

2022 Annual Report



Our purpose

Advance sustainable healthcare to meet people's changing needs

In an ever-changing world, people's needs and expectations for health and safety continue to progress. The reason is simple; people's fundamental desire to live in the best conditions of health and safety remains strong and unchanged.

Through our varied offers of healthcare and emergency health and safety services, we have made it our responsibility to help even more people around the world live healthy lives.



Contents

Management's review

In brief

At a glance	04
Financial highlights	05
Sustainability highlights	06
Letter from the Chair and the CEO	07
Five-year summary	09
Outlook for 2023	10

Strategy

Business model	12
Care for more '25	13
Business unit strategies	17

Performance

Financial results for the Group	22
Emergency Health and Safety	24
Healthcare	26
Portfolio	28
Q4 financial results	29

Sustainability

Strategy	32
Ways to advance sustainable healthcare	35
Advance healthcare	36
Reduce climate impact	38
Secure healthy & diverse workplace	40
Build trust	43
ESG governance	45
ESG key figures	46
ESG accounting policies	47

Governance

Risk management	49
Corporate governance	53
Board of Directors	59
Executive Management	62

Financial statements

Consolidated financial statements

Statements	65
Notes	71

Parent company financial statements

Statements	114
Notes	117

Reports

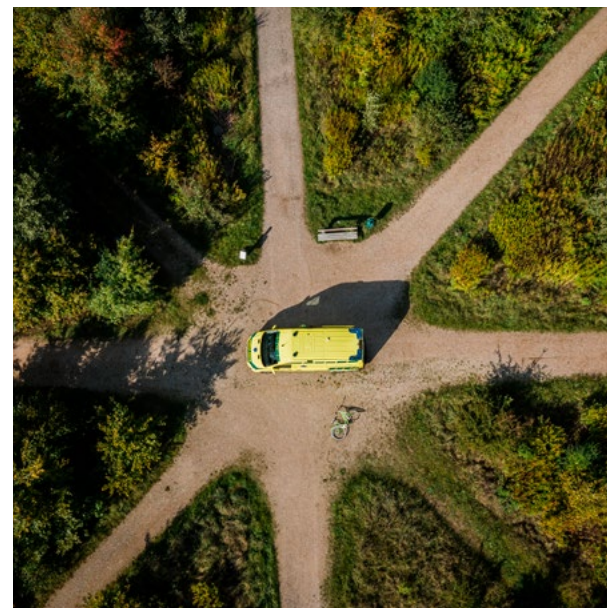
Management's statement	121
Independent auditor's report	122

About this report: Annual reporting covers Falck's environmental, social and governance related impact and actions and serves as the statutory statement on corporate social responsibility, the underrepresented gender and data ethics policy in accordance with sections 99a (p. 32-47), 99b (p. 40-42) and 99d (p. 55) of the Danish Financial Statement Act.

Strategy

The underlying rationale behind the Care for more '25 corporate strategy is to help even more people wake up in the morning and live a healthy life.

[Read more on page 11](#)



Sustainability

We have progressed in 2022 by delivering more services, reducing carbon emissions from our fleet and committing to the Science Based Targets initiative.

[Read more on page 31](#)

Falck at a glance

Falck is a global healthcare provider with a wide range of service offerings within emergency services and healthcare. Our services within prevention, treatment and rehabilitation are delivered on long-term contracts, subscriptions and pay-by-use.

1906

Founded

8.9 million

Services in 2022

12,647

Revenue DKKm in 2022

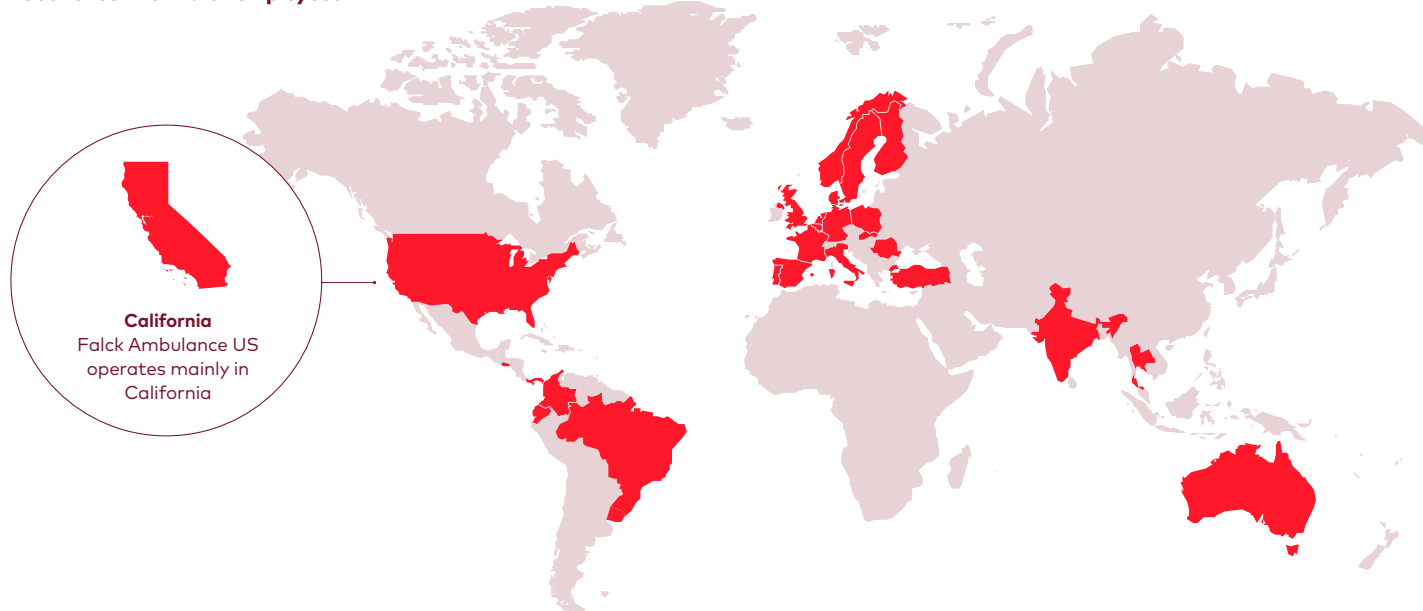
~25,000

Highly skilled professionals

26

Countries

Countries with Falck employees



Core business

Emergency Health and Safety



Ambulance services

Denmark, Germany, Spain, Sweden and the US



Fire services

Belgium, Brazil, Denmark, France, Germany, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the UK

Healthcare



Employee and Labour Market services

Denmark, Norway and Sweden



Consumer and Technical services

Denmark



Community Health services

Colombia, Ecuador, El Salvador, Panama and Uruguay

Portfolio



























Patient transport and ambulance services

Poland, Australia and Slovakia

Global travel assistance

Finland, India, Norway, Sweden, Spain, Denmark, Turkey, Thailand and the US

Financial highlights

Group ¹	Core business areas		Portfolio
<p>Falck operates three business areas; Emergency Health and Safety, Healthcare and Portfolio.</p> <p>Revenue (DKK million)</p> <p>12,647</p> <p>2022  12,647 2021  15,173</p> <p>● Public antigen testing activities contributed DKK 617 million (DKK 3,456 million)</p> <p>EBITA (DKK million)</p> <p>717</p> <p>EBITA margin 5.7% (12.1%)</p> <p>2022  717 2021  1,834</p> <p>● Public antigen testing activities contributed DKK 200 million (DKK 1,229 million)</p> <p>Free cash flow (After tax, DKK million)</p> <p>(152)</p> <p>2022  (152) 2021  1,888</p> <p>● Public antigen testing activities contributed negative DKK 134 million (DKK 1,310 million)</p>	<p>Emergency Health and Safety</p> <p>Comprises the business units Ambulance Europe, Ambulance US and Fire services.</p> <p>Revenue (DKK million)</p> <p>7,742</p> <p>61% share of Group revenue (66%)</p> <p>2022  7,742 2021  9,980</p> <p>● Public antigen testing activities contributed DKK 617 million (DKK 3,456 million)</p> <p>EBITA (DKK million)</p> <p>485</p> <p>EBITA margin 6.3% (2021: 15.6%)</p> <p>2022  485 2021  1,561</p> <p>● Public antigen testing activities contributed DKK 200 million (DKK 1,229 million)</p> <p>Free cash flow (Before tax, DKK million)</p> <p>38</p> <p>2022  38 2021  1,907</p> <p>● Public antigen testing activities contributed DKK 136 million (DKK 1,324 million)</p>	<p>Healthcare</p> <p>Comprises the business units Employee and Labour Market services, Consumer and Technical services and Community Health services.</p> <p>Revenue (DKK million)</p> <p>4,173</p> <p>33% share of Group revenue (23%)</p> <p>2022  4,173 2021  3,591</p> <p>EBITA (DKK million)</p> <p>489</p> <p>EBITA margin 11.7% (14.3%)</p> <p>2022  489 2021  514</p> <p>Free cash flow (Before tax, DKK million)</p> <p>151</p> <p>2022  151 2021  368</p>	<p>Comprises business activities across patient transport services and global travel assistance.</p> <p>Revenue (DKK million)</p> <p>809</p> <p>6% share of Group revenue (11%)</p> <p>2022  809 2021  1,691</p> <p>EBITA (DKK million)</p> <p>5</p> <p>EBITA margin 0.6% (1.9%)</p> <p>2022  5 2021  33</p> <p>Free cash flow (Before tax, DKK million)</p> <p>(5)</p> <p>2022  (5) 2021  (52)</p>

1) The numbers in the columns do not add up to the Group numbers due to unallocated Group costs and eliminations, see note 2.1 of the consolidated financial statements.

Sustainability highlights

Advance healthcare



More services delivered

8.9 million ↑

(8.1 million)
Services delivered

Reduce climate impact



CO₂ slightly reduced

52,325 ↓

(53,194)
CO₂ emissions, tonnes, scope 1

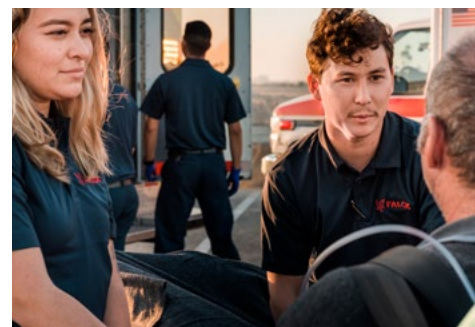
Relative CO₂ reduced

12% ↓

CO₂ emissions, tonnes/revenue, scope 1

Committed to the
Science Based Targets
initiative

Secure healthy & diverse workplace



Employee engagement stable

72 →

(72)
Employee Engagement score

Injury rate decreased

13% ↓

Lost Time Injury Rate

0 ↓

(1)
Fatalities

New gender diversity
target, management

Ensure trust



Completion rate increased

81% ↑

(55%)
Code of Conduct training

Whistle-blower system trusted

1.62 ↑

(1.32)
Whistle-blower reporting ratio
per 100 FTEs



Letter from the Chair and the CEO

Strategy and core business momentum

2022 was a solid year for Falck. We achieved broad-based organic growth, delivered more healthcare services, prepared Falck for major investments in digitalisation and reduced our climate footprint slightly.

At Falck, we are led by our purpose to advance sustainable healthcare to meet people's changing needs. Essentially, we want to help even more people live a healthy life. This contribution is made on a daily basis by delivering our core services within prevention, treatment and rehabilitation.

We did exactly that on almost 9 million occasions in 2022. This was an increase over the previous year, and it shows that we have achieved a wider reach.

At Falck we strive to be the best possible partner for the healthcare systems we work with. In all markets, where Falck is present, the growing demand for healthcare services, and the limitations to continuously expand capacity and recruit healthcare professionals calls for both reforms and radical innovation to make ends meet. We want to increase our contribution to solving those societal challenges, through long-term partnerships.

Our fundamental approach to achieving our purpose and societal commitments is to develop and operate a strong core business. Thus, by working commercially, we seek to

generate organic revenue growth, the cash flows and the operating profit needed to allow for funding of ongoing investments in digitalisation, sustainability, innovation, global practices, workplace development, training, and more.

In this way, we amplify our capacity to address healthcare challenges with relevant, quality services delivered efficiently and in the most sustainable way possible. This is the foundation from which we can act and contribute as an attractive, long-term partner to the healthcare systems in key markets.

Our core business, financial foundation and sustainability record have all grown stronger compared to last year. This makes us optimistic about Falck's long-term strategy and ability to continue in its development and growth trajectory – and importantly, our societal contribution.

Solid, broad-based organic growth

For the full year, Group revenue amounted to DKK 12,647 million (DKK 15,173 million) and EBITA landed at DKK 717 million (DKK 1,834 million).

When evaluating the financial performance of Falck's on-going business, it is relevant to exclude the financial contribution from the public testing activities performed for the Danish regions in 2020, 2021 and until the contract expired in March 2022. The reason is simple; those testing activities were extraordinary, comprehensive and temporary.

Excluding public testing activities, Falck generated revenue of DKK 12,030 million (DKK 11,717 million) and posted EBITA of DKK 517 million (DKK 605 million) in 2022. The free cash flow after tax amounted to negative DKK 18 million (DKK 578 million), mainly caused by postponed Group VAT payments and the timing of the annual prepayments of public fire and ambulance contracts in Denmark.

The organic revenue growth rate was 5.7%. It was particularly encouraging to see that the organic revenue growth was broad-based, being supported by all business areas and apparent in all main markets – Europe, the US and Latin America.

Revenue growth was driven by increased contract volumes in our ambulance and fire

services. Likewise, the inflow of new healthcare subscription customers also contributed, and we provided more pay-on-use healthcare services than last year.

While revenue increased from last year, EBITA landed somewhat lower. This was due to higher costs resulting from staff shortages and surging energy prices, which we are still working to mitigate through a variety of measures. Given the challenging market conditions, we consider the financial performance to be satisfactory.

Investing in future healthcare solutions

In 2022, we started an investment programme to ensure that Falck is ready to meet both the present as well as future demands for new healthcare solutions.

With this, we have prepared Falck as an organisation to embark on a significant investment programme which will further increase in 2023 to a level of DKK 250 million. This will constitute a strong acceleration on the usage of digitalisation across our operations and healthcare services to meet the increasing needs of people and society. We are fully aware that the work will push the Falck

organisation and will have to be undertaken in close collaboration with our customers. But we are certain that the investments will benefit our customers, contribute to the societies we operate in, as well as develop Falck as a highly attractive workplace for our current and future employees.

Divestment programme almost completed

To focus the Falck business, we have pursued substantial divestments over the past few years.

In March 2022, we successfully divested the Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania – a major milestone, which gave Falck a transaction gain of DKK 708 million. Later in the year, we divested our UK ambulance operations.

Altogether, we have executed on the planned, multi-year divestment programme – and it is now close to completion.

Enhanced sustainability

We accelerated our sustainability efforts in 2022 and achieved progress. Scope 1 carbon emissions from our fleet decreased slightly, to 52,325 tonnes from 53,194 tonnes last year. The

Lost Time Injury rate (LTIR) improved and the whistle-blower reporting ratio was maintained above the desired threshold. We have made a commitment to the Science Based Targets initiative and consequently broadened our CO₂ reduction ambitions to cover the entire value chain. We continue the work to submit our target no later than 2024.

We are pleased to publish this year's sustainability reporting as part of the Annual Report. Doing so is a natural next step for us, as sustainability is already an integral part of our business strategy and performance.

Lastly, we wish to thank all Falck employees for their continued commitment to building Falck's business and making a difference to health and safety. We also wish to thank our partners, customers, investors and all other stakeholders for their trust.



Niels Smedegaard
Chair of the Board
of Directors



Jakob Riis
President and CEO

Key events of the year

Q1 2022

- Niels Smedegaard appointed new Chair of Falck
- Closing of antigen testing centres in Denmark
- Divestment of Roadside Assistance in Sweden, Norway, Finland, Estonia, and Lithuania finalised
- Falck donated 30 ambulances for use in Ukraine, Moldova and Poland

Q2 2022

- Previa started using the Falck brand
- The revitalised Falck museum at Egeskov Castle opened
- Falck kick-started transition to a green fleet
- Falck started the testing of drones in Greenland

Q3 2022

- Frisk Gruppen rebranded to Falck
- Christian Baltzer appointed new Group CFO of Falck
- Falck acquired all shares in Fire entities in Spain, France, Italy and Brazil

Q4 2022

- New Employee Health Services product launched in Denmark
- Falck divested Falck UK Ambulance Services Limited
- Falck committed to the Science Based Targets initiative (SBTi)

Five-year summary

DKK million	2022	2021	2020	2019	2018	
Income Statement						
Revenue	12,647	15,173	12,348	13,824	13,988	
EBITA ¹	717	1,834	675	729	239	
Impairment of goodwill	(174)	-	-	(450)	-	1) EBITA is defined as operating profit before special items, amortisation of customer contracts and brand, impairment of goodwill and gains/losses from divestments of enterprises.
Operating profit (EBIT)	1,121	1,634	88	(158)	(64)	
Net financial items	(74)	(46)	(146)	(158)	(445)	
Profit/loss for the year from continuing operations	921	1,229	(178)	(546)	(550)	2) For 2017-2020, the leverage is excluding the impact of IFRS 16 implementation.
Profit/loss for the year from discontinued operations	-	-	-	-	(398)	
Profit/loss for the year	921	1,229	(178)	(546)	(948)	3) For 2021, the leverage includes full-year impact from Frisk Gruppen.
Statement of financial position						
Total assets	10,505	12,644	12,031	12,776	12,991	Comments
Net operating assets	7,126	6,881	6,358	7,655	7,774	See definitions of key figures and ratios in note 1.4 of the consolidated financial statements.
Total equity	3,919	4,964	3,754	3,882	2,198	
Subordinated shareholder loans	-	-	-	-	2,220	
Net interest-bearing debt, including lease liabilities	3,208	1,918	2,605	3,782	5,623	
Cash flows and investments						
Cash flows from operating activities	(113)	1,866	1,311	764	784	
Free cash flow	(152)	1,888	1,410	1,050	691	
Investments in intangible assets and property, plant and equipment	(201)	(109)	(66)	(191)	(365)	
Key figures						
Economic profit	(82)	919	(52)	(288)	(309)	
EBITA margin (%)	5.7	12.1	5.5	5.3	1.7	
Cost of services (OPEX) ratio (%)	79.3	75.1	78.1	79.7	81.4	
Sales and administrative expenses (SG&A) ratio (%)	15.6	13.2	16.9	16.0	17.5	
Cash conversion rate (%)	(21.2)	103.0	208.9	144.0	289.1	
Equity ratio	37.3	39.3	31.2	30.4	34.0	
Net interest-bearing debt to EBITDA (leverage) ^{2,3}	2.64x	0.80x	1.81x	2.46x	3.33x	
EBITDA	1,215	2,305	1,269	1,369	909	
FTEs	19,988	20,862	20,870	23,920	26,789	

Outlook 2023

The macroeconomic outlook is characterised by increased uncertainty on a range of factors and a diminishing global economic growth. IMF projects global economic growth around 2.7%, with significant variations across markets. This is the lowest projection in several years.

On the demand side, Falck's business model is relatively resilient to macroeconomic variations due to the nature of Falck's services, particularly in the Emergency Health and Service business area, whereas the Healthcare business is relatively more exposed to variations in public and private sector budgets.

On the cost side, high inflation levels on both energy and supplies have impacted the results in 2022 and are expected to also impact cost levels in 2023. In addition, an increasing pressure on salaries is expected in 2023, the level of which is subject to a high degree of uncertainty.

Staff shortage will remain a challenge also in 2023, mainly within the Ambulance operations in the US and Europe. Since late 2021, Falck has addressed this challenge through increased focus on recruitment, training, and retention of frontline staff. In addition, Falck has engaging in dialogues with the contractual counterparties on routes to address both the root cause of the staff shortage but also to agree on resolutions to limit the financial impact on Falck.

Finally, operational planning, continued efficiency improvements and proactive pricing have been, and will continue to be, important levers to absorb and limit the negative financial impact on Falck.

The outlook for 2023 is based on foreign exchange rates as of end-December 2022. Significant changes in key foreign exchange rates, mainly USD, SEK, and NOK, may have a notable impact on revenue. In terms of earnings, due to the nature of Falck's operations, most costs are denominated in the same currency as the revenue and therefore, the net impact from foreign exchange effects is limited.

The outlook is also based on all current business activities including the remaining business units in the Portfolio segment. Depending on the timing of a potential divestment of these remaining activities, this may have a negative impact mainly on expected revenue in 2023, whereas the impact on EBITA will be limited.

Revenue

Falck expects revenue of DKK 11.5 billion to DKK 12.0 billion in 2023. This is based on organic growth expectations for the Healthcare business driven by a combination of continued subscription portfolio growth, higher pay-on-use activity, and price increases. In Emergency Health and Safety, a flat organic

growth is expected as increased pay-on-use activity and price increases compensate for reduced contract volume.

EBITA

Falck expects EBITA of DKK 300 million to DKK 450 million in 2023. This includes significantly increased investments in IT development costs. Since 2021, Falck has executed its Care for more '25 strategy, which has resulted in increased costs related to investments in digitalisation, global operating models and rebranding. In 2023, investments in digitalisation and business development to support the strategy towards 2025 and beyond will increase to approximately DKK 250 million that are all expected to impact EBITA and are not assumed to be capitalised. As a reference point, in 2022, Falck invested approximately DKK 90 million in costs related to global rebranding and other strategic initiatives to support the execution of Falck's strategy.

In Emergency Health and Safety, profitability is expected to be impacted by elevated fuel prices and an increasing inflationary pressure on salaries. The negative impact from staff shortages, however, is expected to decrease compared to 2022 due to the efforts described above. In the Healthcare segment, profitability is expected to improve, driven by continuous improvement of utilisation, proactive pricing and contract management.

Outlook 2023

Revenue, DKK billion

11.5 - 12.0

EBITA, DKK million

300 - 450

Follow-up on outlook

	2022	2023
DKK billion	Realised	Outlook
Revenue	12.6	11.5 - 12.0
EBITA	0.7	0.3 - 0.45

02 Strategy

The corporate strategy – Care for more '25 – was launched in 2021. It is the foundation on which Falck plans to develop into a leading, global provider of integrated healthcare services and help even more people wake up in the morning and live a healthy life. Solid progress was made on the strategy.



Business model

Resources

People

Our services are delivered by 25,000 engaged and skilled employees

Equipment

We use high-quality equipment enabling effective diagnostics and resolution

Partnerships

We enter local partnerships to customise our global services to local needs

Innovation

We utilise new technology and explore smarter, new and transformational 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

Capabilities

Deep understanding of healthcare, safety and customer needs

Strong commercial services, delivered in high quality through long-term contracts and subscriptions

Excellent operational planning, training, mobilisation and utilisation

Integrated healthcare services

Prevention

Treatment

Rehabilitation

Ambulance services

Fire rescue services

Patient transportation

Healthcare services

(i.e. doctor-on-call, psychological consultation, chiropractor, and physiotherapist support)

First aid courses

Labour market services

Roadside assistance

Societal trends

Need for enhanced efficiency, flexibility and sustainability in the delivery of healthcare solutions

Ageing populations

Shortage of healthcare professionals

Constraints on public healthcare systems

Climate change adaptation

Risk of global pandemics and viruses

Value created

Advance healthcare

We save and improve lives every day. We advance sustainable healthcare to meet people's changing needs

Customer value

We support healthy workplaces, offering prevention, treatment and rehabilitation of their employees and protect property and valuables

Supporting societies

We support national healthcare systems with emergency response and healthcare services while reducing our climate impact

A great place to work

We offer challenging and purposeful work with opportunities for personal and professional development

Shareholder value

We deliver value to our shareholders

Solid progress on Care for more '25

The underlying rationale behind the Care for more '25 corporate strategy is to help even more people wake up in the morning and live a healthy life. This is important to our purpose.

In many households, families, communities and workplaces around the world, you will find people, who at some point in their life – yesterday, a month ago or several years back – were saved, have recovered or learned to live a healthier life with the help of a Falck employee. At Falck, making contributions like that reminds us of our purpose and it gives us a sense of pride and inspiration.

The ambition is to do this for even more people, in more situations, and to accommodate people's changing lifetime circumstances even more. At the same time, we want to significantly reduce our climate impact on this journey.

This way of thinking coincides with our purpose, focused on advancing sustainable healthcare to meet people's changing needs, and it is on this foundation that the corporate strategy, Care for more '25, was established.

Growing need for integrated healthcare solutions

We see immense healthcare challenges and opportunities in modern societies today. It is our ambition to be part of the solutions to protect, restore and improve people's health and lives.

