assets			
Investments in subsidiaries	7	7,479	5,804
Receivables from Group companies		2,917	3,072
Deferred tax assets	8	106	113
Total non-current assets		**10,502**	**8,989**
Income taxes		106	-
Other receivables		12	10
Cash		554	-
Total current assets		**672**	**10**
Total assets		**11,174**	**8,999**
Equity and liabilities			
Share capital	9	136	133
Proposed dividend		1,000	-
Retained earnings		8,266	6,364
Total equity		**9,402**	**6,497**
Loans	10	1,715	2,164
Provisions		-	7
Total non-current liabilities		**1,715**	**2,171**
Cash pool		-	269
Trade payables		-	1
Income taxes		-	30
Other payables		57	31
Total current liabilities		**57**	**331**
Total equity and liabilities		**11,174**	**8,999**

Statement of changes in equity

1 January - 31 December

2021 DKK million	Share capital	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2021	**133**	**6,364**	**-**	**6,497**
Changes in equity in 2021				
Capital increase	3	122	-	125
Profit/loss for the year	-	1,780	1,000	2,780
Total changes in equity in 2021	**3**	**1,902**	**1,000**	**2,905**
Total equity at 31 December 2021	136	8,266	1,000	9,402

2020 DKK million	Share capital	Hedging reserve	Retained earnings	Total equity
Equity at 1 January 2020	**133**	**33**	**6,328**	**6,494**
Changes in equity in 2020				
Profit/loss for the year	-	(33)	39	6
Purchase and sale of treasury shares, warrants, etc.	-	-	(3)	(3)
Total changes in equity in 2020	**-**	**(33)**	**36**	**3**
Total equity at 31 December 2020	133	-	6,364	6,497

Note 1
Other operating income

DKK million	2021	2020
Management fee from Group companies	5	5
Total other operating income	**5**	**5**

Note 2
Fees to auditors

Refer to note 6.3 in the consolidated financial statements.

Note 3
Staff costs

DKK million	2021	2020
Wages, salaries and remuneration	(42)	(23)
Other staff costs	-	3
Total staff costs	**(42)**	**(20)**
Remuneration to the Executive Committee	(31)	(23)
Reversal of incentive programme bonus prior year	-	20
Global incentive programme bonus	(6)	(10)
Remuneration to the Board of Directors	(5)	(4)
Other	-	(3)
FTEs	2	2

Comments

Remuneration to the Executive Committee includes both a fixed salary and variable remuneration. The variable remuneration is fixed on the basis of the Group's performance. The members of the Executive Committee and the Board of Directors do not receive contributions to pension plans. Please see note 2.3 in the consolidated financial statements.

Note 4
Financial income

DKK million	2021	2020
Foreign exchange gains	-	7
Interest from Group companies	66	80
Reversal of impairment of investments in subsidiaries	530	-
Other financial income	1	36
Total financial income	**597**	**123**

Note 5
Financial expenses

DKK million	2021	2020
Interest on loans	(47)	(71)
Other financial expenses	(1)	-
Total financial expenses	**(48)**	**(71)**

Note 6
Income taxes

DKK million	2021	2020
Current tax	(1)	-
Change in deferred tax for the year	3	-
Prior year taxes	(7)	3
Total tax	**(5)**	**3**
Explanation of total tax expense		
Total income taxes	(5)	3
Profit/loss before tax	**2,785**	**36**
Danish tax rate	22.0%	22.0%
Non-deductible costs and tax-exempt income	(22.0%)	-
Other adjustments including adjustments relating to prior years	-	(30.3%)
Effective tax rate	**0.0%**	**(8.3%)**

Note 7
Investments in subsidiaries

DKK million	2021	2020
Cost at 1 January	6,334	6,308
Additions	1,145	26
Cost at 31 December	**7,479**	**6,334**
Value adjustments at 1 January	(530)	(530)
Reversal of impairment losses	530	-
Value adjustments at 31 December	**-**	**(530)**
Carrying amount at 31 December	**7,479**	**5,804**

Comments

Investments in subsidiaries represent 100% of the share capital of Falck Danmark A/S, Falck Global A/S, Falck Global Assistance A/S and Falck Healthcare A/S.

During 2021, Falck A/S has acquired 47.8% of the shares in Falck Health Care Holding A/S, and thereby obtained full ownership. Falck Health Care Holding was subsequently merged with Falck Healthcare A/S with the latter as the continuing company. Further, Falck A/S increased the capital in Falck Danmark A/S by DKK 1,000 million, and in Falck Global Assistance by DKK 20 million.

Management has tested investments in subsidiaries for impairment by comparing the expected future income in the individual subsidiary with the carrying value of the individual subsidiary.

The impairment test for 2021 identified no need for impairment of investments in subsidiaries.

The impairment test showed that there was no longer a need for impairment of the investment in Falck Healthcare A/S and therefore the impairment of DKK 530 million made in 2018 and 2019 on this investment has been reversed.

The impairment test for 2020 identified no need for impairment of investments in subsidiaries.

Note 8
Deferred tax

DKK million	2021	2020
Deferred tax assets at 1 January	113	103
Prior year taxes	(3)	10
Change in tax losses for the year[1]	(7)	-
Change in deferred tax	3	-
Deferred tax assets at 31 December	**106**	**113**
Breakdown of deferred tax		
Non-current liabilities and provisions	11	10
Tax losses carried forward	95	103
Deferred tax assets at 31 December	**106**	**113**

1) The amount is included in corporation tax receivables/payables in relation to the joint taxation arrangement with Lundbeckfonden.