It is widely recognised that ageing populations increase the need for more care and the delivery of a much wider range of healthcare solutions. The needs of people at an advanced age are increasingly multifaceted with more multi-chronic conditions, for example. This demographic development is already causing mounting pressure on public healthcare systems, and healthcare costs continue to rise.

At the same time, there are growing demands from other groups in society. People in their working lives need quick and easy access to healthcare to reduce the number of years lost because of injuries or deteriorated health conditions. It is also evident that people today take stronger ownership of their health and demand more.

Other healthcare trends

Alongside these trends, mental health sufferings have increased substantially following COVID-19 and obesity has been increasing in recent decades, according to the OECD. Following the outbreaks of COVID-19 in 2020, policymakers around the world were reminded of the constant risk of global pandemics.



According to the World Health Organization (WHO), an agency of the United Nations, the largest health threat globally is arising from climate change. In the coming decades, we should expect increasingly negative implications from heat-induced heart attacks and more will be exposed to very high or extremely high fire danger, mentioned as examples only.

Call for efficient, flexible healthcare

The above are some – but not an exhaustive listing – of the main healthcare challenges already present and growing in the different healthcare systems in Europe, the US and Latin America, where we operate.

The responses are not easily provided. There are limitations to the funding and capacity of public healthcare systems. Further, there is a notable shortage of healthcare professionals to meet the needs at hand, and this situation is likely to prevail for many years ahead. Given these challenges, it remains a considerable public and political concern to address unfair inequalities in the access to healthcare services.

We want to support societies at large with these challenges and supplement healthcare systems by delivering healthcare solutions in highly efficient, flexible and holistic ways.

It is within this dynamic, commercial space that Falck will innovate and develop relevant offerings that target the customer spectrum ranging from private consumers to governments with a full scale public healthcare system, for example through public-private partnerships.

We want to contribute to innovating new solutions and to execute on them as a flexible and efficient subcontractor to public healthcare systems. By the same token, we want to cater to the increasing needs of private

consumers, corporates and others by providing healthcare services that supplement public healthcare systems.

In view of this, we see a large, attractive and strongly growing market for integrated healthcare solutions to be provided in Falck's current regions of operation: Europe, the US and Latin America.

Falck's advantage in meeting customer needs

As a company, Falck stands out by its long track record and established expertise in supplying healthcare services that cater to a variety of needs within prevention, treatment and rehabilitation. We serve a wide spectrum of customer segments, across borders and in an increasingly sustainable way.

From this starting point, we want to continue to stand out as an attractive partner in solving healthcare needs in selected core markets towards a wide range of customer segments; private consumers (B2C), corporations (B2B), insurance and pension companies (B2I) as well as public-sector authorities (B2G).

For private consumers, corporations, insurance and pension companies, we will continue to grow our services. This will include prevention and treatment of critical health situations involving physical or mental suffering, and additional support combined with related rehabilitation. Often, we supply fast, flexible and easy access to healthcare specialists and help our customers to navigate the healthcare system. These services are supplied either as part of healthcare subscriptions or as pay-on-use.

For corporations, providing such healthcare services from Falck to their employees helps them to enhance motivation and engagement as well as fulfil their social responsibilities too.

Falck works with a holistic view on sustainable healthcare across prevention, treatment and rehabilitation

Prevention

We support long-term changes to improve people's well-being and reduce the resources needed for treatment.

Examples

- First-aid courses and kits
- Fire prevention services
- Training and ergonomic advice

Treatment

We deliver quick diagnoses and flexible treatment on physical or psychological sufferings.

Examples

- Critical ambulance and fire emergency
- Access to doctors, nurses, physiotherapists, psychologists and other healthcare professionals
- Homecare services

Rehabilitation

We help on rehabilitation, ensuring efficient recovery from physical or psychological sufferings rooted in work- or life-related situations.

Examples

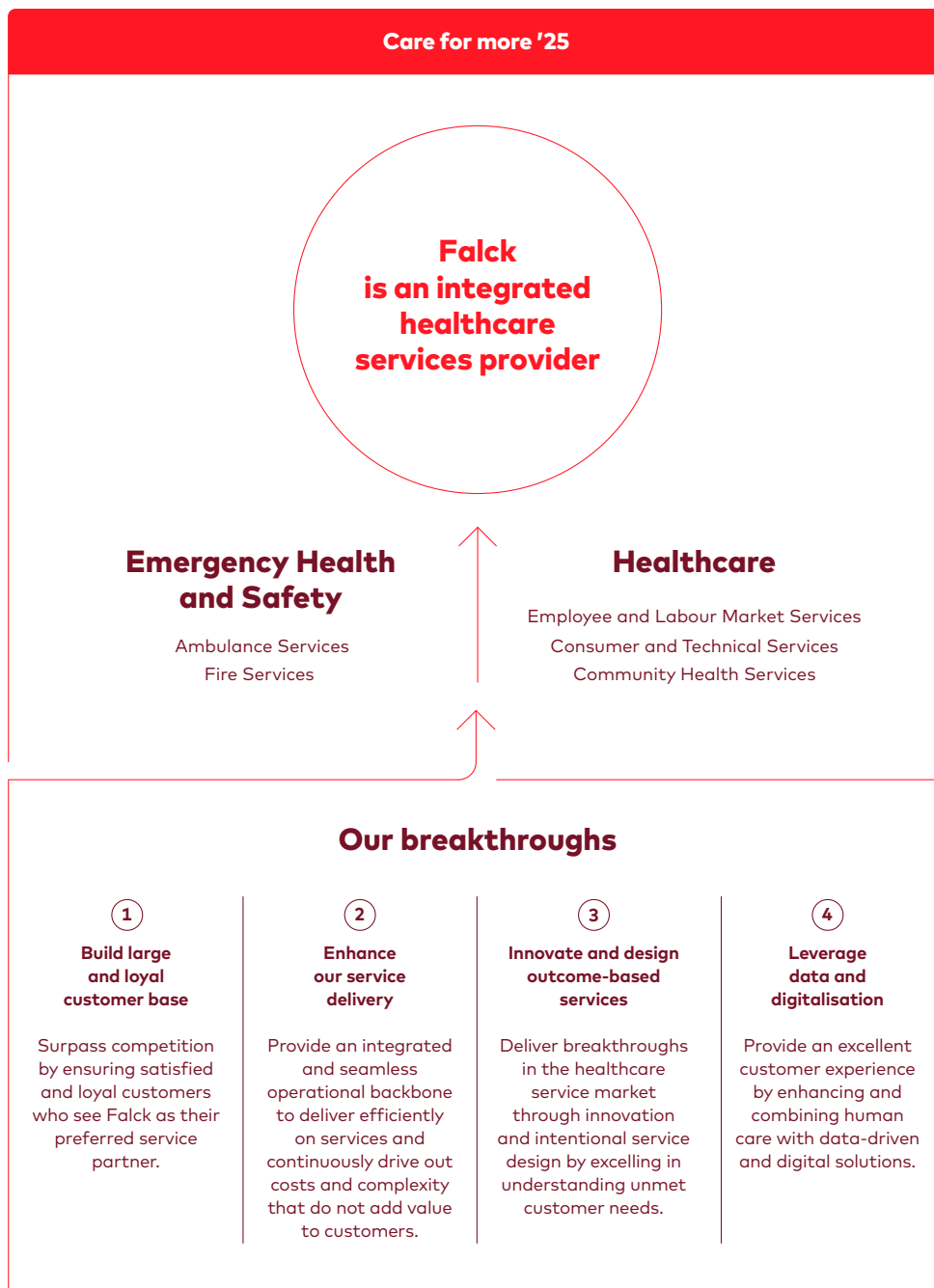
- Labour market services
- Advice and training

For public-sector customers, such as municipal, regional and state authorities, we will continuously expand our ability to support public healthcare systems directly. This will be as a preferred partner for the provision of treatment, such as ambulance and fire emergency services, and within rehabilitation through labour market services.

We also want to remain an available partner with the capacity to quickly mobilise and supply flexible resources to help public authorities manage sudden shifts in needs. This was recently done with the management of COVID-19 testing activities in Denmark.



We see immense healthcare challenges and opportunities in modern societies today. It is our ambition to be part of the solutions to protect, restore and improve people's health and lives.



Key elements of our strategy

It is our long-term strategic objective to become a leading, global provider of integrated healthcare services. To keep focus and progress, Care for more '25 guides our daily decisions, actions and priorities towards 2025.

Our corporate strategy is focused on fostering the continuous development and growth of the core business, which is organisationally located in two main business areas. This is to be done with the emphasis on unfolding four break-through themes that are shared across businesses and markets.

In the core business, we focus on building global operating models. With that we want to ultimately scale high-quality, knowledge-based operations and working practices across markets. This should likewise foster an even greater level of operational efficiency.

On the same terms, it is a strategic focus to continuously integrate sustainability deeply into our business practices and decision-making. Therefore, we have established ambitious sustainability targets across our business and governance. Recently, we committed to the Science Based Targets initiative (SBTi). Our initiatives within sustainability support the implementation of our business strategy.

Execution on track

Since the launch of the Care for more '25 strategy in early 2021, each business area has made tactical plans to support Falck in becoming an integrated healthcare services provider.

Building healthcare market presence

We want to significantly improve our presence and ability to help people directly with their healthcare needs in the Scandinavian countries. This led to the acquisition of Frisk Gruppen, a leading Norwegian healthcare provider, in 2021.

That move gave us access to a strong infrastructure in terms of a sizeable physical presence in Norway. Along with the presence already established in Denmark and Sweden, it meant that Falck had a de facto presence with offices dispersed across all three countries, becoming the largest healthcare provider in Scandinavia in the process.

Other landmarks

In Denmark, we made considerable improvements in 2022 to the features and digital interface of our healthcare subscription packages we provide to private consumers and smaller businesses. The experience gained from this exercise could potentially be scaled up and applied in other countries at some point.

The development of Falck's global ambulance model was another strategic landmark achieved in 2022. It enabled us to establish a clear roadmap on how to align our ambulance services even further on a global scale, characterised by high quality and efficiency.

Rebranding of business units

In the latter part of 2022, Falck undertook a rebranding process of business units and subbrands with names other than Falck in Scandinavian and Latin America.

Following the rebranding of Frisk Gruppen in Norway and Previa in Sweden, Falck now holds a clear brand for employee health solutions in Denmark, Sweden and Norway.

Successful divestments

Alongside the building of Falck's core business with Care for more '25, we have extensively divested activities and business units which are not considered part of the core business.

In March 2022, Falck completed the sale of the Roadside Assistance business in Sweden,

Progress on our breakthroughs during 2022

1

Build a large and loyal customer base

- Alignment of Falck brand across Scandinavia and the US
- Implementation of structured customer relations management (CRM) and win plans in contract business
- More data-driven B2C and B2B customer insights and decisions
- Subscription base in Colombia for doctor-on-call services increased by approximately 23,000 subscribers in 2022

2

Enhance our service delivery

- Falck Ambulance Model (operating model) developed and being rolled out
- Scandinavian Healthcare operating model defined and being rolled out (Employee and Labour Market services)
- Defining and implementing frontline employee journeys and value propositions
- Expansion of the range of service offerings to various customer segments in Latin America

3

Innovate and design outcome-based services

- initial pilots of drones for transporting medical samples and supplies, as well as for search and rescue
- Pilot with a Danish region on addressing mental traumas suffered by emergency bystanders
- New service offering in Employee and Labour Market services (*Sundhedshjælp Business*) focusing on employee well-being

4

Leverage data and digitalisation

- Digitalisation of healthcare customer journeys
- Digitalisation and alignment of financial data processes and flows
- Streamlining master data setup, governance and flows

Norway, Finland, Estonia and Lithuania. The transaction resulted in a gain of DKK 708 million. This transaction constituted another major milestone for the multi-year divestment programme, which thereby came very close to full completion.

Another divestment was effected in October 2022, when Ambulanz by DocGo acquired Falck UK Ambulance Services Limited. business (excluding testing activities).

The divestments in recent years have resulted in the transfer of businesses to better owners

The multi-year divestment programme of non-core activities came close to full completion.

and a more focused Falck. Strong proceeds from these sales have supported the development of the core business, reduced debt and rewarded owners with dividend payments.

By the end of 2022, we decided to recategorise Falck Global Assistance as part of our core business. Thus, effective from 1 January 2023, the business unit will be organisationally transferred out of Portfolio. In recent years, Falck Global Assistance has improved its business model, growth trajectory and value proposition to B2B customers in Scandinavia with Duty of Care solutions to support business travelling.

Unleash Falck's full commercial potential

In the second half of 2022, we started a project to explore the strategic opportunities available to further enhance the implementation of Care for more '25 and unleash Falck's full commercial potential towards 2027.

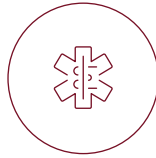
We plan to continue the current process of developing the core business within integrated healthcare solutions. This will be done by capturing market opportunities, leveraging Falck's market position as a recognised high-quality supplier, and further creating knowledge-based synergies across markets and business units.

Business area strategies

Emergency Health and Safety

The business area Emergency Health and Safety provides ambulance and fire services in Europe and the US. We want to grow organically in existing markets by standing out as a preferred partner to our customers.

In Emergency Health and Safety, we operate ambulance emergency services through the business units Ambulance Europe and Ambulance US. The Fire services business mainly has a presence in Europe, but it also has an operation in Brazil.



Developing the ambulance business globally

The ambulance emergency businesses in Europe and the US provide treatments for public-sector customers (B2G) such as municipal and local regional authorities with a need or preference for outsourcing emergency ambulance services.

We want to organically expand the market position in five core markets: Denmark, Germany, Spain, Sweden and the US. We operate in these markets as they are the ones most open to private operators and are all considered to be attractive markets.

Falck stands out on high quality standards, and one approach to this is through the Falck Ambulance Model, which enables working practices developed in one country to be shared and used to our competitive advantage in other markets.



Streamlining commercial activities in Fire services

The Fire services business in Europe provides prevention services to corporates (B2B) and fire-fighting services to both corporates (B2B) and public-sector customers (B2G). The business serves a variety of corporate customers in Europe, primarily airports, petrochemical sites, power generating plants and manufacturing plants.

We will grow organically in existing markets by strengthening commercial activities and pipeline management.

Further, the aim is to improve profitability by building scale and sharing specialist knowledge and best practices within selected industries across the European markets. This includes ways to reduce any adverse climate impacts from our services.

Case

Global operating model for ambulance service

Streamlined on-duty planning in the US ambulance business

"Send two ambulances – a boy about 8 years old and his mom have suffered severe burns in a kitchen accident". A moment ago, the dispatch had sent four ambulances to a traffic accident. As you can see from this illustrative story, it is overly critical for an ambulance operation to always be correctly staffed.

On-duty planning requires considerable time and is quite complex to manage. Some ambulance operations have several customer contracts and trade union agreements to abide by – and trained paramedics are a scarce resource.

For an efficient ambulance operation, it is critical for an operational on-duty planning to always ensure the right number of healthcare professionals are on duty. It is also essential to have the right mix of specialist skills available.

In 2022, an internal task force at Falck mapped the best working tools and procedures used for on-duty planning in the different markets. Building on these insights, Falck developed a global end-to-end on-duty

planning practise with emphasis on proactive planning, including forecasting the related needs, use of relevant financial inputs and collaboration with frontline staff.

The global practice for on-duty planning is now part of the overall Falck Ambulance Model.

Global planning practise works in the US

Once the development phase had been completed, Falck's next step was to implement the global on-duty planning practise throughout the US ambulance business.

Planning was previously done locally in Alameda, Los Angeles/Orange County and San Diego and in different ways. After the change, planning for all US operations is now



anchored in Orange County, ensuring that Falck utilises insights and best practices across the US operations.

Through the continuous rollout of these global practices, Falck expects to improve its resource utilisation, reduce operating costs and, not least, to increase employee satisfaction.

The initial improvements have already emerged, and over the coming years Falck plans to stepwise roll out global practises for on-duty planning as well as for the other key areas of the ambulance business in Europe and the US.

The story ended with the boy and his mom both being brought to hospital quickly and safely – and they both recovered fully.

Business area strategies

Healthcare

The Healthcare business area provides a strong offering of healthcare services to private consumers, corporates, insurance companies and pension funds as a supplement to what public healthcare systems offer.

In addition, the business area provides labour market services mainly to public-sector authorities. Primarily, we want to grow organically in existing markets and to fully leverage on the Scandinavian footprint from the acquisition of Frisk Gruppen in 2021.

We operate the Healthcare business area in Scandinavia through the two business units: Employee and Labour Market services, and Consumer and Technical services. Further, the business unit Community Health services operates in Latin America.



Employee and Labour Market services with full Scandinavian coverage

The business unit Employee and Labour Market services provides employee services to corporates (B2B) as well as insurance companies and pension funds (B2I). Labour market services are typically sourced by public-sector organisations (B2G), as they are related to rehabilitation support services provided in the public unemployment activation system.

Our long-term ambition in Scandinavia is to gain market presence within healthcare solutions.

We are therefore working towards building a solid Scandinavian market presence within both employee and labour market services, including implementing a common operating model.



Consumer and Technical services to further expand consumer healthcare

The business unit Consumer and Technical services provides a broad offering of healthcare-related services such as healthcare package subscriptions, patient transport, personal health, first aid courses and kits as well as fire prevention. The broad customer base for those services consists of private consumers (B2C) and small businesses (B2B). The business unit operates in Denmark only.

In addition, the business unit delivers roadside assistance to insurance companies (B2I) and assists public-sector customers in clearing roads in various situations.

We want to continuously increase the number of subscribers and the sale of pay-on-use services in Denmark, while simultaneously supporting and protecting the well-performing businesses, such as roadside assistance, private patient transport, first-aid courses and fire prevention.



Community Health services to continue to grow by expanding customer segments

The business unit Community Health services provides treatment to private consumers (B2C), corporate customers (B2B) as well as pension funds and insurance companies (B2I) with "doctors-on-call" services in Latin America, primarily Colombia.

We will increase the subscriber base and strengthen our market leadership in Colombia.

Further, we want to improve our presence in other countries of Latin America where we are already present - Ecuador, El Salvador, Panama and Uruguay - by continuously developing our service offering and improving the customer experience. This will include opening up for sales to additional customer segments in these markets.

Case

Frisk Gruppen integration

Building a strong healthcare business across Scandinavia

It can be a challenge for private and public corporations in the Scandinavian countries to acquire full-coverage healthcare solutions for their employees from a single supplier. Falck has a strategy to meet the growing demand among corporates for such services, and the acquisition and integration of Frisk Gruppen is a cornerstone of this endeavour.



In October 2021, Falck acquired Frisk Gruppen, a Norwegian healthcare provider with a leading offering of employee and labour market services. Frisk Gruppen has a strong strategic fit with Falck's existing business.

As a result, Falck welcomed more than 700 skilled employees and grew its business in Norway.

The acquisition solidified Falck's leading position across Scandinavia, now with more than 1,500 healthcare professionals and a network of +10,000 healthcare specialists across 35 locations in Denmark, 98 locations in Sweden and 105 locations in Norway.

Into 2022 with a new organisation in place

Right from the start, the ambition was to execute full and swift integration of Frisk Gruppen along with all its subsidiaries; Aktimed Helse, Ringvoll BHT, Frisk Utvikling and Frisk Specialist.

Shortly after the acquisition, a strong, new organisation was set up with effect from 1 January 2022. This included an organisational consolidation of Falck's current teams in Norway with the teams from Frisk Gruppen.

Another aspect of the organisational integration was about aligning practices within areas such as sales, pricing and customer services. Frisk Gruppen transitioned to Falck's global operating model, including the management of financial reporting, legal affairs, HR systems, IT and much more.

Building a strong culture

A key component of the integration process was to build a strong, common culture. Close to 100 managers from Frisk Gruppen and various Falck operations in Norway came together for an intense leadership training event focused on Falck's Winning Behaviours and parts of the Dare2Care leadership programme. The event enabled team leaders to provide a 360-degree introduction to Falck for all employees of Frisk Gruppen.

These initiatives have been paramount for ensuring consent among Frisk Gruppen employees to becoming a part of Falck and shaped the commitment to overcome the changes that they would inevitably encounter. According to the engagement survey performed in the autumn of 2022, the vast majority of the employees of the former Frisk Gruppen were satisfied with working for Falck.

Unified Falck brand in Norway

By September 2022, a full rebranding of the entire Norwegian business had been completed and, as a result, Falck now stands as a unified healthcare provider in Norway. The ambition is to prepare the market for future growth and provide demanded services, covering everything from prevention to treatment and rehabilitation across Scandinavia. This should make it easier for corporations to provide their employees with a full range of healthcare solutions.

03 Performance

In 2022, we achieved broad-based organic growth of 5.7%, which was driven by all business areas and apparent in all main markets – Europe, the US and Latin America.



Financial results for the Group

The Falck Group delivered organic revenue growth of 5.7% in 2022. EBITA was impacted by higher fuel costs and non-recurring costs related to global rebranding and strategic initiatives to support the execution of Falck's Care for more '25 strategy.

All numbers in the commentary relating to the components of EBITA and the cash flow are stated excluding the financial impact from the public testing activities.

Revenue increased by DKK 313 million to DKK 12,030 million based on organic growth of 5.7%, partly driven by increased contract volume in Emergency Health and Safety and partly by broad-based growth across the business units in Healthcare. The net impact from M&A activities was negative by 5.0 percentage points, whereas foreign exchange effects had a positive impact of 2.0 percentage points (mainly from USD). Consequently, reported growth was 2.7%.

Cost of services (OPEX) increased by DKK 366 million to DKK 9,570 million despite the positive impact from divestments and discontinued operations in Portfolio. Around two thirds of the increase was driven by the acquisition of Frisk Gruppen and by the San Diego contract. Higher fuel and energy prices contributed to the increase by approximately DKK 80 million, and staff shortages remained a challenge in Emergency Health and Safety also contributing to the increase in costs. Finally, foreign exchange effects also had a

negative impact on costs compared to last year.

The OPEX ratio increased by 1.0 percentage point to 79.6%. The increase was partly due to an elevated cost level in Emergency Health and Safety impacted by higher fuel costs and partly due to a lower margin in Healthcare as a result of lower utilisation of the cost base due to lower-than-expected activity levels in Employee and Labour Market services.

Sales and administrative expenses (SG&A) increased by DKK 42 million to DKK 2,011 million, mainly driven by non-recurring costs of DKK 90 million related to global rebranding and strategic initiatives to support the execution of Falck's Care for more '25 strategy. This was partly offset by a one-off reversal of bad debt provisions in Ambulance US as well as net savings from divestments. The SG&A ratio decreased slightly to 16.7% (16.8%).

EBITA decreased by DKK 88 million to DKK 517 million impacted by the elevated cost level in Emergency Health and Safety and by global non-recurring costs for strategic initiatives to support the execution of Falck's Care for more '25 strategy.

The EBITA margin decreased to 4.3% (5.2%), mainly due to the increased OPEX ratios in both Emergency Health and Safety and Healthcare but also due to increased costs related to investments to support Falck's strategic direction.

Across all Falck's businesses, the majority of all costs are denominated in the same currency as revenue. Consequently, the net exposure to foreign exchange effects on Falck's earnings is limited. For 2022, the net positive impact on EBITA, compared to 2021, was approximately DKK 15 million.

Total revenue for the Group was DKK 12,647 million (DKK 15,173 million) and total EBITA was 717 million (DKK 1,834 million). The decrease is mainly explained by the public antigen testing contract with the Danish regions, which Falck carried out in 2021 and until the contract expired in March 2022.

Operating profit (EBIT) was DKK 1,121 million (DKK 1,634 million), positively impacted by gains from the divestment of businesses of DKK 689

million. EBIT was negatively impacted by special items of DKK 21 million and the amortisation of customer contracts, brand value and impairment of goodwill totaling DKK 264 million. Last year, EBIT was positively impacted by the significant contribution from testing activities.

Profit for the year was DKK 921 million (DKK 1,229 million). Net financial expenses increased to DKK 74 million (DKK 46 million) due to higher interest rates and lower foreign exchange gains.

Free cash flow after tax (excluding public testing activities) was an outflow of DKK 18 million (DKK 578 million), equal to a negative cash conversion rate of 3.5% (positive 95.5%). The cash flow was adversely affected by postponed VAT and other payments from Q4 2021 of approximately DKK 150 million, timing of annual prepayments from fire and ambulance customers of DKK 175 million and other net working capital changes of approximately DKK 200 million.

Key figures 2022

DKK million	2022	2021
Revenue	12,647	15,173
Revenue, excl. testing activities	12,030	11,717
EBITA	717	1,834
EBITA, excl. testing activities	517	605
EBITA margin (%)	5.7	12.1
EBITA margin (%), excl. testing activities	4.3	5.2
Free cash flow	(152)	1,888
Free cash flow, excl. testing activities	(18)	578
FTEs	19,988	20,862

Revenue growth, excl. testing activities

Organic (%)	5.7
Acquisitions/divestments (%)	(5.0)
Foreign exchange rates (%)	2.0
Reported growth (%)	2.7

Net operating assets increased by DKK 245 million compared to last year and amounted to DKK 7,126 million. The increase was primarily driven by an increase in net working capital, partly owing to the above-mentioned timing of prepayments from the public fire and ambulance customers and partly to the San Diego contract now being fully operational. In addition, last year's net operating assets were low due to outstanding balances of deferred VAT and employee-related taxes.

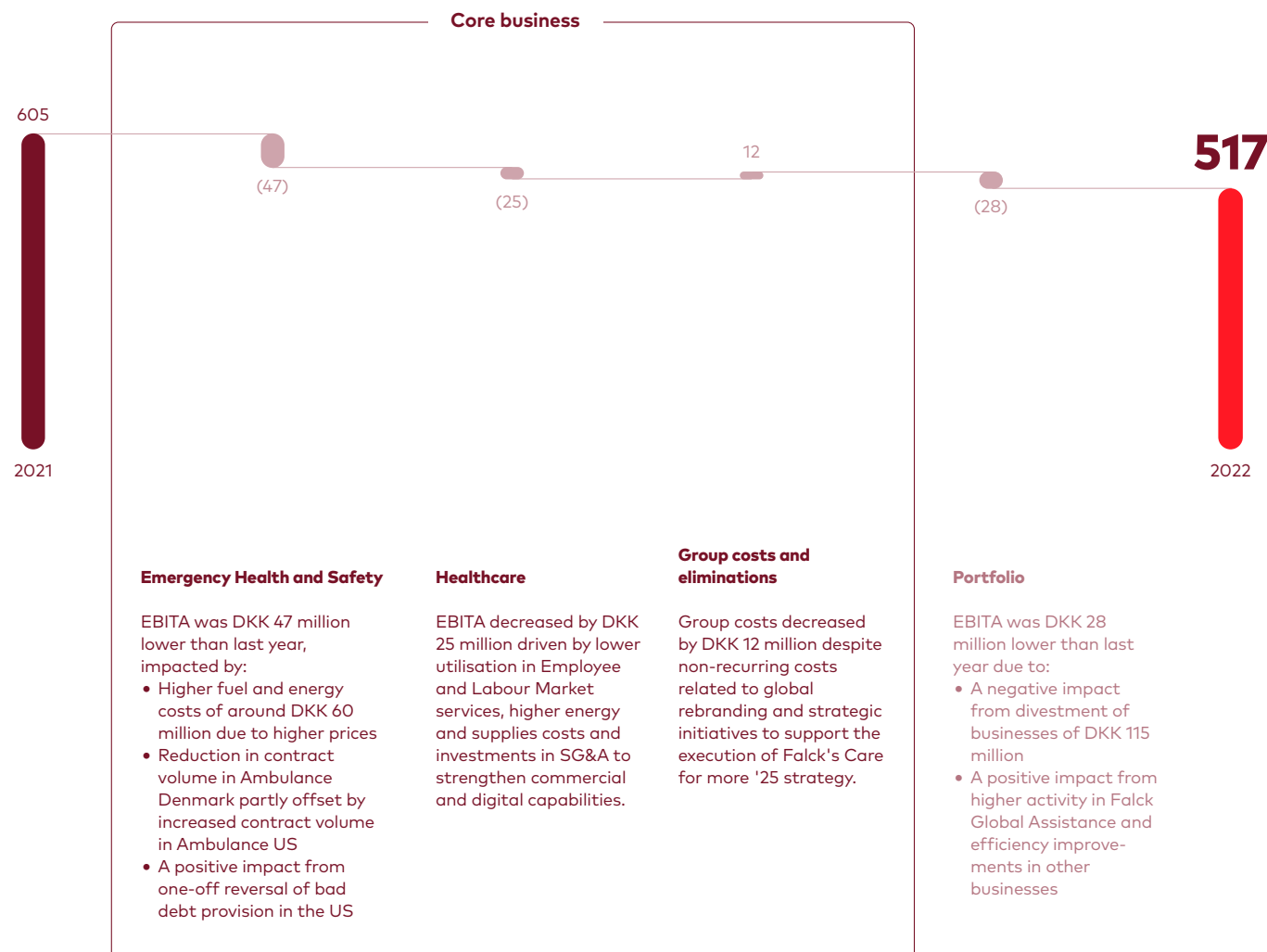
Equity decreased to DKK 3,919 million compared to DKK 4,964 million at 31 December 2021. The decrease was driven by dividend payments of DKK 999 million in March and DKK 748 million in June and by purchase of treasury shares of DKK 46 million in June partly offset by earnings for the period.

Dividend The Board of Directors will propose at the Annual General Meeting that an ordinary dividend of DKK 255 million, corresponding to a 2% increase compared to last year and a pay-out ratio of 63% when excluding gains on divestments and impairment of goodwill.

Net interest-bearing debt was DKK 3,208 million compared to DKK 1,918 million at 31 December 2021. The change was driven by total dividend payments of DKK 1,747 million in 2022 and changes in net working capital, partly offset by cash flows from operations and proceeds from the divestment of the Roadside Assistance business outside Denmark.

Economic profit¹⁾ was negative DKK 82 million (positive DKK 919 million), impacted by elevated costs in Emergency Health and Safety as well as global investments to support Falck's strategic direction. Economic profit last year was positively impacted by the significant earnings from testing activities. Excluding testing activities, economic profit was negative DKK 238 million (negative DKK 40 million).

Development in EBITA from 2021 to 2022 (EBITA, DKK million, excluding testing activities)



1) A WACC of 8.0% has been applied

Emergency Health and Safety

Revenue increased driven by higher contract volumes and pay-on-use activities. EBITA was negatively impacted by increased fuel and energy costs.

All numbers in the commentary relating to the components of EBITA and the cash flow are stated excluding the financial impact from the public testing activities.

Revenue increased by DKK 602 million to DKK 7,125 million, corresponding to reported growth of 9.2%, supported by foreign exchange

effects. Adjusted for foreign exchange effects, the organic growth rate was 5.9%.

Organic growth was mainly driven by the addition of the San Diego contract, contributing DKK 508 million, which more than outweighed the reduction of the contract volume in Ambulance Denmark. In



Key highlights 2022

Revenue (DKK million, excl. testing activities)

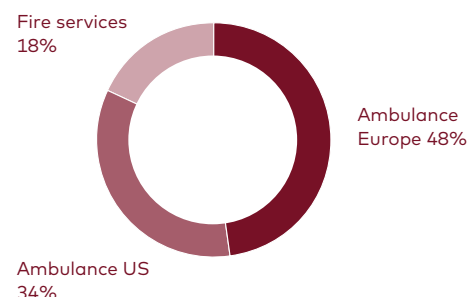


EBITA (DKK million, excl. testing activities)

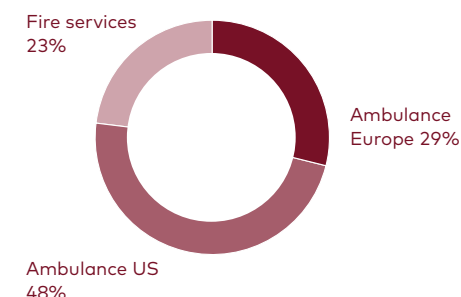


59% share of Group revenue excl. testing activities (2021: 56%)

Revenue by business segment



EBITA by business segment



Ambulance services

is divided into Ambulance Europe and Ambulance US which provide emergency medical services and patient transport services to citizens in the US and a number of European countries.

9,003 FTEs



Fire services

provides services to industrial customers across several European markets as well as to municipalities in Denmark.

2,506 FTEs

In addition, a net increase in contract volume in other ambulance and fire operations as well as price increases also contributed to revenue growth. Staff shortages remained a challenge for the ambulance operations, especially in Denmark and the US, and had a negative effect on Falck's ability to accommodate demand for its services. Staff shortages were less of an issue in the Fire business.

Cost of services (OPEX) increased by DKK 660 million, of which the San Diego contract accounted for DKK 419 million, which more than outweighed the reduction in costs associated with lower contract volumes in Ambulance Denmark. In addition, elevated fuel and energy costs contributed approximately DKK 60 million to the increase in OPEX. Staff shortages remained a challenge and led to higher operational costs for overtime pay,

recruitment and retention as well as contract-related penalties. Finally, foreign exchange effects had a negative impact, mainly due to an increase in USD. The OPEX ratio increased by 2.2 percentage points to 86.4% (84.2%).

Sales and administrative expenses (SG&A) were in line with last year at DKK 710 million (DKK 711 million). In broad terms, savings in Ambulance Denmark and a one-off reversal of bad debt provisions in Ambulance US was offset by increased SG&A as a result of the San Diego contract being fully operational in 2022. As a result, the SG&A ratio decreased to 10.0% (10.9%).

EBITA decreased by DKK 47 million to DKK 285 million, reducing the EBITA margin by 1.1 percentage point to 4.0%. The decrease was

mainly driven by the reduction in contract volume in Ambulance Denmark, higher fuel and energy cost as well as staff shortages, partly offset by higher prices and contract volumes (including the San Diego contract).

Total revenue for Emergency Health and Safety was DKK 7,742 million (DKK 9,980 million) and total EBITA was DKK 485 million (DKK 1,561 million). The decrease is mainly explained by the public antigen testing contract with the Danish regions, which Falck carried out in 2021 and until the contract expired in March 2022.

Free cash flow before tax (excluding public testing activities) was an outflow of DKK 98 million (inflow of DKK 583 million) corresponding to a negative pre-tax cash conversion rate of 34.4% (positive 175.6%). The cash flow was negatively impacted by timing of annual

prepayments from the Danish public fire and ambulance customers, which led to a significant decrease in contract liabilities. In addition, postponed payment of fees and other liabilities in Ambulance US from Q4 2021 also had a negative impact on cash flow.

Key figures 2022

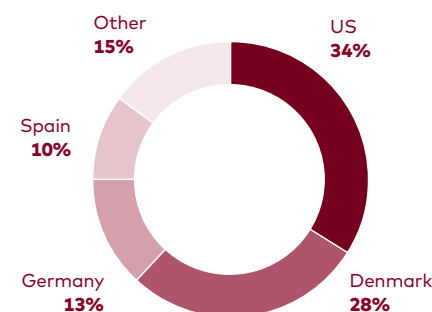
DKK million	2022	2021
Revenue	7,742	9,980
Revenue, excl. testing activities	7,125	6,524
EBITA	485	1,561
EBITA, excl. testing activities	285	332
EBITA margin (%)	6.3	15.6
EBITA margin (%), excl. testing activities	4.0	5.1
Free cash flow	38	1,907
Free cash flow, excl. testing activities	(98)	583
FTEs	11,509	12,397

Revenue growth, excl. testing activities

Organic (%)	5.9
Foreign exchange rates (%)	3.3
Reported growth (%)	9.2

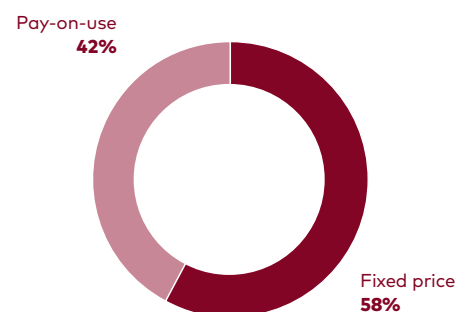
Revenue by geography

%



Revenue by contract type

%



Healthcare

Significant revenue growth driven by increased pay-on-use activity, a larger subscription portfolio and the acquisition of Frisk Gruppen.

Revenue increased to DKK 4,173 million (DKK 3,591 million). Organic growth was 5.0%, driven by increases in pay-on-use activity and growth in the subscription portfolio. In addition, the inclusion of Frisk Gruppen contributed to growth by 10.7 percentage points, and foreign exchange effects had an impact of 0.5 percentage point. Consequently, reported growth was 16.2%.

In Employee and Labour Market services, organic revenue growth, excluding the impact from Frisk Gruppen, was driven by higher demand for services compared to last year, partly offset by the negative effect of foreign exchange effects from a lower exchange rate on SEK.



Key highlights 2022

Revenue (DKK million)

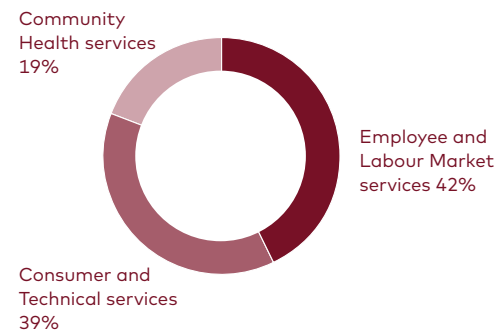


EBITA (DKK million)

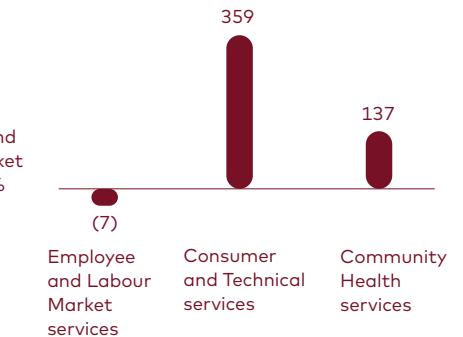


35% share of Group revenue excl. testing activities (2021: 31%)

Revenue by business segment



EBITA by business segment



Employee and Labour Market services provides occupational healthcare services, rehabilitation and treatments to private businesses, insurance companies, pension funds and public organisations.

1,942 FTEs



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

940 FTEs



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

3,491 FTEs

In Consumer and Technical services, organic revenue growth was driven by a combination of higher pay-on-use sales, price increases and growth in private healthcare subscriptions.

In Community Health services, organic revenue growth was driven by a solid increase in the number of subscriptions compared to last year and price increases carried out in early 2022.

An increase in the number of pay-on-use services also contributed to the growth. Finally, revenue was positively impacted by foreign exchange effects due to a lower exchange rate on COP and USD in which services are paid.

Cost of services (OPEX) increased by DKK 528 million to DKK 2,902 million, of which the inclusion of Frisk Gruppen accounted for DKK 325 million. The rest was mainly driven by higher activity levels across all three business units as well as higher energy, utility and supplies costs. The increased costs contributed

to increasing the OPEX ratio by 3.5 percentage points compared to last year at 69.6% (66.1%). The inclusion of Frisk Gruppen also contributed due to mix effects from a higher OPEX ratio compared to the rest of the Healthcare business. Finally, lower utilisation of the cost base in Employee and Labour Market services due to lower-than-expected activity also contributed to the ratio increase.

Sales and administrative expenses (SG&A) increased by DKK 82 million to DKK 789 million, of which the inclusion of Frisk Gruppen accounted for DKK 48 million. In addition, in other parts of the Healthcare business, investments were made in both commercial and digital capabilities to support continued growth and optimisation. Despite these investments, the SG&A ratio decreased to 18.9% (19.7%), partly owing to a below-average SG&A ratio in Frisk Gruppen, which therefore contributed to positive mix effects.

EBITA decreased by DKK 25 million to DKK 489 million mainly driven by the above-mentioned lower utilisation in Employee and Labour Market services, higher energy and supplies costs and investments in SG&A to strengthen commercial and digital capabilities. As a result, the EBITA margin decreased to 11.7% (14.3%).

Free cash flow before tax decreased by DKK 217 million to an inflow of DKK 151 million, corresponding to a cash conversion rate of 30.9%. The cash flow was adversely impacted by a change in timing of monthly subscription payments as well as timing of trade payables in Consumer and Technical services and by a temporary build-up of trade receivables in Employee and Labour Market services due to a change of billing system towards the end of the year.

Key figures 2022

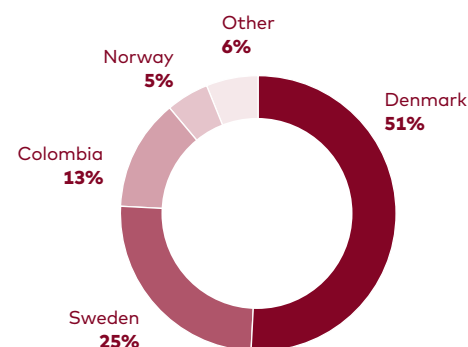
DKK million	2022	2021
Revenue	4,173	3,591
EBITA	489	514
EBITA margin (%)	11.7	14.3
Free cash flow	151	368
FTEs	6,373	5,384

Revenue growth, excl. testing activities

Organic (%)	5.0
Acquisitions/divestments (%)	10.7
Foreign exchange rates (%)	0.5
Reported growth (%)	16.2

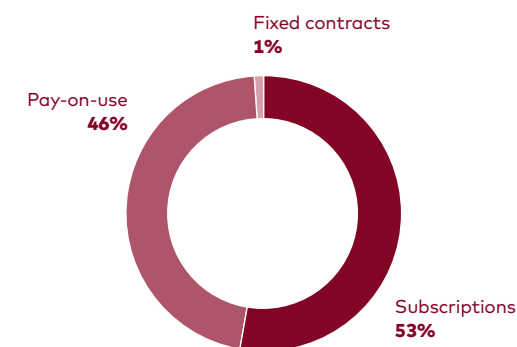
Revenue by geography

%



Revenue by contract type

%



Portfolio

Revenue and EBITA decreased due to divestments and discontinuation of operations as part of the strategy to exit business activities in the Portfolio segment.

Revenue decreased to DKK 809 million (DKK 1,691 million), mainly due to the divestment of the Roadside Assistance business outside Denmark which was completed in March 2022. The discontinuation of patient transport service contracts in the US (mainly in the East Coast region) and Slovakia as well as the divestment of ActivCare in Denmark in late 2021 also formed part of the explanation. The continuing operations reported organic growth of 25.3% primarily due to increased activity levels in Falck Global Assistance fueled by a significant increase in travel activities in the Nordic countries.

Cost of services (OPEX) decreased to DKK 615 million (DKK 1,393 million) as result of divest-

ments and discontinued operations. In addition, efficiency improvements across the remaining businesses and better utilisation due to the increased activity in Falck Global Assistance had a positive impact on the OPEX ratio, which decreased by 6.4 percentage points to 76.0%.

Sales and administrative expenses (SG&A) decreased to DKK 210 million (DKK 309 million), driven by divestments and discontinued operations. However, the SG&A ratio increased by 7.6 percentage points to 25.9%.

EBITA decreased by DKK 28 million to DKK 5 million, corresponding to an EBITA margin of 0.6% (1.9%). Divestments and discontinued operations had a negative impact of DKK 83 million, whereas EBITA from continuing operations increased by DKK 65 million mainly due to improved profitability in Falck Global Assistance resulting from increased activity levels.

Free cash flow before tax was an outflow of DKK 5 million (outflow of DKK 52 million). This corresponds to a negative cash conversion rate of 96.3%, mainly driven by negative cash conversion in the divested business entities. Last year, the cash conversion rate before tax was negative at 157.9%.

Key figures 2022

DKK million	2022	2021
Revenue	809	1,691
EBITA	5	33
EBITA margin (%)	0.6	1.9
Free cash flow	(5)	(52)
FTEs	1,775	2,769



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.

Portfolio comprises the following businesses:

- Patient transport and ambulance services in Poland, Australia and Slovakia.
- Global travel assistance under the Falck Global Assistance brand in Finland, India, Norway, Sweden, Spain, Denmark, Turkey, Thailand and the US.

Q4 2022

Financial results for the Group

In Q4, the Falck Group generated organic revenue growth of 5.0%, excluding testing activities. EBITA increased compared to last year, excluding testing activities despite elevated operational costs due to increased fuel and energy prices.

All numbers in the commentary relating to the components of EBITA and the cash flow are stated excluding the financial impact from the public testing activities that Falck carried out in 2021 and until the contract expired in March 2022.

Revenue was slightly lower than last year at DKK 3,030 million (DKK 3,036 million). However, underlying organic growth was 5.0%. This was to a large extent driven by the San Diego contract, which more than offset reduced contract volumes in Ambulance Denmark, but organic growth across all other business units also contributed. The broad-based organic growth was driven by a combination of higher pay-on-use activities, a larger subscription base, higher contract volumes and price increases. The net impact from divestments and the acquisition of Frisk Gruppen was negative at 6.9%, whereas foreign exchange effects provided a positive

impact of 1.7 percentage point (mainly from USD). Consequently, reported growth was 0.2%.

Cost of services (OPEX) decreased by DKK 19 million to DKK 2,398 million. The decrease was a result of OPEX in divested operations more than outweighing the increase in OPEX from the San Diego contract, the inclusion of Frisk Gruppen and higher fuel and energy costs. Last year, OPEX was negatively impacted by provisions related to the exit from Danish ambulance contracts. Foreign exchange effects had a modest, negative impact on OPEX compared to last year. The OPEX ratio improved slightly to 79.1% (79.6%) and was not materially impacted by foreign exchange effects.

Sales and administrative expenses (SG&A) decreased by DKK 45 million to DKK 534 million despite non-recurring costs related to global

rebranding and strategic initiatives to support the execution of Falck's Care for more '25 strategy. The decrease was partly driven by the divestments carried out during the year and partly by Q4 last year being negatively impacted by ramp-up cost and accruals made in connection with starting up the contract in San Diego. As a result, the SG&A ratio improved to 17.6% (19.1%).

EBITA increased by DKK 55 million to DKK 118 million. This was mainly driven by Emergency Health and Safety, where the addition of the San Diego contract contributed to the increase together with improved performance in Ambulance Europe. In the latter, operations in Denmark have improved during 2022 compared to Q4 last year, where contract-related penalties, high overtime levels and costs for

closing and scaling down two large contracts negatively impacted EBITA. As a result of both improved OPEX and SG&A ratios, the EBITA margin increased to 3.9% (2.1%).

Total revenue for the Group decreased by DKK 650 million to DKK 3,030 million and total EBITA for the Group decreased by DKK 157 million to DKK 118 million. The decrease is mainly explained by the public antigen testing contract with the Danish regions, which ended in March 2022.

Key figures Q4 2022

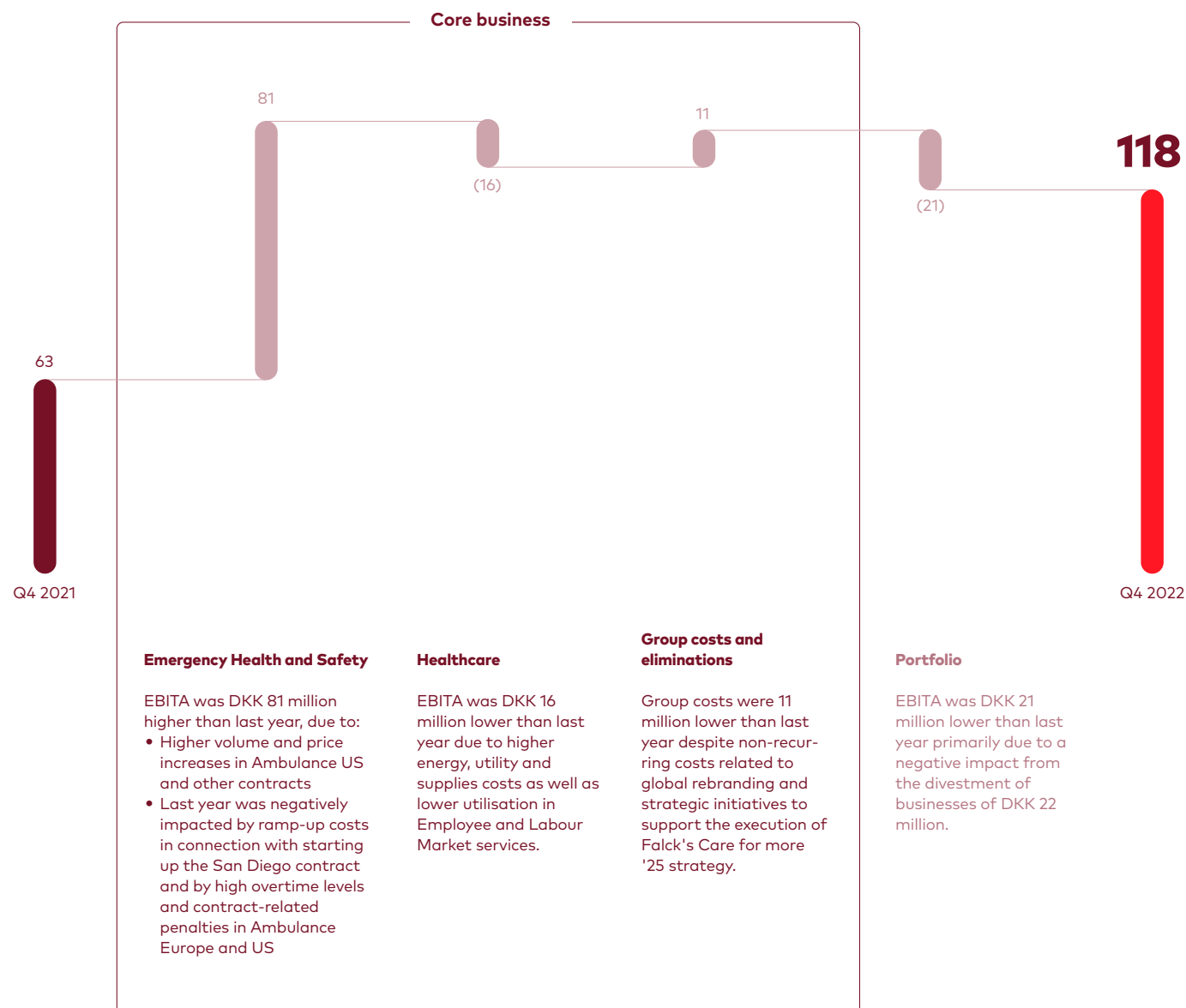
Revenue growth, excl. testing activities

DKK million	2022	2021
Revenue	3,030	3,680
Revenue, excl. testing activities	3,030	3,036
EBITA	118	275
EBITA, excl. testing activities	118	63
EBITA margin (%)	3.9	7.5
EBITA margin (%), excl. testing activities	3.9	2.1
Free cash flow	(210)	(210)
Free cash flow, excl. testing activities	(210)	(331)
FTEs	18,741	20,424

Organic (%)	5.0
Acquisitions/divestments (%)	(6.9)
Foreign exchange rates (%)	1.7
Reported growth (%)	(0.2)

Free cash flow after tax (excluding public testing activities) was an outflow of DKK 210 million (outflow 331 of DKK million) negatively impacted by timing of annual prepayments from the Danish public fire and ambulance customers, which led to a significant decrease in contract liabilities. Last year, free cash flow was negatively impacted by payment of postponed employee-related taxes and on-account income taxes.