Note 9
Equity

DKK million	2021	2020
Retained earnings	1,780	39
Proposed dividend	1,000	-
Profit for the year	**2,780**	**39**

Comments

The share capital is divided into 136,480,060 shares (133,292,060 shares) with a nominal value of DKK 1.00 each. In March 2021, the share capital increased by DKK 3,188,000 in relation to acquisition of shares in Falck Health Care Holding A/S, which was merged with Falck Healthcare A/S with the latter as the continuing company.

Note 10
Loans

DKK million	2021	2020
Non-current loans	1,715	2,164
Total loans	**1,715**	**2,164**
Attributable to:		
Loans	1,715	2,164
Total loans	**1,715**	**2,164**

Note 11
Contingent liabilities, lease obligations and collateral security

DKK million	2021	2020
Warranty and guarantee commitments	11	21

Comments

Falck A/S has issued guarantees covering the rental obligations of certain subsidiaries. The rental obligation expires in 2022. The amount above relates to this.

With respect to pending litigations and claims to which Falck is a party, it is expected that the rulings in these matters will have no material impact on Falck's financial position.

Joint taxation

Falck A/S is included in national joint taxation with Lundbeckfonden (Lundbeckfond Invest A/S) as the administration company.

Pursuant to the Danish Corporation Tax Act, the Company is liable for income taxes etc. for the jointly taxed companies and, from and including 1 July 2012, also for any obligations to withhold tax at source on interest, royalties and dividends from the jointly taxed companies.

Note 12
Related parties

Comments

For a description of related parties, please see note 6.2 of the consolidated financial statements. Remuneration for the Board of Directors and the Executive Management is disclosed in note 2.3 of the consolidated financial statements. Related party transactions are made on arm's length basis.

DKK million	2021	2020
Transactions with other Group companies were as follows:		
Management fee received	5	5
Interest received	66	80
Received tax from subsidiaries	119	28
Paid tax to Lundbeckfond Invest A/S	(243)	(96)

Note 13
Events after the reporting date

No events have occurred after the reporting date affecting Falck A/S' financial position at 31 December 2021.

Note 14
Accounting policies

The financial statements for the Parent Company are presented in accordance with the Danish Financial Statement Act of large, reporting class C companies.

The Parent Company applies the same accounting policies for recognition and measurement as the Group, except from the following:

Other operating income

Other operating income includes management fees from Group companies, which is recognised concurrently with the supply of those services.

Dividend from Group companies

Distributions of retained earnings in subsidiaries are recognised as financial income in the income statement of the Parent Company in the year in which the dividend is declared. An impairment test is made if more than the comprehensive income of a subsidiary is distributed.

Investments in subsidiaries

Investments in subsidiaries are measured at cost in the Parent Company's financial statements. Cost includes the consideration at fair value plus direct acquisition costs.

If there is an indication of impairment need, an impairment test is performed as described in the accounting policies applying to the consolidated financial statements.

Where the carrying amount exceeds the recoverable amount, the investments are written down to this lower value.

Statement of cash flows

A separate statement of cash flows for the Parent Company has not been prepared. Reference is made to the consolidated statement of cash flows.

Management's statement

The Board of Directors and the Executive Committee have today considered and approved the annual report of Falck A/S for 2021.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards which have been adopted by the EU and additional requirements under the Danish Financial Statements Act.

The Parent Company's financial statements have 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 assets, liabilities and financial position at 31 December 2021, and of the results of the Group's operations, and the Parent Company's operations and the Group's cash flows for the financial period 1 January - 31 December 2021.

Furthermore, in our opinion, the Management's review includes a fair review of developments in the operations and financial position of the Group and the Parent Company, the financial results for the year and the Group's and the Parent Company's financial position, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the annual report is approved at the Annual General Meeting.

Copenhagen, 28 January 2022

Executive Committee:

Jakob Riis
President and CEO

Tor Magne Lønnum
CFO

Board of Directors:

Peter Schütze
Chairman

Lene Skole
Deputy Chairman

Lars Frederiksen

Stefan Fyhn Gregersen
Employee representative

Jacob Bonne Guldberg
Employee representative

Dorthe Mikkelsen

Vagn Flink Møller Pedersen
Employee representative

Thomas Lau Schleicher

Niels Smedegaard

Independent Auditor's Report

To the shareholders of Falck A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Falck A/S for the financial year 1 January to 31 December 2021, which comprise income statement, statement of financial position, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and statement of cash flows for the Group ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

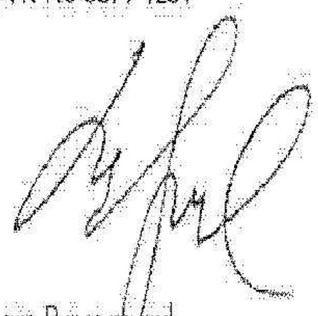
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

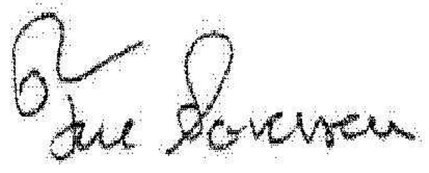
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 28 January 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231



Lars Baungård
State Authorised Public Accountant
mne23331



Tue Stensgård Sørensen
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