Development in EBITA, Q4 2021 to Q4 2022 (EBITA, DKK million, excluding testing activities)



04

Sustainability

Our sustainability strategy seeks to advance healthcare while reducing climate impact. We have progressed in 2022 by delivering more services, reducing carbon emissions from our fleet and committing to the Science Based Targets initiative.



Climate change is the single biggest global health threat

We are committed to pursuing a sustainability response to safeguard public health and further enable the green transition of societies.

The World Health Organization (WHO) recognises climate change as the single largest global threat to public health and its impacts are already evident.

People's health is a foundation for a healthy and prosperous society, and high-quality healthcare and emergency services are vital for securing this. While being impacted by climate change, the healthcare sector also accounts for 4-5% of global CO₂ emissions¹. As a provider of healthcare and emergency services, we wish to do our part to reduce these negative impacts and contribute to finding solutions.

At Falck, we are committed to helping resolve current and emerging public health issues, some of which arise directly from climate changes, through relevant services and support of healthcare systems. It is our bold

ambition to advance healthcare while at the same time reducing our climate footprint.

Growing demand for healthcare has already surpassed what can be provided by available healthcare professionals. Looking ahead, the WHO forecasts a global shortage of 10 million healthcare workers by 2030².

For many reasons, healthcare systems are under pressure in most countries and innovation is needed to maintain or improve the quality of services while meeting these challenges.

Falck's sustainability strategy

Against this backdrop, we took a significant step forward on our sustainability agenda in 2021, and further developed our sustainability strategy in 2022. With our purpose to advance sustainable healthcare as a starting point, we

strive to address some of the biggest global challenges facing the world today – namely those within healthcare and climate. We have responded within those areas where we believe we have the greatest societal impact, and backed this up with targets and KPIs across the business.

We strive to

- Advance healthcare
- Reduce climate impact
- Secure healthy and diverse workplace
- Build trust

Our results and aspirations

In 2022, we contributed to society by delivering 8.9 million healthcare and emergency health and safety services. We committed to the Science Based Targets initiative, achieved a slight reduction in emissions from our fleet (scope 1), improved our Lost Time Injury rate (LTIR) and our whistle-blower reporting ratio remained satisfactory.

We have commenced on a transformational journey. This is paramount to innovate our services and business to provide quality healthcare to more people with less of an environmental impact.

In 2023, we will:

- Continue to improve our existing ways of working, and develop smarter, new and transformational ways to deliver our services in more climate-friendly ways
- Prepare to submit Science Based Targets no later than 2024, and thereby extend our commitment to the value chain
- Prepare and implement reduction initiatives for our operations and value chain
- Increase data maturity and continue with limited assurance of selected ESG targets
- Prepare for upcoming Corporate Sustainability Reporting Directive (CSRD)



Since 2019, we have been participants of the UN Global Compact, and have committed to the Ten principles on Human Rights, Labour, Environment and Anti-corruption.

In addition to this report, we disclose our progress made in the newly established database for UN Communication on Progress.



WE SUPPORT

1) Source: The Lancet, 2021. [https://www.thelancet.com/journals/lanph/article/PIIS2542-5196\(20\)30271-0/fulltext](https://www.thelancet.com/journals/lanph/article/PIIS2542-5196(20)30271-0/fulltext)

2) WHO, https://www.who.int/health-topics/health-workforce#tab=tab_1

Materiality assessment

Our sustainability strategy is based on an assessment of what is most material to our business and stakeholders. We have initially identified and assessed our most material ESG areas through desk-based research, internal discussions and on-going dialogue with stakeholders in the societies where we operate. This assessment guides us in pursuing prioritisation and mitigation strategies. Going forward, we will prepare an extended double materiality assessment, also in compliance with the Corporate Sustainability Reporting Directive (CSRD). The CSRD will apply to Falck from 2025.

Our strategy mainly impacts the following four SDGs



SDG #3 Good health and well-being – our services contribute to the health and well-being of people and societies. We save and improve lives every day, and we want to innovate and advance healthcare.



SDG #13 Climate action – we want to reduce the climate impact from our fleet and extend our commitments to our value chain. We will align our targets with what science says is necessary to reach the goals of the Paris Agreement.



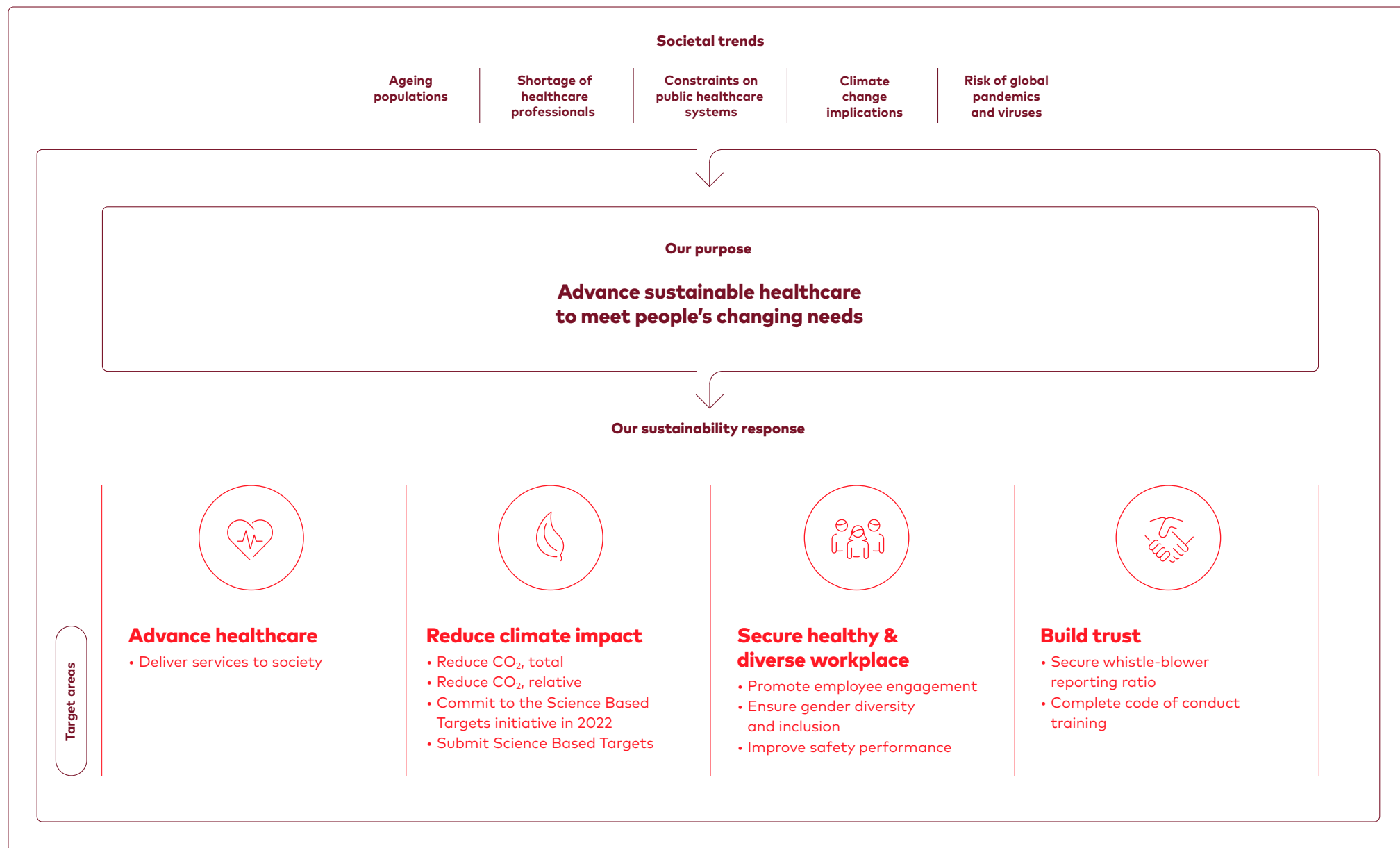
SDG #8 Decent work and economic growth – employees are our most important asset, and we want to ensure a healthy and diverse workplace where employees can thrive personally and professionally.



SDG#16 – peace, justice and strong institutions. We want to conduct business in a way that never breaches the trust of our employees, partners or customers.

Materiality aspects	What are the main areas affecting our stakeholders	Why it matters to our business
Accessible healthcare	<ul style="list-style-type: none"> • Unequal healthcare access • Inadequate elderly care • Prolonged sick leave periods • Outbreaks of diseases and pandemics • Digitalisation of services 	Advancing healthcare is the core of our business. We need to continuously deliver and innovate quality healthcare to address these societal needs in an affordable way.
Climate change adaptation	<ul style="list-style-type: none"> • Insufficient climate action • Climate change has an adverse impact on public health 	Responding to climate change requires us to continuously reduce emissions and invest in new ways to deliver our services in a more sustainable way.
Shortage of healthcare professionals	<ul style="list-style-type: none"> • Employee health and safety • Diverse and inclusive culture • Working conditions 	In a tight labour market, we need to continuously develop our workplace in order to attract and retain sufficiently skilled staff to provide our services.
Patient trust and business ethics	<ul style="list-style-type: none"> • Patient safety and trust • Unethical business behaviour • Leak of personal data • Cumbersome patient journey 	People rely on us, and that requires us to be a trusted business partner to the local authorities and communities which we serve.

Sustainability strategy



We transform to advance healthcare

Four parallel tracks to advance healthcare

Through our sustainability strategy we want to advance healthcare to more people, while at the same time reducing our climate impact. We have embarked on a business transformation at Falck to achieve this. In the years to come, we will change our current ways of working by giving more emphasis to transformational ways.

The vision is to reduce the need to, e.g. transport people to the hospital, which would have a positive effect on patients' quality of life and significantly reduce carbon emissions. Therefore, we need to convert existing ways of working into more climate-friendly ways, find smarter ways of working, new ways of working and to transform the way we approach services and patients.

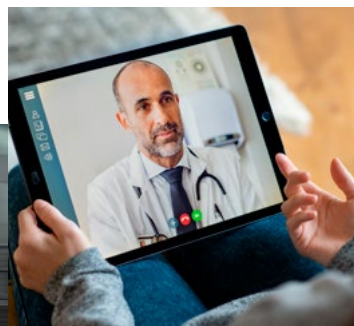
Existing ways of working



Electrifying our fleet

We work on reducing emissions from the existing ways of delivering our services. Emissions are curbed by converting our fleet to electrical vehicles to the widest extent possible. We are improving fuel efficiency and we are testing different solutions for vehicles.

Smarter ways of working



Virtual consultations

We identify smarter ways of working and solutions than e.g. by sending healthcare professionals physically to where the patients are. Online consultations and the digitalisation of services are some of the alternative ways of working.

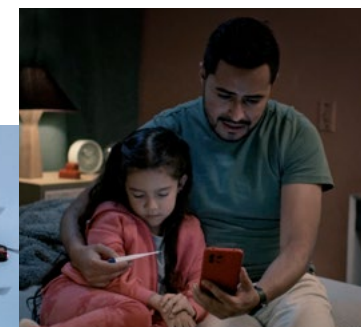
New ways of working



Using drones for transport

We aim to use innovative new technologies to deliver our services, and drones play a key role. The use of drones to transport blood samples and similar items is currently being tested. Using drones would benefit our climate footprint and provide faster diagnosis. This could even reduce serious illnesses and hospitalisations.

Transformational ways of working



Pre-empt hospitalisations through monitoring

We are exploring how we can anticipate and prevent the need for ambulances and other vehicles. Transformative ideas evolve around developing solutions that can monitor patients 24/7 at home. For instance, patients could have treatment enabled by digital solutions, and treatment can take place before a critical situation potentially occurs.

More services delivered



Our response

Every day, we go to work to improve and save lives, and we want to innovate and advance healthcare

Our targets and progress

Deliver services to society

Services delivered, million



What we did in 2022

- Delivered more than 24,000 services on a daily basis, saving and improving lives
- Tested drones in Greenland and Denmark to transport samples for i.e. diagnostics
- Developed patient experience innovation project in the US on the use of 911 (emergency system)
- Started a sustainable advanced visitation unit together with the Region of Southern Denmark, where our paramedics use hydrogen cars for less urgent emergency trips instead of ambulances

The combination of more multi-chronic patients, ageing populations and an ever-growing awareness among the younger generations elevates the overall demand for healthcare services. Therefore, we have included the number of services we provide as a key target area in our sustainability strategy.

Nearly 9 million healthcare services delivered

In 2022, our highly skilled staff delivered 8.9 million healthcare services, up from 8.1 million last year. These services were broadly delivered across prevention, treatments and rehabilitation.

Falck increased the volume of healthcare-related services provided in 2022 – to a total

Services delivered in 2022

	2022	2021
Total	8,924,000	8,064,000
Healthcare	5,329,000	4,343,000
Community Healthcare services		
Virtual consultations	1,118,000	828,000
Physical consultations	1,860,000	1,557,000
Consumer and Technical services		
Patient transport trips	430,000	436,000
Roadside assistance trips	286,000	327,000
First aid training	37,000	16,000
Employee and Labour Market services		
Physical treatments	369,000	449,000
Psychological treatments	128,000	133,000
Preventive care consultations	1,101,000	597,000
Emergency Health and Safety	3,595,000	3,721,000
Ambulance services		
Ambulance trips	3,573,000	3,702,000
Fire services		
Interventions/call-outs	22,000	19,000

of 5.3 million from 4.3 million in 2021. Part of the increase in services provided was attributable to the addition of Frisk Gruppen in November 2021. Across the Scandinavian countries, we increased the number of employee and labour market services provided. The rate of growth was around 23%

11%

Overall, the number of services delivered has increased by 11%. We see a continued demand for the services Falck provides in the communities we are part of.

with an uplift across the wide spectrum of physical, psychological and preventive treatments. In Colombia, we experienced a considerable increase in the number of virtual consultations. In Europe and the US, we dispatched our ambulances 3.6 million times to help people in need.

The mentioned numbers matter to us, because every time we have completed a trip, given a treatment, prevented an accident or provided one of our services, we have usually improved the life of at least one person – in some cases with profound effect.



Patient experience innovation in the US

During 2022, we began exploring potential ways to innovate in our US ambulance business. The project involved mapping out the current state of the 911 experience. We based our approach on patient and employee interviews, analysis of Falck operations data and observations in our California operations.

We identified that a significant proportion of people call 911 for low-acuity medical

issues. For example, in Alameda County 45% of 911 calls were less urgent and did not need to be treated in an emergency department¹.

Based on this key insight, we designed new care models that would enable us to treat these patients in the home or in their local communities – bringing care closer to the patient and reducing logistical barriers to access.

1) According to Falck billing data (1 Nov 2021 - 31 Oct 2022)

Emergency response on hydrogen started

Together with the Region of Southern Denmark, we have started a sustainable Advanced Visitation unit, in which our paramedics use a hydrogen-powered vehicle for emergency calls deemed less urgent. The first hydrogen-powered visitation unit rolled out from Kolding Hospital in 2022. It ensures better utilisation of our health professionals in the healthcare system while still providing citizens with the help and treatment they need.

The hydrogen car is equipped for examinations such as ultrasonography and blood tests. The vehicle is also equipped for the use of telemedicine, so doctors at the hospital can monitor a patient in real time and make a diagnosis. They can then assess whether the patient should be admitted, referred to their own general practitioner, or whether treatment can be completed in the patient's own home.

The hydrogen visitation unit is an example of how, at Falck, we work to develop alternative ways to promote health and help more people using fewer resources and reducing our climate impact. We will continue to explore new ways to deliver our services.

Reducing CO₂ emissions



Our response

We want to reduce adverse impact from our fleet, commit to Science Based Targets initiative and submit targets

Our targets and progress

Reduce CO₂

50%

reduction of CO₂
(scope 1) in 2030
Baseline 2021

CO₂ emissions, tonnes



2.06

CO₂ tonnes/revenue in 2030
(10% y-o-y reduction)
Baseline 2021

CO₂ emissions, relative



Science Based Targets initiative

Commit to Science Based Targets
initiative in 2022

Submit Science Based Targets

What we did in 2022

- Committed to the Science Based Targets initiative
- Introduced 50 new electric cars for patient transportation in Denmark
- Introduced three new electric vans for our Roadside Services in Denmark
- Co-developed a sustainable procurement module to account and track scope 3 emissions within goods and services

The science-based conclusions from the Intergovernmental Panel on Climate Change (IPCC), a United Nations body, are unambiguous: To avert catastrophic health impacts and prevent millions of climate change-related deaths, the world must limit temperature rise to 1.5°C.

We are committed to doing our part. For a number of years, we have worked to reduce CO₂ emissions from our fleet, which is our single biggest direct source of emissions. Around 75% of our carbon emissions (scope 1) originates from the ambulance business.

CO₂ emissions from fleet

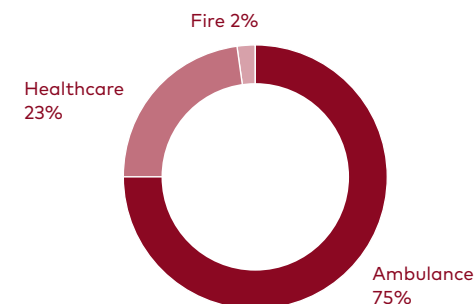
The target is to reduce our direct emissions (scope 1) by 50% in 2030 from 2021 as the baseline. We have begun the transition from diesel and petrol-powered vehicles to electric vehicles and have adopted the use of biofuels. This is an ambitious target, however, since electrification depends upon significant innovation in battery technology, particularly when it comes to ambulances. At this stage, we are testing prototypes.

In 2022, we managed to slightly reduce our CO₂ emissions from 53,194 tonnes in 2021 to 52,325 tonnes in 2022, equivalent to a 2% decrease. To support this trajectory, we aim to make our fleet for seated patient transports 100% electric by 2027.

Relative CO₂ emissions

The direct emissions (scope 1) are closely linked to the need for our ambulance services and the volume of ambulance contracts operated. The number of trips depends largely on the needs

Fleet operations, scope 1 emissions



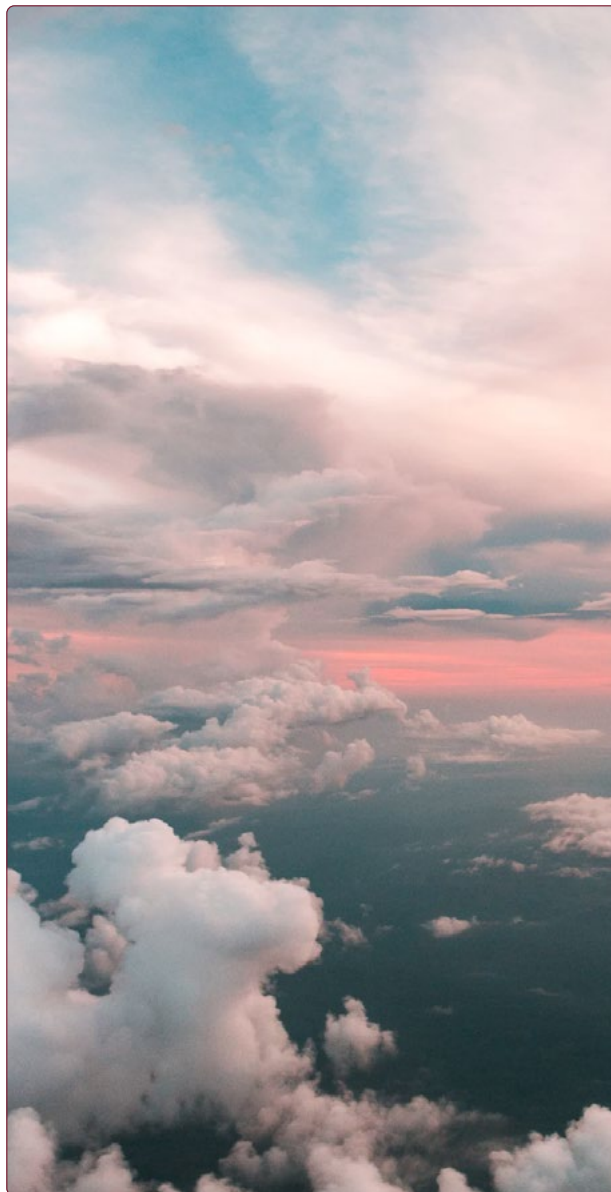
of the communities and societies where we operate, which may sometimes be beyond our control.

To supplement the absolute reduction target, we have also set a relative target because we want to measure our ability to reduce the climate impact of the individual services we provide. We aim to lower the ratio of our total scope 1 CO₂ emissions to total revenue per year to 2.06 in 2030 (equal to a 10% reduction year-on-year).

The ratio recorded for 2022 shows we are on track: The relative number decreased by 12% from 5.31 to 4.66¹. We will continue to explore and pursue ways to make progress.

A transition to smarter, new and transformational ways of working, for instance through the increased use of online consultations and drones for transport, could be achieved through a shift from services highly dependent on a vehicle fleet to other, less CO₂-intensive services which would favourably impact the relative CO₂ emission value.

¹) It should be highlighted that the previously reported relative CO₂ number for 2021 (3.95) included revenue from testing activities. This baseline has been re-stated to 5.31. Testing activities are excluded from 2021 and 2022 numbers which is in line with the financial reporting for 2021 and 2022.



Committed to the Science Based Targets initiative

Apart from our fleet, other parts of our operations and our value chain also have a climate impact. We consume energy in buildings, we use equipment in our ambulances, we buy goods and services, and our employees commute and go on business trips. Each of these activities generate CO₂ emissions within one of the scopes 1, 2, or 3 guidelines of the Greenhouse Gas Protocol Accounting and Reporting Standard.

Therefore, we have committed to the Science Based Targets initiative and will include our value chain in our future science-based targets. With this commitment, we will define CO₂ reduction pathways in line with the Paris Agreement and aligned with what, according to climate science, is necessary to limit the global temperature rise to 1.5°C. We will innovate new and transformative ways of delivering healthcare solutions to people in need.

The preliminary overview of our major emissions categories shows that the majority of emissions within our value chain (scope 3) come from purchased

goods and services (e.g. medical consumables, IT services, vehicles, etc). Current estimates show that 50-75% of our total CO₂ emissions are expected to fall within scope 3.

During 2022, we co-developed a technical, sustainable procurement solution to get a better overview of emissions from purchased goods and services. Procurement data has been consolidated from different sources into a single dashboard and converted into CO₂ data. This approach provides a solid methodology to do scope 3 emissions accounting, and to continuously track reductions over time. In addition, it is possible to incorporate data on scopes 1 and 2 emissions. This provides more transparency on our carbon footprint across the entire value chain.

The next step is to further elaborate baselines for scopes 1, 2 and 3, work strategically with reduction initiatives, and submit targets when they are ready, and no later than in 2024.

	Scope 1	Scope 2	Scope 3
Main sources of CO ₂ emissions total	Fuel	Electricity and heating of buildings	Goods and services
Estimated split, % out of total	15-30%	10-20%	50-75%

Scopes. The Greenhouse Gas Protocol accounts for carbon emissions by classifying them into three categories, or "scopes."

- Scope 1 (direct emissions from owned or controlled sources, e.g. company facilities, company cars)
- Scope 2 (indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company)
- Scope 3 includes all other indirect emissions that occur in a company's value chain (e.g. purchased goods and services, employee commuting and upstream transportation).

ISO environmental certification

We maintained our ISO environmental certification in 2022. ISO 14001 sets out the requirements for an environmental management system and helps Falck to improve its environmental performance through more efficient use of resources and by reducing waste, in turn gaining a competitive advantage and the trust of stakeholders.

We hold an ISO 14001 Environmental Management certification for our ambulance services in Sweden and Spain, for our fire services in Italy, Portugal, Romania, Slovakia, Spain, the Netherlands and the UK and for our headquarters in Copenhagen, Denmark.

Strengthening engagement and diversity



Our response

To take good care of others, we need to take good care of ourselves

Our targets and progress

Promote employee engagement

75

Engagement score (eSat) in 2025

2022

72

2021

72

Ensure gender diversity and inclusion

40%

Board of Directors¹, underrepresented gender/total

33%

33%

Executive Management, underrepresented gender/total

40%

40%

Executive Management + Senior management, underrepresented gender/total by 2025

33%

N/A

Improve safety performance

<8.8

Lost Time Injury Rate in 2027 (10% reduction y-o-y)
Baseline 2021

14.3

16.5²

0

Fatalities

0

1

1) The Board of Directors consists of two women out of six members, which is equal representation (40/60) in accordance with guidelines from Danish Business Authority. Only members elected by the General Meeting are included.

2) 2021 sustainability reporting on LTIR included COVID-19 cases, and the LTIR was reported as 22.1 in the sustainability report, 2021. This has been restated, see accounting policy on page 47.

We are a healthcare business with skilled and dedicated professionals as our most valuable asset. Consequently, it is a big priority at Falck to provide a healthy, diverse and inclusive workplace and for our employees to thrive personally and professionally, regardless of their individual differences. Employee engagement, development and retention is essential for Falck in safeguarding long-term, sustainable business development.

For all those reasons, we are committed to continuously improving the levels of engagement, health and safety among our employees and encourage diversity as well as inclusion in our workplace.

Stable level of employee engagement

Each year, we conduct a global employee engagement survey. The target is to increase the employee engagement score (eSat) to 75 in 2025. In 2022, the engagement score was 72. This corresponds to the level in 2021. The score is based entirely on employee responses to the question: "How happy are you working at Falck?".

Looking at the survey more broadly, we saw positive developments in important measurements in 2022. In almost all business units, we observed improved scores on 15 questions, although there was a decline on two questions.

Across the business, we have seen a particular increase in employee satisfaction with the immediate manager. This score has increased by 10 percentage points over the past three years.

Some business units have significantly improved their results after being identified as areas requiring special attention in 2021. The specific focus on teams with low scores on selected questions has yielded particularly strong outcomes.

The score on purpose was again very high (84), also compared to the benchmarks (79). The score has increased slightly from 2021 and indicates that Falck provides a purpose-driven and meaningful workplace, where employees contribute to saving and improving lives every day.

Employee engagement survey 2022

- 21,215 invited
- 27 questions
- 15 scores improved
- 2 scores deteriorated
- 63% response rate
- 25,650 comments
- 4 new countries included

Purpose

84 (+1)

Related question: "The work that I do at Falck is meaningful to me."

Recommend Manager

77 (+2)

Related question: "I would recommend my manager to others."

Turnover remain high

The staff turnover rate was 28.8% in 2022, almost the same as last year (29.0%), and remains at an unsatisfactory level. The staff turnover rate is excluding people employed for antigen testing activities. In 2022, we took a broad range of initiatives, such as implementing a global project to identify root causes of churn and to develop appropriate solutions. We focused on frontline recruitment, and established task forces in targeted countries with the emphasis on building and expanding an attractive workplace. Locally owned initiatives have been supported by a global toolbox and sparring.



We added a 2025 combined target for gender diversity for executive and senior management

Employee engagement What we did in 2022

- Reinforced our established approach to work with action plans. 1,600 action plans were prepared, and the progress was followed up on
- Focused approach to teams and areas with low scores on either Engagement, Respectful Treatment or Recommend Manager
- Dedicated efforts to target pain points within selected business units
- +1,000 leaders have now completed the Falck Leadership Programme. The scores relating to immediate managers have all increased significantly in the past two years
- Investigation in churn and targeting activities initiated in certain markets, including Germany, the US and Colombia

Having a diverse and inclusive culture matters

We are confident that a workplace with a strong corporate culture embracing diversity and inclusion fosters innovation, better decision-making, engagement, brand attractiveness and many other benefits.

We strive to promote a diverse workforce and an inclusive culture where employees are treated with respect and provided with the resources and opportunities they need to thrive personally and professionally, regardless of their individual differences. We work with a broad understanding of diversity; covering both visible and invisible differences.

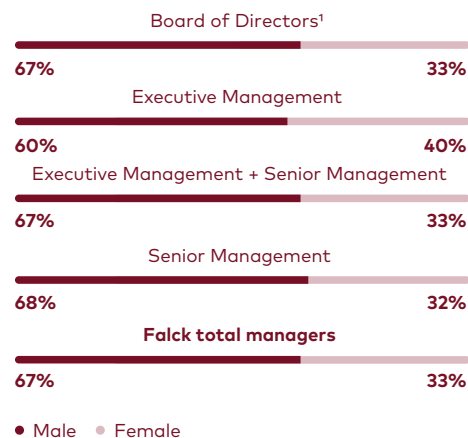
Targets to improve diversity

To promote gender diversity at management levels and generate a cascading effect, we have set targets for the Board of Directors

and the Executive Management, but also for Senior Management, who are people managers reporting to Executive Management. In 2022, we maintained an equal gender representation on the Board of Directors and in Executive Management, as in 2021, and we aim to maintain an equal representation of at least 40% of the underrepresented gender. Equal representation is defined as a 40/60 gender composition in line with guidelines from the Danish Business Authority

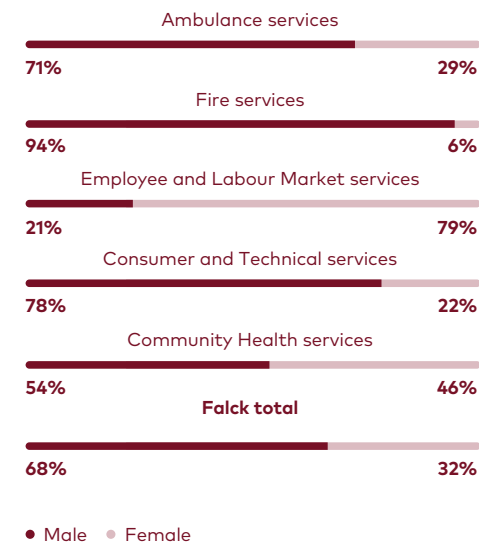
In 2022, we set a new combined target for the Executive Management and Senior Management, namely to adhere to an equal representation of at least 40% of the underrepresented gender at these management levels by 2025. The baseline for the new target is 33% (baseline year 2022).

Male/female composition, management



1) The Board of Directors consist of two women out of six, which is equal representation in accordance with guidelines from Danish Business Authority. Only elected members are included.

Male/female composition per business unit



Diversity and Inclusion Policy

Falck's Global Diversity and Inclusion Policy serves as the framework for our approach to diversity and inclusion. The Board of Directors has the overall responsibility for approving the Policy, and the guidelines of the Policy apply to everyone at Falck, including leaders at all levels, all employee categories (full-time, part-time, temporary, students, etc.) and contractors working for Falck.

→ [Read our Diversity & Inclusion Policy here](#)

Gender diversity & inclusion What we did in 2022

- Set and committed to a new target of 40/60% gender distribution in Executive Management and Senior Management, combined, by 2025
- Facilitated diversity and inclusion workshops for our global Talent Acquisition Community on inclusive language and bias awareness in recruitment
- Developed master class concept for top 100 management on how to improve gender diversity and inclusion and to develop strategies for managing effective change and inclusive leadership
- Continued implementation from 2021, such as the internal diversity and inclusion site and related communication activities

Improvement of safety performance

Every day, our employees put themselves at risk to save the lives of other people. To safeguard our employees, we promote a culture where safety is embedded in our ways of working to ensure that everyone returns home safely. While incidents still occur across our business, we are determined to reduce the number to a minimum.

It is an integral part of our business operations to continuously improve global processes for reporting of incidents at work, raising awareness through campaigning, as well as collecting data and analysing it.

We strive to achieve a 10% reduction year-on-year with 2021 as our baseline year. In 2022, 563 Lost Time Injuries were recorded, which resulted in an Lost Time Injury Rate (LTIR) of 14.3. This is an improvement from 16.5 in 2021, equivalent to a decrease of 13%. We are committed to continue lowering the rate. Our target is to reduce the LTIR to below 8.8 by 2027.

Our global reporting was further enhanced in 2022 to improve performance measurement of health and safety. This has further elevated the conditions for conducting deep-dive analytics and on that basis commence initiatives to either keep up or improve standards. It allows us to look into the root causes of incidents, tailor safety initiatives and develop documented processes where needed.

The incidents reported in 2022 mainly occurred during routine activities such as exercise, maintenance, training and other non-emergency activities (around 45%) and handling patients (around 20%). Incidents occurred during emergency activities where external factors, which usually have a large influence, accounted for around 20%.

This insight enables us to focus even more on safety procedures, global processes and awareness to mitigate incidents.

To back up efforts, we established a safety community with representatives from all business units to implement our safety strategy in all parts of the business. This has been backed by investments in educational programmes towards employees to build, expand and maintain safety skills.

Zero fatalities

Every life is precious, and every single fatality is a tragic reminder that safety must always come first. Our target is zero fatalities, and in 2022 there were no fatalities.

Improving safety What we did in 2022

- Global application for safety incident reporting developed. Implementation in early 2023 and to be accessible to all employees
- Implemented a global procedure for safety incident reporting
- Conducted a course in incident investigation using recognised methodology
- Focused on building a stronger global safety community
- Identified operations where focused attention is needed to improve safety performance

We build trust



Our response

We want to conduct business in a way that never breaches the trust of our employees, partners or customers

Our targets and progress

Secure whistle-blower reporting ratio

>1

Whistle-blower reporting ratio per 100 employees

Whistleblower-reporting ratio



Complete code of conduct training

All full-time employees trained every second year

Code of conduct training



What we did in 2022

- Implemented Falck Alert procedures and thereby strengthening governance
- Ran whistle-blower communication campaign in selected markets
- Revised our Code of Conduct, creating two separate versions aimed at suppliers and employees
- Further anchored associated policy ownership with relevant functions to ensure implementation
- Developed training materials for both online and in-person sessions
- Ran campaign on gifts and hospitality to increase awareness

People and societies rely on us every day, and that requires us to be a trusted business partner. Trust is vital to our license to operate, and it is essential that we conduct business in a way that never breaches the trust of our employees, our partners, our customers or the communities in which we operate. Unfair competition and unethical behaviour result in higher costs and erosion of trust.

In our operations, we support and respect the protection of human rights, and we are committed to advancing these rights.

Our business is conducted with integrity and high ethical standards in compliance with applicable laws, regulations and in-house policies. We seek to be transparent, be competing for business on fair terms, adhere to good corporate governance and proactively identify and mitigate compliance risks.

Secure whistle-blower reporting ratio

We promote a global speak-up culture and have adopted a zero-tolerance approach towards breaches of our Code of Conduct.

There is a zero-tolerance practise towards any form of bribery or corruption, whether committed by employees, agents or any other business partners. *Read our [Anti-Corruption Statement](#) here.*

Our whistle-blower system, Falck Alert, is available to all employees, business partners and third parties 24/7, and we continuously encourage employees to report concerns about irregularities or improper actions that fail to comply with applicable laws and regulations, our Code of Conduct or in-house policies.

Various types of unethical behaviour are reported through the system, and these are all investigated and concluded.

To emphasise the priority and importance, we have set a target for our whistle-blower reporting system. The target is to have a ratio above 1 report per 100 employees, as such level would be a strong indication of employees trusting the system and knowing they can use it without fear of retaliation.

The reporting ratio for 2022 was 1.62, and thereby higher than last year, which indicates that it is an established and accesible whistle-blower system.

In 2022, we received 296 reports (227 in 2021), of which 58% were anonymous. This is in line with a weighted average for organisations within the NAVEX Global database. The cases reported via Falck Alert fall within the following top-five categories:

1. Compliance with laws and standards (21%): These reports related to non-compliance with e.g. our standards for uniforms or similar
2. Misconduct or inappropriate behaviour (19%): The reports related to a range of inappropriate behaviour that makes people uncomfortable or create a hostile working environment
3. Working conditions (18%): Most reports related to staff shortage
4. Discrimination and harassment (15%): The reports related to sexual harassment, discriminatory treatment and bullying
5. Leadership (10%): The reports related to various managerial issues, e.g. leadership style, communication and fair distribution of work.

Out of 296 cases reported, 29 led to termination of employment, 11 to written warnings and 57 to additional instructions or guidance.

Governance and processes were strengthened even further during 2022 through various measures. Firstly, a globally standardised approach to investigations was implemented. Secondly, local investigators within Falck were engaged, reporting to the global Head of Investigations. Thirdly, the two bodies established in 2021, Compliance Advisory Board and the Compliance Community Forum, came into full operation and the outcome has been an even stronger collaboration and understanding of the value that Falck Alert adds to the business.

Advisory Board and Community Forum enhance whistle-blower governance

The Compliance Advisory Board advises and provides recommendations on the outcome of investigations taking precedence. The board consists of members of the Executive Management.

The Compliance Community Forum shares insights, engages in dialogues and raises concerns that may be of relevance to the business. The Forum consists of union representatives and other relevant stakeholders.

Increased Code of Conduct training

Our global Employee Code of Conduct sets out the minimum standards and ethical principles by which all Falck employees must abide. It provides our employees with a common understanding of how we conduct business and promotes high ethical standards for everyone at Falck.

It is key to embed the Code of Conduct for employees in the way we work via training, communication and awareness campaigns. We are committed to ensuring that all full-time employees are trained every two years either online or in person in order to foster a culture of integrity and trust.

During 2022, several steps were taken to improve this year's Code of Conduct training

Employee Code of Conduct topics

- Respecting people
- Health and safety
- Anti-bribery and anti-corruption
- Conflicts of interest
- Gifts and hospitality
- Communication
- Safeguarding information
- Our responsibility to the environment
- Speak up

→ [Read our Code of Conduct for employees here](#)

efforts and results. As a result, we have seen a vast improvement in the completion rate by full-time employees to 81%.

In 2021, 55% of full-time employees completed the training. This was not a satisfactory percentage in terms of our ambition to integrate the Code of Conduct in the way we work.

One key objective for conducting the training is to ensure that we build a compliance culture to respect the protection of human rights. This also includes protection of labour conditions, and both areas are covered as part of the section on Respecting People in the Code of Conduct training.

We do not tolerate any illegal or unethical behaviour as explained by the Falck Code of Conduct for employees and other related (internal) policies. Our policy on Human Rights, which we updated in 2022, sets out clear expectations and minimum requirements. [Read our Human Rights Policy here.](#)

Gifts and hospitality campaign

To combat corruption and mitigate compliance risks in this area, Falck updated its policy and procedure on gifts and hospitality in 2022. The policy sets out clear requirements for the giving and acceptance of gifts to or from external parties. On that basis a platform for registering and recording of approved gifts and hospitality is in place. Employees are trained in the areas of anti-corruption and gifts and hospitality as part of the Code of Conduct training, and a campaign was carried out to increase awareness.

Code of Conduct for suppliers

We rely heavily on goods and services delivered by suppliers to perform our services. Therefore, ethical and correct conduct by everyone in our supply chain is imperative to us.

All suppliers, and their sub-suppliers, must therefore comply with Falck's Supplier Code of Conduct and are required to communicate the obligations set out herein and ensure compliance with the Code throughout their organisations and supply chains. [Read our Code of Conduct for suppliers here.](#)

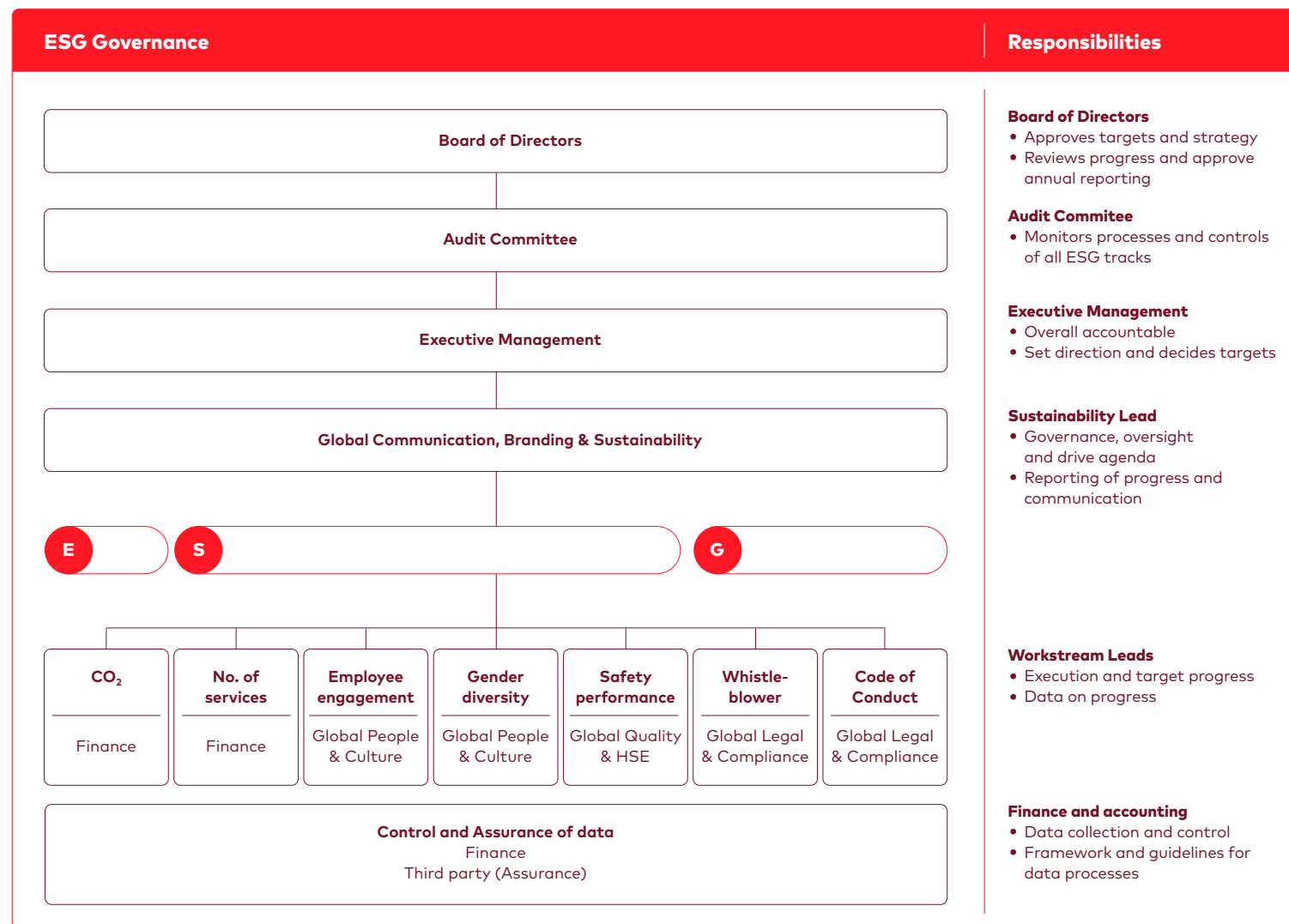
Governance and the way we monitor progress

Our sustainability efforts are an integral part of our daily business decisions and strategy, and our commitment is embedded in the ways we work, in our Code of Conduct for employees and suppliers and in our Winning Behaviours. Initiatives are managed by the management teams of the relevant business units and group functions. KPIs and targets are decided by the Executive Management. The Audit Committee is responsible for monitoring ESG data and processes, and the Board of Directors sets the direction and approves the strategy and targets. Annual results for each KPI are approved by the Board of Directors and presented in Falck's Annual Report.

Progress is monitored through an 'ESG dashboard' (Environmental, Social and Governance indicators) and reported on an annual basis. Selected ESG targets (CO₂ reduction scope 1, LTIR and employee engagement) are part of the ESG-linked refinancing of our long-term credit facilities.

Policies clearly setting out expectations and minimum requirements are key to delivering on our sustainability strategy and conducting business, such as policies on Sustainability, Human Rights, Diversity & Inclusion and several other key policies.

→ Read more here www.falck.com/policies



ESG key figures

	Unit	Target	2022	2021
Environment				Baseline year
CO ₂ emissions, total (scope 1)	Total tonnes	50% reduction in 2030 (Baseline: 2021)	52,325	53,194
CO ₂ emissions, relative (scope 1)	Tonnes / revenue (DKK million)	2.06 in 2030 (10% reduction y-o-y)	4.66	5.31 ¹
Social				
Number of services delivered	Number of services		8,924,000	8,064,000
Employee engagement	Number (0-100 scale)	75 in 2025	72	72
Gender diversity, Executive Management	Underrepresented gender / total, %	40%	40%	40%
Gender diversity, Executive and Senior Management	Underrepresented gender / total, %	40% by 2025 ²	33%	N/A
Lost Time Injury Rate (LTIR)	LTIs per 1 million working hours	<8.8 in 2027 (10% reduction y-o-y)	14.3	16.5 ³
Fatalities	Number	Zero	0	1
Governance				
Whistle-blower reporting ratio	Number of reports per 100 employees	>1	1.62	1.32
Code of conduct training	% of employees trained in a given year	All full-time employees trained every second year	81%	55%
<p>1) CO₂-emissions, relative (scope 1) reported in 2021 is not comparable to 2022. In 2021 reported CO₂-emissions, relative (scope 1), antigen testing activity were included whereas in 2022, antigen testing activity was excluded. Thus, the 2021 number is restated from 3.95 to 5.31.</p> <p>2) Baseline year for this target is 2022.</p> <p>3) Lost time injury (LTI) reported in 2021 is not comparable with 2022. In 2021 reported LTI, COVID-19 cases were included whereas in 2022, COVID-19 cases are excluded. Thus, the 2021 number is restated from 22.1 to 16.5.</p>				

ESG accounting policies

The Sustainability reporting and accounting policies cover the period 1 January – 31 December 2022.

Falck Group consists of core business and portfolio business. Scope for this reporting is core business which is Falck's strategic focus area. The core business covers Emergency Health and Safety (which includes Ambulance Europe, Ambulance US and Fire services) and Healthcare (which includes Community Health services, Consumer and Technical services and Employee and Labour Market services).

CO₂ emissions, total

This indicator is defined as the total scope 1 CO₂e emissions (CO₂ equivalent) measured in tonnes. Scope 1 emissions refer to direct burning of fossil fuels by either mobile (vehicles) or stationary (generators, heating systems, etc.) combustion. Excluded from Falck's definition of Scope 1 are fugitive emissions from air conditioning or fire suppression systems.

The indicator is calculated following Greenhouse Gas Protocol standards following an operational control model. The number of litres (separated by fuel type, type of combustion, and type of vehicle) is multiplied by the relevant EPA (U.S. Environmental Protection Agency) emissions factors. In certain locations it is not possible to get exact fuel data from our suppliers or internal systems. Where this is the case, emissions are calculated in one of three ways: kilometers data multiplied by the relevant EPA emissions factors; estimated from a comparable business entity; or estimated from historic fuel data.

CO₂ emissions, relative

The CO₂ emissions, relative, is defined as the indicator CO₂e emissions, total tonnes, scope 1 divided by revenue from the core business excluding antigen testing activities in DKK million according to Falck segment note from the consolidated financial statement.

Restatement

CO₂ emissions, relative, reported in 2021 are not comparable with 2022. In 2021 reported CO₂ emissions, relative, antigen testing activities was included whereas in 2022, antigen testing activities is excluded. Thus, the 2021 number is restated from 3.95 to 5.31.

Number of services

Number of services is defined as the sum of 10 specific kinds of services representing the business of Falck within Emergency Health and Safety and Healthcare. The numbers are rounded to the nearest thousand. All of the services have equal weight, and antigen testing activities are not included.

Emergency Health and Safety contributes with the number of ambulance trips and call-outs/interventions from the Fire services business.

Contribution from Healthcare is the following:

- Community Health services contributes with the number of virtual consultations and physical consultations.
- Customer and Technical services contributes with the number of patient transport services (PTS) trips, number of roadside assistance (RSA) trips and first aid trainings.
- Employee and Labour Market services contributes with the number of physical treatments, psychological treatments and preventive care.

Employee engagement

Employee engagement is defined as the average employee satisfaction score (eSat score) on the question "How happy are you working at Falck?" in the annual employee satisfaction survey for the relevant financial year. It is measured on a 0-100 scale. The survey is conducted by the external consultancy firm Glint and took place in autumn 2022.

In general, employees in Falck's core business are included in the survey. Included are employees who have a permanent or fixed term contract of

employment with Falck as well as selected freelancers (contractors) due to the nature of their activities. Employees starting after 20 August 2022 and employees registered leaving Falck on 21 September 2022 or earlier are excluded. Local adjustments to the selection criteria for the survey may apply.

Underrepresented gender, Executive Management

This indicator is defined as the percentage of the underrepresented gender in the Executive Management team. Executive Management is responsible for the day-to-day management and operations of Falck.

Underrepresented gender, Executive Management and senior management

This indicator is defined as the percentage of the underrepresented gender in the Executive Management team and Senior Management team. Executive Management is responsible for the day-to-day management and operations of Falck. Senior Management is managers reporting to an Executive Management member and with at least one employee in reference.

Lost Time Injury Rate

Lost Time Injury (LTI) is defined as a physical injury at work causing at least one day of absence in addition to the day of the injury. Lost Time Injury Rate (LTIR) is calculated as the number of LTIs per 1 million working hours. Working hours are defined as the total of normal working hours and overtime hours. Deducted are hours registered as leave.

Included are employees who have a permanent or fixed term contract of employment with Falck and are paid through Falck's payroll-system, as well as selected freelancers (contractors) due to the nature of their activities and how they are paid.

Reporting on LTI is performed through monthly collection of data using a Microsoft Excel template and monthly review meetings where LTIs may be reclassified and local registrations of injuries are

assessed. The reporting includes injuries that occurred in the reporting year and were reported before mid January in the following reporting year. Working hours are reported monthly to Global People and Culture, consolidated and validated. However, for some entities, working hours are estimated for some months based on historical data.

Restatement

LTIR reported in 2021 is not comparable with 2022. In the 2021 reported LTIR, COVID-19 cases were included whereas in 2022, COVID-19 cases are excluded. Thus, the 2021 number is restated from 22.1 to 16.5. This has been done by subtracting the number of LTIs that can be identified as COVID-19 in the registrations from 2021 from the LTIR calculation.

Fatalities

Any fatality of employees, subcontractors or third parties occurring at work.

Whistle-blower reporting ratio

Whistle-blower reporting ratio is defined as the total number of reported whistle-blower cases as ratio per 100 average FTEs for the financial year. The percentage difference between numbers of employees in Falck's core business compared to Falck Group is deducted from the total number of reports. FTE is defined as full-time equivalents which is the average number of employees calculated as total hours worked divided by full-time working hours per person for the year.

Portfolio business was included in previous year's reporting, but not for 2021 and 2022.

Code of Conduct training

Code of Conduct training measures the completion rate of the Code of Conduct training, using percentage of full-time employees in Falck's core business trained in a given year.

05 Governance

The Board of Directors of Falck remains committed to consistently complying with sound and transparent corporate governance practises to meet expectations and promote responsible business behaviour, long-term trust and value creation.



Mitigating risks to safeguard our business

Risk management is an integral part of good management practice, and we are committed to embedding a strong risk culture across the organisation and ensuring that effective risk management is integrated in all activities and business processes.

Falck has implemented a risk management framework outlining a consistent approach in the identification, assessment, treatment and monitoring of key risks.

The risk management process is focused on supporting Falck's strategy and plays an instrumental role in the decision-making of the Executive Management.

The risk management framework enables Falck to protect and improve its value by addressing uncertainty in strategic planning. Overall, it aims to ensure a forward-looking risk management approach that provides a holistic view of all risks across the organisation.

Falck continuously focuses on strengthening its risk culture to support the execution of its strategy and obtain business objectives.

The established risk management process enables Falck to ensure that changes in

external and internal factors are adequately captured and reflected in the strategic and operational planning. The regular evaluation of the Group's risk performance and the delivery on its objectives serve as an indicator of an efficient risk management process.

In 2022, Falck focused on strengthening the risk awareness and integration of risk management into strategy review and business planning. The risk appetite, overall risk picture and progress on mitigating actions to the top-five risks for 2022 were monitored by the Executive Management, the Audit Committee and the Board of Directors on a regular basis.

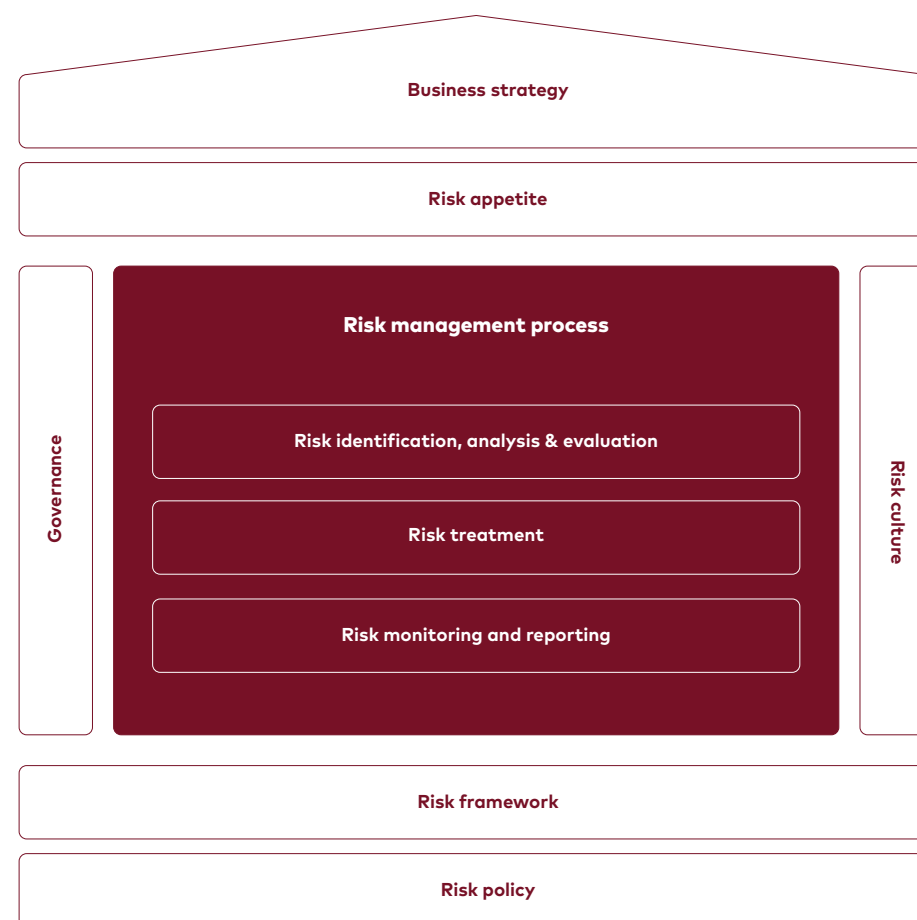
The top risks for 2023 have been selected based on a holistic approach evaluating macroeconomic risks, sector trends as well as strategic and emerging risks for Falck on Group level.

In 2023, Falck will continue to conduct risk training and workshops to further raise awareness and enable timely identification of both existing and emerging risks.

Actions taken to mitigate the top-five enterprise risks in 2022

Two of the top-five enterprise risks disclosed in the Annual Report 2021 were downgraded following an assessment which showed that mitigating actions were successfully implemented. The remaining three continue to be on the list of top risks for next year.

Falck operates a risk management framework to support the business strategy



Mitigating actions taken during 2022 to address the top-five risks and their status is presented below.

A. Compliance breach

Falck further enhanced compliance via documenting key compliance areas, identifying owners and having visibility and transparency of controls. Training in due diligence continued, and an updated Code of Conduct for employees was launched in October 2022. This risk continues to be a top risk for Falck given the dynamic regulatory environment and highly regulated sector globally.

B. Shortage of healthcare professionals

In 2022, key initiatives led by People & Culture took place, and actions were implemented to improve the process of retention and attraction of healthcare professionals. Falck is better prepared to respond to internal factors that could elevate this risk, considering the challenging macroenvironment and labour shortages in the healthcare sector. The risk remains high, however, it was redefined based on improved internal processes.

C. Cybersecurity attack, insufficient planning of emergency preparedness, crisis management and business continuity

Recovery plans for the most critical systems were developed. Close monitoring of the implementation and regular reporting to the Audit Committee were performed throughout 2022. Falck will continue to execute its cybersecurity programmes to enhance resilience. The risk remains high considering vulnerable external factors, global operations and further digitalisation.

D. Lack of commercial resources, capabilities and prioritisation

Several actions were taken based upon the findings from a gap analysis conducted across business units. The primary concern was to define and roll out a common methodology for recruitment and retention.

On that basis, proactive recruitments for key positions were completed across the business to close identified gaps. The risk is downgraded based on implemented actions, however, it will be monitored during 2023.

E. Insufficient operational due diligence and incomplete integration of acquired entities

A comprehensive integration manual and governing documents related to M&A activities across Falck were developed in 2022. Potential acquisitions are evaluated for strategic fit based on the M&A Policy and Falck Authorisation matrix prior to being handed over to the business for further assessment.

The risk is downgraded due to implemented actions and a successful integration of Frisk Gruppen.

The three top enterprise risks for 2022 which remain high are found on the list of top-six risks for 2023. The list of top-six risks for 2023 contains three new risks.

ISO certifications in Falck

Falck has developed the Quality Model (QM) framework to ensure high quality of execution of its services across its operations. The associated framework and business processes are found in Falck's integrated Management System GEMS, which is ISO certified.

This supports Falck in maintaining the appropriate internal control environment and ability to demonstrate fulfilling requirements associated with global certifications from the globally recognised ISO Standards 9001 (Quality Management), 14001 (Environmental Management), 45001 (Occupational Health & Safety Management) and 27001/27701 (Information Security Management), as well as legal and regulatory requirements in the countries where Falck operates.



9001



14001



45001



27001/27701

Top-six risks identified for 2023

Risk description

A Regulatory compliance risk

Compliance with relevant regulatory requirements is a condition for Falck to conduct its business. These regulatory requirements may be international, national or local laws and regulations, as well as standards or recommendations of regulators or supervisory authorities with jurisdiction in countries where Falck operates. Such requirements might relate (without limitation of others) to the healthcare sector and medical standards, to the interaction with consumers and handling of personal data, or to conducting business within the frame of business ethics or competition law. Failure to meet regulatory compliance obligations may result in a range of consequences such as prohibition from continuing operations, ban on bidding for public contracts, litigation from third parties, substantial fines and penalties and may have significant adverse impact on Falck's reputation.

B Workforce shortage

Impacted by external and macroeconomic trends, staff shortage continues to be a challenge. Attraction of qualified candidates is challenging on the labour market, e.g., within IT, analytics and customer intelligence and service. Most critical is shortage of healthcare professionals which has a direct impact on Falck's operations. This leads to increased retention costs for the existing workforce, as well as the risk of not being able to meet contractual obligations.

Internal workforce shortage and subsequent understaffing and overtime could have a negative impact on employee engagement, health, safety and well-being, and result in an increase in sick leave. This risk may adversely impact Falck's reputation as an attractive employer and deteriorate its market position.

C Cyber-attack risk

The risk of a targeted cyber-attack or broader cyberterror attack continues to prevail to Falck's systems, networks, products and services as well as to the confidentiality, availability and integrity of Falck's data. Such an attack would compromise Falck's cyberdefense and could block global operations and prevent Falck from delivering products and services. In the shadow of international conflicts and wars, the risk of severe state-sponsored cyber-attacks and cyberterror has increased substantially on top of the ever-increasing cybercrime. Falck has built a stronger cyberdefense over the last year, however, there is still more work to be done to reach the desired cyberdefense maturity level.

Planned mitigating actions

Falck will continue to monitor changes in laws and regulations locally and globally and train the organisation to ensure compliance. Upon completion of the overview of compliance areas, respective plans for adequate training and assessments of efficacy of processes and controls will be conducted. Falck will ensure further implementation of its data protection framework across the organisation, including retention and deletion rules, and process and system owners in Falck will be asked to ensure review and update of controls on access rights on a regular basis.

Falck will establish a global approach to attraction, employer branding, recruitment and onboarding. This includes alignment and professionalisation of talent acquisition processes and tools, sharing of best practice and upskilling of personnel. Specific initiatives will be implemented to meet challenges in critical areas. Examples being campaigns targeting candidates with the best fit for the role, active use of social media to create awareness and pride, investigation of partnership opportunities and improved working conditions.

Falck's data warehouse will together with the groupwide onboarding, engagement and exit surveys monitor and provide insights to managers on reasons for joining, staying or leaving Falck. Based on this, improvement actions will be initiated.

Falck will focus on further strengthening its risk-based cybersecurity framework and processes along with business continuity and recovery plans for defined threats and attacks. Full implementation of the cybersecurity fortification and recovery plan should be ensured, following defined deadlines for all included actions. Revision of the plan and deadlines and reprioritisation of its steps should be performed if necessary to secure feasibility and timely implementation.

Top-six risks identified for 2023

Risk description



Constraints on passing on higher costs to customers

In recent years, costs for labour retention and attraction in the healthcare sector have increased due to growing demand and unfavourable macroeconomic conditions. Higher fuel prices and production costs with limited ability to pass this burden on to customers during times of high inflation have put additional pressure on profit margins. Given the increasing uncertainty at present with a potential global recession, this trend is very likely to continue and increase the pressure on operating margins.



Digital disruption

The healthcare sector is characterised by the rapid speed of innovation, digital transformation and high competition driven by introduced compelling digital platforms. Having automated processes, efficient IT platforms and required digital skills is pivotal for meeting competition in time with scalable business models and innovative services that win in the healthcare market.



Changes in government and regulatory policy

There is a risk of failure to anticipate or influence changes in the governmental and regulatory environment which may impact Falck's customers and service delivery, altering the viability or profitability of the business. Falck's business is subject to government and regulatory policy, including insurance and conduct rules such as minimum wage requirements, reimbursement mechanisms, changes to tax regimes and the interpretation of existing tax practices and pricing controls. The significant governmental and regulatory responses to the pandemic have shown that future legislation, regulation and government funding decisions could have a material impact on Falck.

Planned mitigating actions

A comprehensive approach to profit margin management will be developed, including commercial actions such as pricing and internal cost reduction efforts. Clear objectives (timing and quantities) will be set based on robust analytics. Analyses should include people, financial and operational data to develop opportunity hypotheses and preliminary targets.

Development of a technology modernisation roadmap and comprehensive plans for further digitalisation with investment in upskilling employees continues to be in focus. Falck's business strategy will be adapted to enable tapping into medical science (segment) or market opportunities that are feasible and/or affordable for the organisation. Further investments in new products or services should be evaluated based on cost-return analysis and wider access in societies/locations targeted.

Falck will continue to closely monitor its long term contract pipeline to ensure timely action on identified commercial opportunities. Also, potential strategic implications on Falck's businesses deriving from any future changes in government or policy regulation should be timely evaluated to allow for adequate changes to the strategy and business model.

Corporate governance

The work on corporate governance is ongoing for the Board of Directors and the Executive Management, since Falck is committed to adhering to current legislation and recommendations issued by the Danish Committee on Corporate Governance, but also to what is considered prudent corporate governance principles.

Consequently, at least once a year, the Board of Directors 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.

Falck reports on its corporate governance compliance in accordance with the "comply or explain" principle. Since 2020, Falck has issued an analysis on an annual basis, which is available on the corporate website (www.falck.com/about-us/corporate-governance).

In the Comply or explain analysis from 2021, it was noted that Falck adhered to the Danish Recommendations on Corporate Governance apart from one recommendation only. Falck made a commitment to also meet this recommendation which states that the majority of the Remuneration and Nomination Committee members should be independent. This was achieved during 2022 with two out of the three members being independent and

with the Chair as independent. Also, the composition of the Audit Committee was changed during 2022. As a result, the Audit Committee has an equal distribution of independent and dependent members. In consequence, the Committee is not considered to hold a majority of independent members. Falck will be working towards a majority of the members of the Audit Committee being independent.

Governance structure, board composition and responsibilities

In accordance with Danish legislation, Falck has a two-tier management system comprising the Board of Directors and the Executive Committee. There are no overlapping members in these two bodies, and members retiring from the Executive Committee cannot join the Board of Directors immediately hereafter.

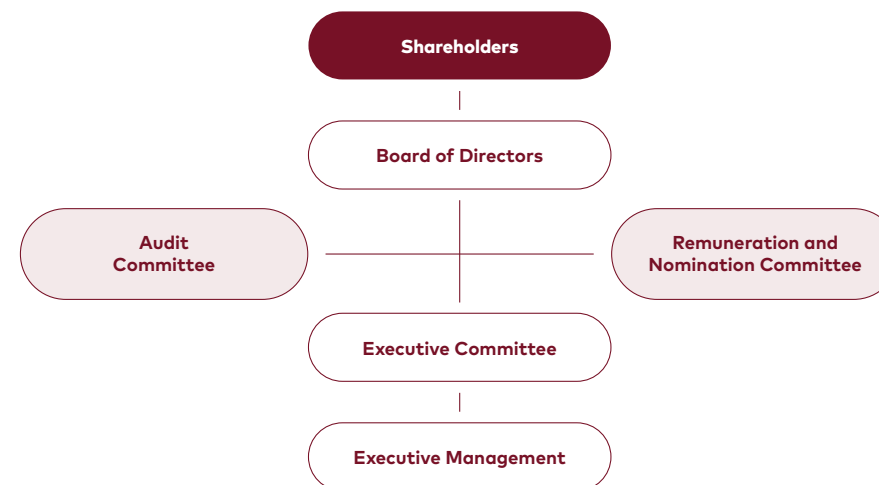
The shareholders have the ultimate authority of Falck and they may exercise their rights by passing resolutions at the Annual General Meeting, the supreme governing body of Falck. At the Annual General Meeting, the shareholders elect members to the Board of Directors and appoint the independent auditor.

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

At present, the Board of Directors 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.

At the board meeting on 27 January 2022, Niels Smedegaard was elected new Chair of Falck's Board of Directors. Niels Smedegaard has been a member of Falck's Board of Directors since 2016 and is considered independent. He replaced Peter Schütze, who thereafter continued to contribute as a member of the Board of Directors after having acted as Chair since 2015.

Governance structure



The Board of Directors has established the Audit Committee and the Remuneration and Nomination Committee. These two committees are responsible for preparing decisions and recommendations for consideration and approval by the Board of Directors. The Executive Committee is responsible for the day-to-day management. The Executive Management team undertakes leadership of the day-to-day operations of the business areas and global functions.

The change of Chair came as Falck had defined and subsequently progressed well on its business strategy towards 2025.

The most recent election of employee representatives for the Board of Directors for the 2021-2025 term was held in March 2021. The employee representatives consist of Vagn Flink Møller Pedersen, Stefan Fyhn Gregersen, and Christian Jesper Engvad Madsen. The employee representative Jacob Bonne Guldberg resigned on 15 May 2022 and was replaced by elected alternate Christian Jesper Engvad Madsen.

Lundbeckfonden is represented on the Board of Directors by Lene Skole (Deputy Chair) and Peter Schütze 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.

Both the Board of Directors 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 Executive Committee and Executive Management team

The Executive Committee is responsible for the day-to-day management and operation of Falck. This is conducted in accordance with the guidelines and recommendations as set out by the Board of Directors and with

focus on developing and implementing strategies and significant initiatives. Moreover, the Executive Committee is responsible for ensuring that the Board of Directors is informed of all material matters and that proposals and recommendations concerning the Group's overall strategy and objectives are submitted to the Board of Directors. The Executive Committee consists of the Group CEO and the Group CFO. On 31 March 2022, Tor Magne Lønnum stepped down as Group CFO to take up a position outside Falck. Maarit Pokkinen served as interim Group CFO from 1 April until 30 June after which Christian Baltzer assumed the role as Group CFO.

The Executive Committee has established an Executive Management team to undertake leadership of the day-to-day management. In addition to the Executive Committee members, the Executive Management team consists of the EVP Consumer and Technical services, the SVP Employee and Labour Market services, the SVP Ambulance US, the SVP Ambulance Europe and Fire, the SVP Community Health services, Latam, the SVP Commercial, the SVP Global People & Culture and the SVP Corporate Development and Affairs.

Evaluation of the Board of Directors

Like previous years, the Board of Directors has conducted an annual evaluation of the effectiveness of the Board of Directors, the processes supporting its work, individual board members' contributions, the Chair's performance and its interaction with the Executive Committee.

The quantitative evaluations on these areas are based on a collective assessment as well as self-assessments. Moreover, the evaluation included the individual competencies of the board members. The assessment has been carried out by an external company to assure anonymity, which is also part of the Danish Recommendations on Corporate Governance. Each board member and member of the Executive Committee have responded to an online questionnaire.

As it has been practised for several years, the board evaluation has been presented and discussed collectively in the Board of Directors, and the Chair has provided each board member with feedback.

The board evaluation for 2022 resulted in a total score of 9.85 on a scale from 1 – 10, and this level is almost identical to the score in 2021, which was 9.84. This is a very high score on performance, taking into consideration that the average is around 8 in an external industry benchmark.

The board evaluation reveals that there is a high level of trust with the board members to the performance of the Executive Management and the collaboration. In this regard, there was a high overall assessment in the view that the Board of Directors works with a strong commitment to ESG and focus on ensuring progress.

The board evaluation has also highlighted some improvement areas. One is to turn more attention and work towards discussions around business development

and performance – and somewhat less upon compliance. There is also a need to strengthen attention towards risk areas such as IT and cyber risks.

From the board discussions of the evaluation in 2022, it has been decided to focus on the below key areas in 2023:

- Succession of key positions with internal talent
- Building of board competencies within digitalisation and healthcare
- Assess the remuneration model
- Gender diversity and inclusion

Board competencies and diversity

The composition of the Board of Directors must be in such a way that the competencies of its members combined enable it to inspire, progress and oversee the development of Falck. All members of the Board of Directors hold equal rights and obligations. The Board of Directors 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.¹

In 2022, the Board of Directors identified a range of competencies that are deemed important for ensuring continued progress of Falck. These are:

- C-level experience
- Strategic planning
- ESG and Corporate Governance
- Customer relation management
- M&A
- Industry-relevant experience

¹) The gender distribution of the Board of Directors is equal (40/60), according to the guidelines of the Danish Business Authority.

- Contract-based business models
- Subscription-based business models
- Core market insights
- Organisational development
- Digitalisation
- Technology innovation
- Risk management

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

- Company knowledge
- Balancing employee and business perspectives
- Employee engagement
- Internal communication

Board activities

The Board of Directors held 12 ordinary or extraordinary board meetings as well as a strategy seminar in 2022. The most significant activities were related to:

- Continued development of Falck's strategy, Care for more '25
- Divestment of Falck's Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania
- Integration of Frisk Gruppen
- Sustainability strategy and the Science Based Targets initiative
- Development of a global operating model for the ambulance business
- Start-up of the ambulance contract in San Diego
- Initiative to develop a full-potential strategy planning for Falck.

The regular activities of the Board of Directors included discussions and approvals of:

- **Financials:** Annual and interim reports, including sustainability reporting, 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 for the following subject areas:** Tax, Insurance, Risk, Executive Hiring, Succession Planning, M&A, Diversity and Inclusion, Remuneration, Communication, Investor Relations, Sustainability, Human Rights, Data Ethics, Treasury, Whistle-blower, and also on the provision of non-audit services by the independent auditors
- **Other main topics:** Recommendations on Corporate Governance, Health and Safety, Risks, Whistleblower and Compliance reporting

There was a strong attendance to the Board of Directors' meetings from its members, evidenced by the fact that all members had an attendance rate well above 90%.

Internal controls

The Board of Directors and the Audit Committee assume overall responsibility for overseeing the internal control environment and the effectiveness of internal controls. The Executive Committee leads the implementation and monitoring of an appropriate internal control environment.

The internal control environment has been upheld by an independent Internal Audit, Internal Financial Controls, Quality Assurance and ISO Audit.

Over the past years, Falck has invested in improvements to controls, compliance and processes. The Board of Directors and the Audit Committee acknowledged the improvement in the control environment and decided in November 2022 to discontinue the independent audit function appointed by the Audit Committee. The independent internal audit function was established by the Audit Committee in 2018.

Remuneration

Remuneration of the members of the Board of Directors 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.

Data Ethics

Falck's Data Ethics Policy was developed and approved by the Board of Directors 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 global Data Ethics Policy for 2022, cf. section 99d, is available at www.falck.com/data-protection.

Board committees

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

The Audit Committee

The Audit Committee assists the Board of Directors 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 whistle-blower systems, ESG progress, IT security, and the independence of the external auditors. The Audit Committee makes recommendations on these topics to the Board of Directors and, on behalf of the Board of Directors, follows up on the implementation of initiatives taken by the Executive Committee. The Board of Directors appoints the Audit Committee members from among its members for one-year terms. One member is designated as Committee Chair.

The Committee's work and responsibilities are established in a charter.

Member composition and meetings

In March 2022, Lene Skole and Lars Frederiksen were reappointed, while Peter Schütze and Dorthe Mikkelsen were appointed as new members of the Audit Committee. Peter Schütze was further appointed as new Chair of the Audit Committee. The Audit Committee meets at least four times a year. Altogether, the Audit Committee held six meetings during 2022 and there was a high attendance rate.

Most significant activities

The most significant activities of the Audit Committee during 2022 were:

- Recommendation for approval of the annual report 2021 and the interim reports during 2022 as well as pursuing an integrated financial and sustainability reporting in the annual report 2022
- Discussion of future and likely requirements in terms of control and assurance of sustainability reporting
- Recommendations delivered related to audit and compliance, IT and cybersecurity, enterprise risks and the refinancing agreement linked to selected sustainability KPIs

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board of Directors in overseeing the remuneration of members of the Board of Directors, 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 of Directors in performing its duties in terms of ensuring that the Board of Directors 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 of Directors and the Executive Committee, and for regularly reviewing the performance of the Board of Directors and the Executive Committee. Remuneration and Nomination Committee members are appointed by the Board of Directors from among its members for one-year terms. The Committee's work and responsibilities are established in a charter.

Member composition and meetings

In March 2022, Dorthe Mikkelsen and Lene Skole were reappointed to the Remuneration and Nomination Committee. Niels Smedegaard was appointed as new Chair of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee meets at least twice a year. Five meetings were held in the Committee during 2022 and there was a high attendance rate recorded.

Most significant activities

The most significant activities of the Remuneration and Nomination Committee during 2022 were:

- Peer-group and benchmark of the Board of Directors and Executive Committee
- Succession Planning
- Two new policies; Executive Hiring Policy and Succession Planning Policy
- Short-term and long-term incentives
- Discussions on and recommendation for approval of remuneration of the Executive Committee and the Board of Directors
- Definition of competence profiles for the Board of Directors and Executive Committee

Meeting attendance 2022

	Board and committees			Board meetings		Board committee meetings	
Name	Board	Audit	Remuneration and Nomination	Board meetings	Attendance	Audit	Remuneration and Nomination
Niels Smedegaard ^{1,2}	Chair		Chair	●●●●●●●●●●●●●●	100%	●	●●●
Lene Skole	Deputy Chair	Member	Member	●●●●●●●●●●●●●●	100%	●●●●●●●	●●●●●●
Lars Frederiksen ¹	Member	Member		●●●●●●●●●●●●●●	100%	●●●●●●●	
Dorthe Mikkelsen ¹	Member	Member	Member	●●●●●●●●●●●●●●	100%	●●●●●●	●●●●●●
Peter Schütze ³	Member	Chair		●●●●●●●●●●●●●●	100%	●●●●●●	●●
Thomas Lau Schleicher	Member			●●●●●●●●●●●●●●	100%		
Stefan Fyhn Gregersen (E)	Member			●●●●●●●●●●●●●●	100%		
Christian Jesper Engvad Madsen (E) ⁴	Member			●●●●●●●●●●	100%		
Vagn Flink Møller Pedersen (E)	Member			●●●●●●●●●●○●●●	92%		
Jakob Bonne Guldberg (E) ⁴	Member			○●●●●●	80%		

(E) Elected by employees

1. Independent

2. Stepped down as member of the Audit Committee in March 2022

3. Stepped down as member of Remuneration and Nomination Committee in March 2022




4. In 2022, the Employee representative Jacob Bonne Guldberg resigned on 15 May 2022 and was replaced by elected alternate Christian Jesper Engvad Madsen




● Attended ○ Did not attend




Board competencies		Niels Smedegaard Chair	Lene Skole Deputy Chair	Lars Frederiksen	Dorthe Mikkelsen	Peter Schütze	Thomas Schleicher	Christian Jesper Engvad Madsen (E)	Stefan Fyhn Gregersen (E)	Vagn Flink Møller Pedersen (E)
C-level experience	C-level experience from major international companies	●	●	●		●	●			
Strategic planning	Experience from strategic planning, development and implementation activities	●	●	●	●	●	●			
ESG and Corporate Governance	Experience within environmental, social and corporate governance (ESG) implementation	●	●	●	●	●	●			
Customer relation management	Experience with customer relation mgmt. incl. sales, marketing and branding	●		●	●	●				
M&A	M&A/divestment experience	●	●	●	●	●	●			
Industry-relevant experience	Experience from the healthcare or emergency services industry	●	●		●					
Contract-based business models	Knowledge and competencies around contract-based business	●			●	●				
Subscription-based business models	Knowledge and competencies around subscription-based business		●	●		●				
Core market insights	Knowledge and competencies around Falck's main markets, especially the US	●	●	●	●					
Organisational development	Profound experience within organisational dev., incl. leadership and talent dev., change management and cultural transformations	●	●	●	●	●	●			
Digitalisation	Digital competencies to understand and support Falck's digital efforts	●		●	●	●				
Technology innovation	Experience within implementation of innovative technologies			●	●	●	●			
Risk management	Risk management experience from a global company	●	●	●	●	●	●			
Company knowledge	Experience and broad knowledge of how the Falck Group conducts its business							●	●	●
Balancing perspectives	Ability to balance Falck Group employee perspective and business perspective							●	●	●
Employee engagement	Strong knowledge of what Falck Group employees are occupied with and pay attention to							●	●	●
Internal communication	Ability to advise on appropriate forms of communication between management and employees							●	●	●

The board members have evaluated their competencies within key areas on a scale 1-6, in which 4-6 indicates above average to outstanding. The table includes only competencies rated with a minimum of 4. The employee-elected board members have evaluated their competencies for the areas Company knowledge, Balancing perspectives, Employee engagement and Internal communication.


Board of Directors

			
	Niels Smedegaard Chair	Lene Skole Deputy Chair	Lars Frederiksen
Board member since	2016	2015	2014
Current term	2021-2022	2021-2022	2021-2022
Considered independent	Yes	No	Yes
Nationality	Danish	Danish	Danish
Born	1962	1959	1958
Profession	Professional board member	CEO of Lundbeckfonden and Lundbeckfond Invest A/S. Directorship in one subsidiary	Professional board member
Competencies	C-level experience, strategic planning, ESG and Corporate Governance, M&A, industry-relevant experience, contract-based business models, core market insights, organisational development, digitalisation, risk management	C-level experience, strategic planning, ESG and Corporate Governance, M&A, industry-relevant experience, subscription-based business models, core market insights, organisational development, risk management	C-level experience, strategic planning, ESG and Corporate Governance, customer relation management, M&A, subscription-based business models, core market insights, organisational development, digitalisation, technology innovation, risk management
Board positions	<ul style="list-style-type: none"> • ISS A/S (Chair) • Abacus Medicine A/S (Chair) • Molslinjen A/S (Chair) • The Bikuben Foundation (Chair) • DSV A/S • UK P&I • TT Club • Frederiksberg Fonden • Nikolai og Felix Fonden • Danish Board Leadership Society 	<ul style="list-style-type: none"> • H. Lundbeck A/S (Deputy Chair) • ALK-Abelló A/S (Deputy Chair) • Ørsted A/S (Deputy Chair) • Nordea Bank Abp 	<ul style="list-style-type: none"> • Matas A/S (Chair) • Hedorf Foundation (Chair) • Hedorf A/S • PAI Partners SA (Chair supervisory board) • Tate & Lyle PLC
Committee memberships	<ul style="list-style-type: none"> • Remuneration and Nomination Committee (Chair) 	<ul style="list-style-type: none"> • Remuneration and Nomination Committee • Audit Committee 	<ul style="list-style-type: none"> • Audit Committee





			
	Dorthe Mikkelsen	Peter Schütze	Thomas Schleicher
Board member since	2014	2015	2020
Current term	2021-2022	2021-2022	2021-2022
Considered independent	Yes	No	No
Nationality	Danish	Danish	Danish
Born	1967	1948	1973
Profession	Professional board member	Professional board member	Chief Investment Officer, KIRKBI A/S
Competencies	Strategic planning, ESG and Corporate Governance, customer relation management, M&A, industry-relevant experience, contract-based business models, core market insights, organisational development, digitalisation, technology innovation, risk management	C-level experience, strategic planning, ESG and Corporate Governance, customer relation management, M&A, contract-based and subscription-based business models, organisational development, digitalisation, technology innovation, risk management	C-level experience, strategic planning, ESG and Corporate Governance, M&A, organisational development, technology innovation, risk management
Board positions	<ul style="list-style-type: none"> Theramex HQ UK Limited 	<ul style="list-style-type: none"> SimCorp A/S (Chair) Nordea-fonden and Tietgenfonden (Chair) DSB SOV (Chair) The Danish SDG Investment Fund (Chair) Lundbeckfonden and Lundbeckfond Invest A/S (Deputy Chair) Axcel Future Member of The Systemic Risk Council Gösta Enboms Fond Dronning Margrethe II's Arkæologiske Fond (Chair) 	<ul style="list-style-type: none"> Nilfisk A/S Adapture Renewables Inc. Topsøe Holding A/S KIRKBI Burbo Extension Holding (UK) Limited, a fully owned subsidiary of KIRKBI A/S
Committee memberships	<ul style="list-style-type: none"> Remuneration and Nomination Committee Audit Committee 	<ul style="list-style-type: none"> Audit Committee (Chair) 	

			
	Stefan Fyhn Gregersen	Christian Jesper Engvad Madsen	Vagn Flink Møller Pedersen
Board member since	2021	2022	2005
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	1977	1957
Profession	Emergency Medical Technician, Response A/S	Physiotherapist, Employee and Labour Market services (ELM)	Patient Transport Rescue Officer
Competencies	Company knowledge, balancing perspectives, employee engagement, internal communication.	Company knowledge, balancing perspectives, employee engagement, internal communication	Company knowledge, balancing perspectives, employee engagement, internal communication
Board positions	<ul style="list-style-type: none"> • Reddernes Landsklub (Chair) 	<ul style="list-style-type: none"> • Falck Healthcare A/S 	
Committee memberships			

Executive Management

			
Joined Falck Nationality Born	Jakob Riis President and Group CEO Member of the Executive Committee 2017 Danish 1966	Christian Baltzer Group CFO Member of the Executive Committee 2022 Danish 1978	Michala Fischer-Hansen EVP, Consumer and Technical services 2019 Danish 1974
Educational background	MSc and PhD, Forestry and Econometrics, Faculty of Science, University of Copenhagen	MSc Actuarial Science, University of Copenhagen	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.	Prior to joining Falck, Christian held the position as CEO at Codan Denmark and has previously been Group CFO of Danske Bank and Tryg. 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 at 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	<ul style="list-style-type: none"> • ALK-Abelló A/S • Subsidiaries of Falck Group 	<ul style="list-style-type: none"> • Subsidiaries of Falck Group 	<ul style="list-style-type: none"> • Abacus Medicine A/S • Subsidiaries of Falck Group

63

				
	Gorka Vigara de Otazu SVP, Community Health Services, Latam	Lars Tue Toftild SVP, Ambulance Europe and Fire	Elisabeth Milton SVP, Global People & Culture	Camilla Krohn SVP, Corporate Development and Affairs
Joined Falck	2021	2017	2019	2018
Nationality	Spanish	Danish	Swedish	Danish
Born	1984	1972	1967	1972
Educational background	Master's degree in mechanical engineering from ICAI, Universidad Pontificia de Comillas in Madrid and an Executive Master of Business Administration, Hass School of Business, University of California Berkeley.	Graduate Diploma in Business Administration (HD-U) at Copenhagen Business School – awarded Candidate of the Year by Børsen (financial daily), Executive Master of Business Administration, RSM Erasmus University, Rotterdam	Master of Business Administration and Economics, International Business Program, Uppsala University. Executive Board Program, Copenhagen Business School	Master's degree in Law, Copenhagen University and Executive Master of Business Administration, Middlesex University
Career	Gorka joined Falck from a position as CEO of Falabella Insurance Colombia. He is an experienced executive with years of distinguished contribution to market expansion, revenue growth and improving profitability. Gorka is also known as a strong leader and change agent. Additionally, he has 7 years of experience from strategy consulting in both Accenture and McKinsey.	Lars initiated his career at Falck as Managing Director of Falck Rettungsdienst GmbH, and in 2020, he transferred into his current position. Prior to that he held various senior leadership positions at AP Moller-Maersk, DFDS and Blue Water Shipping, where a considerable part was spent in Sweden, the Netherlands, Belgium, Italy and Brazil.	Elisabeth joined Falck from a position as Vice President Sales & Distribution at Air Italy. Prior to that, she was Chief Commercial Officer at Tivoli, following a 20-year executive career with SAS, both in head office positions and 10 years abroad in the international organisation.	Camilla joined Falck from a similar position at COWI, which she held for 10 years. Prior to that, Camilla, among others, held a position as Head of Division at the Danish IT and Telecom Agency.
Board positions		<ul style="list-style-type: none"> Subsidiaries of Falck Group 	<ul style="list-style-type: none"> Sport Event Denmark (Deputy Chair) 	

06

Consolidated financial statements

Primary statements

Income statement	66
Statement of comprehensive income	66
Statement of cash flows	67
Statement of financial position	68
Statement of changes in equity	69

Notes

Section 1: Basis of reporting	72
Section 2: Operating profit and tax	78
Section 3: Net operating assets	85
Section 4: Acquisitions and divestments	100
Section 5: Capital structure, financial items and cash flows	102
Section 6: Other disclosures	110

Income statement

1 January - 31 December

DKK million	Note	2022	2021
Revenue	2.1	12,647	15,173
Cost of services	2.2, 2.7, 3.1, 3.3, 3.4	(10,025)	(11,394)
Gross profit		2,622	3,779
Sales and administrative expenses	2.2, 3.1, 3.3, 3.4	(1,974)	(2,006)
Other operating income and expenses, net	2.4	69	61
Operating profit before special items (EBITA)¹⁾		717	1,834
Special items	2.5	(21)	(55)
Amortisation of customer contracts and brand	3.1	(90)	(38)
Impairment of goodwill	3.1, 3.2	(174)	-
Gains/losses from divestments of enterprises	4.2	689	(107)
Operating profit (EBIT)		1,121	1,634
Financial income	5.3	44	107
Financial expenses	5.3	(118)	(153)
Profit before tax		1,047	1,588
Income taxes	2.6	(126)	(359)
Profit for the year		921	1,229
Profit for the year attributable to:			
Shareholders in Falck A/S		920	1,219
Non-controlling interests		1	10
Profit for the year		921	1,229

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

Statement of comprehensive income

1 January - 31 December

DKK million	Note	2022	2021
Profit for the year		921	1,229
Actuarial adjustment of pension provisions		-	1
Items that will not be reclassified to the income statement		-	1
Foreign currency translation adjustment		(103)	9
Tax on other comprehensive income	2.6	(10)	(21)
Items that will be reclassified to the income statement		(113)	(12)
Other comprehensive income		(113)	(11)
Total comprehensive income		808	1,218
Total comprehensive income attributable to:			
Shareholders in Falck A/S		807	1,208
Non-controlling interests		1	10
Total comprehensive income		808	1,218

Statement of cash flows

1 January - 31 December

DKK million	Note	2022	2021
Operating profit (EBIT)		1,121	1,634
Depreciation and amortisation	3.1, 3.3, 3.4	498	471
Amortisation of customer contracts and brand	3.1	90	38
Impairment of goodwill	3.1	174	-
Change in net working capital	5.6	(1,057)	(12)
Gains/losses on non-current assets and enterprises, net		(697)	96
Interests paid		(118)	(151)
Interests received		44	107
Income tax paid	2.6	(168)	(317)
Cash flows from operating activities		(113)	1,866
Purchase of property, plant and equipment	3.3	(190)	(101)
Sale of property, plant and equipment		88	87
Purchase of intangible assets	3.1	(11)	(8)
Acquisition of subsidiaries	4.1	(3)	(680)
Divestment of enterprises	4.2	998	81
Purchase of publicly traded securities		-	(200)
Sale of publicly traded securities		-	199
Cash flows from investing activities		882	(622)

DKK million	Note	2022	2021
Dividend paid to shareholders	6.2	(1,750)	-
Purchase of treasury shares		(46)	-
Transactions with non controlling interests		(57)	(187)
Interest-bearing debt raised	5.2	1,103	1,117
Repayment of interest-bearing debt, including lease liabilities	5.2	(1,172)	(1,954)
Cash flows from financing activities		(1,922)	(1,024)
Total cash flows		(1,153)	220
Cash at 1 January		1,359	1,111
Foreign currency translation adjustment		(20)	28
Total cash flows		(1,153)	220
Cash at 31 December	5.5	186	1,359

Statement of financial position

At 31 December

DKK million	Note	2022	2021
Assets			
Goodwill	3.1, 3.2	5,603	6,099
Other intangible assets	3.1	746	874
Property, plant and equipment	3.3	864	805
Right-of-use assets	3.4	1,005	1,199
Deferred tax assets	3.5	120	175
Other receivables	3.9	60	17
Total non-current assets		8,398	9,169
Inventories		41	70
Contract assets	3.6	322	353
Trade receivables	3.8	1,181	1,258
Income tax receivable		25	25
Other receivables	3.9	352	410
Cash	5.5	186	1,359
Total current assets		2,107	3,475
Total assets		10,505	12,644

DKK million	Note	2022	2021
Equity and liabilities			
Share capital		136	136
Other reserves		(373)	(260)
Retained earnings		4,156	5,071
Equity attributable to Falck A/S		3,919	4,947
Non-controlling interests		-	17
Total equity	5.1	3,919	4,964
Loans	5.2	2,286	2,083
Lease liabilities	5.2	659	747
Deferred tax liabilities	3.5	39	118
Provisions	3.11	119	137
Contract liabilities	3.7	2	20
Other payables	3.10	-	3
Total non-current liabilities		3,105	3,108
Loans	5.2	169	19
Lease liabilities	5.2	280	429
Trade payables		879	1,118
Income tax payables		287	300
Provisions	3.11	163	242
Contract liabilities	3.7	728	1,128
Other payables	3.10	975	1,336
Total current liabilities		3,481	4,572
Total liabilities		6,586	7,680
Total equity and liabilities		10,505	12,644

Statement of changes in equity

1 January - 31 December

2022 DKK million	Share capital	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2022	136	(260)	5,071	4,947	17	4,964
Foreign currency translation adjustment ¹	-	(103)	-	(103)	-	(103)
Tax on other comprehensive income (relating to intercompany loans)	-	(10)	-	(10)	-	(10)
Other comprehensive income	-	(113)	-	(113)	-	(113)
Profit for the year	-	-	920	920	1	921
Total comprehensive income	-	(113)	920	807	1	808
Dividend paid	-	-	(1,747)	(1,747)	(3)	(1,750)
Change in non-controlling interests' ownership share	-	-	(42)	(42)	(15)	(57)
Acquisition of treasury shares	-	-	(46)	(46)	-	(46)
Total transactions with owners	-	-	(1,835)	(1,835)	(18)	(1,853)
Total changes in equity in 2022	-	(113)	(915)	(1,028)	(17)	(1,045)
Total equity at 31 December 2022	136	(373)	4,156	3,919	-	3,919

1) Includes the impact from recycling of foreign exchange reserves of DKK 12 million related to divested and liquidated entities.

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 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	-	-	-	-	(4)	(4)
Change in non-controlling interests' ownership share	-	-	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.

Notes

Section 1

Basis of reporting

1.1	Accounting policies	72
1.2	Significant accounting estimates and management judgements	73
1.3	New accounting standards, amendments and interpretations	75
1.4	Definitions of key figures and ratios	76
1.5	Income statement by function	77
1.6	Income statement by nature	77

Section 2

Operating profit and tax

2.1	Segment and revenue information	78
2.2	Staff costs	80
2.3	Remuneration of the Board of Directors and the Executive Management	81
2.4	Other operating income and expenses, net	82
2.5	Special items	82
2.6	Income taxes	83
2.7	Government grants	84

Section 3

Net operating assets

3.1	Intangible assets	85
3.2	Impairment tests	87
3.3	Property, plant and equipment	90
3.4	Right-of-use assets	92
3.5	Deferred tax	94
3.6	Contract assets	95
3.7	Contract liabilities	95
3.8	Trade receivables	96
3.9	Other receivables	97
3.10	Other payables	97
3.11	Provisions	98

Section 4

Acquisitions and divestments

4.1	Acquisitions	100
4.2	Divestments	101

Section 5

Capital structure, financial items and cash flows

5.1	Equity	102
5.2	Loans	103
5.3	Financial income and expenses	105
5.4	Financial instruments	105
5.5	Cash	108
5.6	Change in net working capital	109

Section 6

Other disclosures

6.1	Contingent liabilities and collateral securities	110
6.2	Related parties	111
6.3	Fees to auditors	112
6.4	Events after the reporting date	112
6.5	Group companies	113

Section 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 2022 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 2021.

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.

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 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 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

Note 1.1

Accounting policies (continued)

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	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). 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

Falck has adopted all new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning 1 January 2022. The implementation of these new or amended standards and interpretations have had no material impact on the annual report 2022.

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 2022. 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% (2021: 8%).
EBITA margin (%)	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$
Cash conversion rate (%)	$\frac{\text{Free cash flow} \times 100}{\text{EBITA}}$
Equity ratio (%)	$\frac{(\text{Total equity} + \text{subordinated shareholder loans}) \times 100}{\text{Total assets}}$
Net interest-bearing debt to EBITDA (leverage)	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA including full year impact of acquisitions and divestments, normalised for non-recurring costs}}$ Net interest-bearing debt consists of interest-bearing debt, including lease liabilities, less cash.
Cost of services ratio	$\frac{\text{Cost of services} \times 100}{\text{Revenue}}$ 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	$\frac{\text{Sales and administrative expenses} \times 100}{\text{Revenue}}$ 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% (2021: 22%).
Net operating assets (NOA)	Intangible assets, property, plant and equipment, right-of-use assets, 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	$\frac{\text{Dividend pay out}}{\text{Net result (profit after tax)}}$

Note 1.5 Income statement by function

DKK million	2022	2021
Revenue	12,647	15,173
Cost of services	(10,025)	(11,394)
Gross profit	2,622	3,779
Sales and administrative expenses	(2,259)	(2,099)
Other operating income and expenses	69	61
Operating profit before special items (EBITA)	432	1,741
Special items	-	-
Amortisation of customer contracts and brand	-	-
Impairment of goodwill	-	-
Gains/losses from divestments of enterprises	689	(107)
Operating profit (EBIT)	1,121	1,634
In the above income statement, special items, amortisation of customer contracts and brand and impairment of goodwill have been allocated to the following functions:		
Cost of services	-	-
Sales and administrative expenses	(285)	(93)
Total	(285)	(93)

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, 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, amortisation of customer contracts and brand and impairment of goodwill were not presented separately.

Note 1.6 Income statement by nature

1 January - 31 December

DKK million	Note	2022	2021
Revenue		12,647	15,173
Other operating income and expenses, net		69	61
Cost of sales and external assistance		(833)	(1,144)
Other external costs		(2,651)	(3,291)
Staff costs		(8,017)	(8,494)
EBITDA		1,215	2,305
Depreciation and amortisation		(498)	(471)
Operating profit before special items (EBITA)		717	1,834
Special items		(21)	(55)
Amortisation of customer contracts and brand		(90)	(38)
Impairment of goodwill		(174)	-
Gain/losses from divestments of enterprises		689	(107)
Operating profit (EBIT)		1,121	1,634

Section 2

Operating profit and tax

Note 2.1

Segment and revenue information

	Core business										Portfolio business	Eliminations	Falck Group		
Business areas	Emergency Health and Safety					Healthcare				Unallocated	Eliminations	Total core business			
Segments	Ambulance Europe	Of which testing ¹	Ambulance US	Fire Services	Total	Employee and Labour Market services	Consumer and Technical services	Community Health services	Total						
2022															
Income statement															
Revenue	4,018	617	2,411	1,313	7,742	1,777	1,611	785	4,173	-	(74)	11,841	809	(3)	12,647
Operating profit before special items, etc. (EBITA)	282	200	137	66	485	(7)	359	137	489	(262)	-	712	5	-	717
Key ratios															
EBITA margin (%)	7.0	32.4	5.6	5.0	6.3	(0.4)	22.3	17.4	11.7	-	-	6.0	0.6	-	5.7
2021															
Income statement															
Revenue	7,180	3,456	1,623	1,177	9,980	1,385	1,542	664	3,591	-	(63)	13,508	1,691	(26)	15,173
Operating profit before special items, etc. (EBITA)	1,423	1,229	81	57	1,561	33	354	127	514	(274)	-	1,801	33	-	1,834
Key ratios															
EBITA margin (%)	19.8	35.6	4.9	4.9	15.6	2.3	23.0	19.1	14.3	-	-	13.3	1.9	-	12.1

1) Contribution from the public 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 Health and Safety and Healthcare.

Emergency Health and Safety 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.

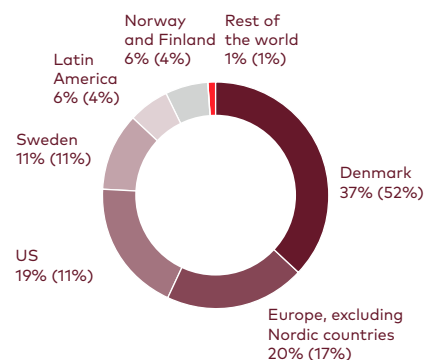
Healthcare comprises the segments Employee and Labour Market services, Consumer and Technical services and Community Health services business segments where Falck has a direct relation with the end-user. Employee and Labour Market services provides occupational healthcare services and treatments to private businesses, insurance companies, pension funds and public organisations. Consumer and Technical services 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 Health services 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.

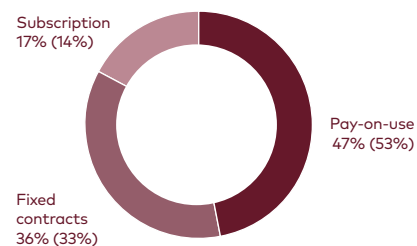
Revenue by geography

2022 (2021)



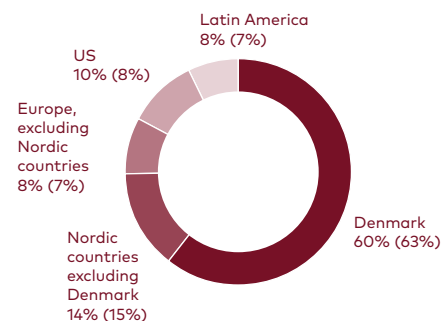
Revenue by contract type

2022 (2021)



Non-current assets excluding deferred tax assets

2022 (2021)



Note 2.1 Segment and revenue information (continued)

Renaming of business units

In order to better align with the Care for more '25 strategy, the business area "Emergency Response" has been renamed to "Emergency Health and Safety" and "Direct Healthcare" has been renamed to "Healthcare".

Similarly, reportable segments in Healthcare have been renamed as follows:

- Employee and Labour Market services (previously Employee Healthcare)
- Consumer and Technical services (previously Assistance)
- Community Health services (previously Community Healthcare)

In addition, one entity has been moved from the Portfolio segment into Employee and Labour Market services. Comparable figures have been restated accordingly. Falck's business segments are based on the monthly reporting presented to the Group Executive Management, which forms the basis for the Management's strategic decisions. The performance of the business segments is evaluated based on revenue and EBITA.

Note 2.2 Staff costs

DKK million	2022	2021
Wages, salaries and remuneration	(6,511)	(7,016)
Defined contribution pension plans	(331)	(350)
Other social security costs	(828)	(754)
Other staff costs	(356)	(373)
Total staff costs	(8,026)	(8,493)
Number of employees at 31 December	24,984	33,268
Average full-time equivalents (FTEs)	19,988	20,862

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

	2022	2021
Cost of services	(6,858)	(7,389)
Sales and administrative expenses	(1,159)	(1,104)
Special items	(9)	-
Total staff costs	(8,026)	(8,493)

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

The decrease in number of employees is mainly explained by the ended contracts with the Danish regions on antigen testing activities in March 2022.

Note 2.3

Remuneration of the Board of Directors and the Executive Management

DKK '000	Executive Committee ¹⁾		Other members of Executive Management ²⁾		Board of Directors		Total remuneration	
	2022	2021	2022	2021	2022	2021	2022	2021
Salaries	14,030	13,859	21,041	17,608	5,200	4,263	40,271	35,730
Pension	90	-	1,747	1,621	-	-	1,837	1,621
Short-term incentive plan ³⁾	4,482	10,855	5,159	9,322	-	-	9,641	20,177
Long-term incentive plan ⁴⁾	(2,486)	5,796	223	3,961	-	-	(2,263)	9,757
Social security	25	17	339	347	-	-	364	364
Severance payment/one off payments	-	-	-	702	-	1,000	-	1,702
Total remuneration	16,141	30,527	28,509	33,561	5,200	5,263	49,850	69,351

1) The members of the Executive Committee are: CEO, Jakob Riis and CFO, Christian Baltzer (appointed 1 July 2022). Tor Magne Lønnum left Falck in April 2022. The figures include interim CFO Maarit Pokkinen (April 2022 - June 2022).

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 value of the short-term programme is accrued based on 2022 performance.

4) The value of the long-term programme is based on the best estimate of the 2022 programme and includes adjustments of the 2020 and 2021 programmes, which include reversals.

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.

DKK '000	Jakob Riis		Christian Baltzer		Tor Magne Lønnum		Maarit Pokkinen	
	2022	2021	2022	2021	2022	2021	2022	2021
Salaries	8,476	8,263	2,911	-	1,869	5,596	774	-
Pension	-	-	-	-	-	-	90	-
Short-term incentive plan	3,533	8,120	799	-	-	2,735	150	-
Long-term incentive plan	40	4,000	-	-	(2,594)	1,796	68	-
Social security	15	15	6	-	1	2	3	-
Total remuneration	12,064	20,398	3,716	-	(724)	10,129	1,085	-

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 2.3

Remuneration of the Board of Directors and the Executive Management (continued)

DKK '000	2022	2021
Niels Smedegaard	1,219	413
Lene Skole	934	928
Lars Frederiksen	488	413
Dorthe Mikkelsen	609	378
Peter Schütze	650	1,031
Thomas Lau Schleicher	325	275
Stefan Fyhn Gregersen	325	183
Christian Jesper Engvad Madsen	203	-
Vagn Flink Møller Pedersen	325	275
Jacob Bonne Guldberg	122	206
Allan John Rensgaard	-	69
Henrik Villsen Andersen (including one off payment)	-	1,092
Total remuneration	5,200	5,263

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 5,200 thousand in 2022 and DKK 5,263 thousand in 2021.

Note 2.4

Other operating income and expenses, net

DKK million	2022	2021
Gain from sale of assets	15	35
Other operating income	69	53
Loss from sale of assets	(7)	(24)
Other operating expenses	(8)	(3)
Other operating income and expenses, net	69	61

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	2022	2021
Transaction costs related to acquisitions and divestments	(21)	(55)
Redundancy and restructuring costs, etc.	(9)	-
Other special items	9	-
Special items	(21)	(55)

Accounting policies

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	2022	2021
Current tax	(134)	(386)
Change in deferred tax for the year	(20)	6
Prior year adjustments	70	53
Reassessment of deferred tax and other	(42)	(32)
Total income taxes	(126)	(359)
Tax on comprehensive income	(10)	(21)
Total tax	(136)	(380)
Income tax paid during the year	(168)	(317)
Explanation of total tax expense		
Total income taxes	(126)	(359)
Profit/loss before tax	1,047	1,588

	2022		2021	
	Tax	Effective tax rate	Tax	Effective tax rate
Danish tax rate	230	22.0%	348	22.0%
Differences in foreign tax rates relative to Danish rate	(12)	(1.2%)	20	1.2%
Non-deductible costs	5	0.5%	6	0.4%
Non-deductible goodwill impairment	49	4.7%	-	-
Tax effect of gain/loss from divestment of business - non-taxable	(123)	(11.8%)	24	1.5%
Reassessment of tax assets	50	4.8%	(63)	(4.0%)
Other including payroll tax	(3)	(0.3%)	77	4.8%
Prior year adjustments	(70)	(6.7%)	(53)	(3.3%)
Total tax for the year and effective tax rate	126	12.0%	359	22.6%

DKK million	2022	2021
Tax on other comprehensive income		
Tax on foreign currency translation adjustments	(10)	(21)
Total tax on other comprehensive income	(10)	(21)

Comments

The tax effect of gain/loss from divestment of business is mainly related to selling the Nordic Roadside business. Excluding this, the effective tax rate (ETR) would be 36.2%.

The reassessment of tax assets and non-deductible goodwill impairment are mainly related to the US.

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.

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.

Note 2.7

Government grants

Comments

Government grants related to 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 not received any significant amounts of COVID-19 grants in 2022. In 2021 Falck recognised DKK 150 million in the cost of services line in the income statement. 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 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.

Section 3

Net operating assets

Note 3.1

Intangible assets

2022 DKK million	Goodwill	Customer contracts	Brands	Software and other intangible assets	Total intangible assets
Cost at 1 January 2022	9,149	263	556	700	10,668
Foreign currency translation adjustment	(37)	(12)	(2)	(6)	(57)
Additions	-	-	-	11	11
Additions from acquisitions	4	-	-	-	4
Disposals on divestments	(293)	-	-	(41)	(334)
Disposals and reclassifications	-	(1)	(40)	(90)	(131)
Cost at 31 December 2022	8,823	250	514	574	10,161
Impairment and amortisation at 1 January 2022	(3,050)	(12)	(3)	(630)	(3,695)
Foreign currency translation adjustment	4	3	2	5	14
Disposals on divestments	-	-	-	38	38
Disposals and reclassifications	-	1	40	89	130
Impairment	(174)	-	-	-	(174)
Amortisation	-	(51)	(39)	(35)	(125)
Impairment and amortisation at 31 December 2022	(3,220)	(59)	-	(533)	(3,812)
Carrying amount at 31 December 2022	5,603	191	514	41	6,349

Comments

In 2022, Falck acquired Ringvoll, and 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. 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.

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 has been fully amortised as the business has been rebranded to Falck during 2022.

Customer contracts are mainly related to Employee and labour market services.

Software and other intangible assets are mainly related to operational systems in Consumer and Technical services and dispatch, planning and vehicle maintenance systems in Ambulance Europe and Ambulance US.

Note 3.1

Intangible assets (continued)

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

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

	2022	2021
Cost of services	(3)	(8)
Sales and administrative expenses	(32)	(41)
Amortisation of customer contracts and brand	(90)	(38)
Impairment of goodwill	(174)	-
Total amortisation	(299)	(87)

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.

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.

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.

Software is amortised on a straight-line basis over the expected economic life, estimated to be 3 to 5 years.

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

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 Goodwill

The impairment test for 2022 identified a need for impairment of goodwill of DKK 174 million related to Ambulance US. The impairment loss within Ambulance US was related to pressure on future earnings, a general increase in WACC and change in methodology regarding terminal growth rate which negatively impacts Ambulance US. The recoverable amount in Ambulance US is DKK 623 million after the impairment based on a value-in-use calculation.

The impairment test for 2021 did not result in recognition of any impairment losses on goodwill

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 and Labour Market services, Consumer and Technical services, Community Health services and Portfolio businesses.

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. In calculating the present value, discount rates are applied using WACC, which includes estimates and external sources.

Note 3.2

Impairment tests (continued)

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

- Revenue growth in the forecast period
- EBITA margin
- Discount rates
- Growth rate in terminal period

Revenue growth

Revenue growth projections in the financial forecast for 2023-2027 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.

Ambulance US revenue growth is impacted by expected challenging market conditions and contracts not expected to be renewed. Therefore, activity is expected to decrease in the latter part of the forecasting period compared to 2022.

Employee and Labour Market services are expecting an increase in the revenue through

organic growth from 2023 to 2027 and continued synergies from the integration of Falck Norway (previously Frisk Gruppen) acquired in 2021.

Consumer and Technical services are expecting an increase in revenue in the forecast period from new services and organic growth.

Community Health services expects revenue will grow from increased number 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 2023-2027, past experiences are taken into consideration.

The EBITA margin in the forecasting period in Ambulance Europe is expected to gradually improve during the forecast period.

The EBITA margin in Ambulance US is negatively impacted by labour market conditions.

Employee and Labour Market services are expected to improve the EBITA margin in the forecast period.

Consumer and Technical services, Community Health services, 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 2022 impairment testing purposes are based on calculation of weighted average cost of capital (WACC).

The cost of equity is calculated using Capital Asset Pricing Model (CAPM). The beta applied at year-end 2022 is obtained from comparable peers. Market risk premiums have been added based on observed market data.

The cost of debt has been changed from being based on the long-term interest cost related to Falck's borrowing cost plus the risk-free interest to Falck's spread plus the risk-free interest of the countries in which the CGU operates.

The terminal growth rates are equal to the International Monetary Fund (IMF) projections of inflation in 2027. This represent a change in methodology compared to prior year. The change negatively impacts the US Ambulance business.

A change in the assumptions to discount rates or terminal growth will impact the impairment assessed for Ambulance US.

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:

	Carrying amount			Forecasting period		Terminal period		Applied discount rate	
	Goodwill	Customer contracts	Total carrying amount	Total growth (avg.)	Margin (avg.)	Growth	EBITA margin	After tax	Pre-tax
2022 DKK million									
Ambulance Europe	414	-	414	(2.0%)	2.9%	2.0%	4.2%	7.9%	9.4%
Ambulance US	378	-	378	(9.4%)	3.6%	2.0%	3.5%	8.9%	11.9%
Fire services	568	-	568	4.9%	7.2%	2.0%	8.5%	8.6%	10.6%
Employee and Labour Market services	954	191	1,145	6.3%	5.9%	2.0%	7.0%	7.9%	9.4%
Consumer and Technical services	2,556	-	2,556	5.0%	24.7%	2.0%	27.7%	7.9%	9.4%
Community Health services	570	-	570	11.1%	17.6%	3.4%	18.3%	14.6%	19.4%
Portfolio business	163	-	163	2.6%	15.2%	2.0%	15.7%	8.3%	10.1%
Total	5,603	191	5,794						

	Carrying amount			Forecasting period		Terminal period		Applied discount rate	
	Goodwill ¹	Customer contracts	Total carrying amount	Total growth (avg.)	Margin (avg.)	Growth	EBITA margin	After tax	Pre-tax
2021 DKK million									
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 and Labour Market services ¹	547	-	547	4.7%	8.0%	1.9%	9.8%	6.8%	8.0%
Consumer and Technical services	2,556	-	2,556	6.7%	23.7%	1.4%	25.8%	6.5%	7.9%
Community Health services	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) Goodwill, customer contracts and earnings related to acquisition of Frisk Gruppen was not included in the impairment test in 2021.

Note 3.3

Property, plant and equipment

2022 DKK million	Land and buildings	Leasehold improvements	Fixtures, fittings, tools and equipment	Total property, plant and equipment
Cost at 1 January 2022	676	217	1,752	2,645
Foreign currency translation adjustment	(2)	3	(7)	(6)
Additions	12	2	176	190
Additions from acquisitions	-	-	1	1
Disposals on divestments	-	(13)	(143)	(156)
Disposals and reclassifications	(6)	(22)	(317)	(345)
Transfer from Right-of-use assets	85	-	11	96
Cost at 31 December 2022	765	187	1,473	2,425
Impairment and depreciation at 1 January 2022	(191)	(158)	(1,491)	(1,840)
Foreign currency translation adjustment	2	(2)	4	4
Disposals on divestments	-	12	120	132
Disposals and reclassifications	6	21	247	274
Depreciation	(26)	(15)	(69)	(110)
Transfer from Right-of-use assets	(13)	-	(8)	(21)
Impairment and depreciation at 31 December 2022	(222)	(142)	(1,197)	(1,561)
Carrying amount at 31 December 2022	543	45	276	864
Hereof assets under construction	8	-	90	98

Accounting policies

Property, plant and equipment

Property, plant and equipment is measured at cost, less accumulated depreciation and impairment. 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 is 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. Land is not depreciated as the useful life is estimated to be indefinite.

Leasehold improvements are depreciated on a straight-line basis over the term of the lease. 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

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 3.3

Property, plant and equipment (continued)

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

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

	2022	2021
Cost of services	(99)	(125)
Sales and administrative expenses	(11)	(12)
Total depreciation	(110)	(137)

Note 3.4

Right-of-use assets

2022 DKK million	Land and buildings	Fixtures, fittings, tools and equipment	Total right-of-use assets
Cost at 1 January 2022	1,432	751	2,183
Foreign currency translation adjustment	(53)	34	(19)
Additions	67	179	246
Re-measurement of lease obligation	(2)	(2)	(4)
Disposal on divestments	(80)	(18)	(98)
Disposals and reclassifications	(10)	(16)	(26)
Transfer to Property, plant and equipment	(85)	(11)	(96)
Cost at 31 December 2022	1,269	917	2,186
Impairment and depreciation at 1 January 2022	(589)	(395)	(984)
Foreign currency translation adjustment	53	(9)	44
Disposal on divestments	57	18	75
Disposals and reclassifications	-	9	9
Reversal of impairment	7	-	7
Depreciations	(202)	(151)	(353)
Transfer to Property, plant, and equipment	13	8	21
Impairment and depreciation at 31 December 2022	(661)	(520)	(1,181)
Carrying amount at 31 December 2022	608	397	1,005

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
Depreciations	(170)	(115)	(285)
Impairment and depreciation at 31 December 2021	(589)	(395)	(984)
Carrying amount at 31 December 2021	843	356	1,199

Note 3.4

Right-of-use assets (continued)

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

DKK million	2022	2021
Cost of services	(323)	(261)
Sales and administrative expenses	(30)	(24)
Total depreciation	(353)	(285)

Lease expenses recognised in the income statement.

DKK million	2022	2021
Interest expenses related to lease liabilities	(34)	(21)
Expenses related to short-term leases (12 months or less)	(42)	(78)
Expenses related to low-value leases	(44)	(48)
Total lease expenses	(120)	(147)

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	2022	2021	2021 DKK million	Deferred tax 1 January	Exchange difference	Prior year adjust- ments	Additions from acquisi- tions	Change in other	Changes during the year	Deferred tax 31 December
Deferred tax (assets)/ liabilities at 1 January	(56)	(59)	Intangible assets	204	-	(7)	67	(1)	(56)	207
Foreign currency translation adjustment	(6)	(3)	Property, plant and equipment	8	-	-	20	-	(1)	27
Net addition on acquisitions and divestments	8	67	Current assets	(3)	-	(6)	-	-	41	32
Change in deferred tax for the year	20	(6)	Non-current liabilities and provisions	(24)	-	11	(14)	-	(5)	(32)
Change in deferred tax for prior years	(70)	9	Current liabilities	(16)	(1)	(1)	(6)	-	(4)	(28)
Revaluation of deferred tax and other	23	(64)	Tax losses carried forward	(228)	(2)	12	-	(63)	19	(262)
Deferred tax (assets)/liabilities at 31 December	(81)	(56)	Net deferred tax	(59)	(3)	9	67	(64)	(6)	(56)
Deferred tax assets	(120)	(174)								
Deferred tax liabilities	39	118								
Net deferred tax (assets)/liabilities at 31 December	(81)	(56)								

2022 DKK million	Deferred tax 1 January	Exchange difference	Prior year adjust- ments	Additions from acquisi- tions	Change in other	Changes during the year	Deferred tax 31 December
Intangible assets	207	(3)	(28)	-	(1)	(23)	152
Property, plant and equipment	27	(1)	(10)	(1)	-	(20)	(5)
Current assets	32	-	(3)	2	-	(1)	30
Non-current liabilities and provisions	(32)	1	(2)	(2)	-	18	(17)
Current liabilities	(28)	-	(17)	4	-	27	(14)
Tax losses carried forward	(262)	(3)	(10)	5	24	19	(227)
Net deferred tax	(56)	(6)	(70)	8	23	20	(81)

Comments

At 31 December 2022, Falck recognised net deferred tax assets of DKK 81 million (deferred tax assets of DKK 56 million), primarily related to the net of deferred tax on intangible assets (liabilities) and tax losses carried forward (assets).

Unrecognised deferred tax assets from tax losses were DKK 264 million (deferred tax assets of DKK 201 million) with DKK 223 million (DKK 136 million) of this related to the US.

The deferred tax assets are recognised if there is sufficient evidence to support future taxable income against which the Group can utilise those tax losses.

Unrecognised 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. Deferred tax is measured using the tax rate

Note 3.5 Deferred tax (continued)

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	2022	2021
Contract assets (not invoiced)	326	355
Impairment of contract assets	(4)	(2)
Total contract assets	322	353
Expected loss rate	1%	0%

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	2022	2021
Stepped-pricing contracts	18	34
Prepayments	712	1,114
Total contract liabilities	730	1,148
Classification of contract liabilities by expected maturity		
Within 1 year	728	1,128
More than 1 year	2	20
Total contract liabilities	730	1,148
Revenue recognised in the year from amounts included in contract liabilities at the beginning of the period (prepayments from prior year)	1,112	1,140
Revenue recognised in the year from performance obligations satisfied in previous years (accrued price reductions regarding stepped-pricing contracts)	(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	2022			
	Expected loss rate %	Trade receivables	Expected loss	Total
Not due	1%	652	(5)	647
Overdue 1 to 30 days	19%	329	(64)	265
Overdue 31 to 90 days	21%	179	(37)	142
Overdue 91 to 180 days	24%	87	(21)	66
Overdue more than 181 days	36%	95	(34)	61
Total trade receivables	12%	1,342	(161)	1,181

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

DKK million	2022	2021
Impairments (expected loss) at 1 January	124	122
Foreign currency translation adjustments	5	(5)
Divestments	(7)	(87)
Impairment adjustments	57	191
Losses recognised	(18)	(94)
Reversal of unused impairments	-	(3)
Total impairments (expected loss) at 31 December	161	124

Comments

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

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

Expected losses on trade receivables are significantly affected by Ambulance companies in the US.

Impairment losses on trade receivables for 2022 amounted to DKK 18 million, corresponding to 0.1% of consolidated revenue (DKK 94 million, or 0.6%)

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	2022	2021
Prepaid expenses	231	209
Rent deposits	36	33
Receivables from divestment of companies	5	-
Employee-related receivables	10	12
Reimbursement costs	6	43
Other	124	130
Total other receivables	412	427
Classification of other receivables by expected maturity		
Within 1 year	352	410
More than 1 year	60	17
Total other receivables	412	427

Comments

Other receivables decreased by DKK 15 million from DKK 427 million at 31 December 2021. This was primarily due to reductions in reimbursement cost related to divestment of Falck Assistance Lithuania.

Note 3.10 Other payables

DKK million	2022	2021
Holiday pay, wages, etc.	581	688
Employee taxes, etc.	144	308
VAT	44	151
Deposits from customers	126	76
Put options	-	2
Other	80	114
Total other payables	975	1,339
Classification of other payables by expected maturity		
Within 1 year	975	1,336
More than 1 year	-	3
Total other payables	975	1,339

Comments

Other payables decreased by DKK 364 million from DKK 1,339 million at 31 December 2021. The main reason was payment of postponed employee tax and VAT in Denmark, adjustment of long term incentive scheme and change in holiday allowance.

Note 3.11 Provisions

2022 DKK million	Occupational injuries	Pension obligations	Other provisions	Total provisions
Provisions at 1 January 2022	30	5	344	379
Foreign currency translation adjustment	2	-	3	5
Additions from acquisitions	-	2	-	2
Divestments	-	8	(12)	(4)
Provisions added	30	-	36	66
Provisions used	(20)	(3)	(55)	(78)
Unused provisions, reversed	(8)	-	(80)	(88)
Provisions at 31 December 2022	34	12	236	282
Classification of provisions by expected maturity				
Within 1 year	27	-	136	163
Between 1 and 5 years	7	2	83	92
More than 5 years	-	10	17	27
Provisions at 31 December 2022	34	12	236	282

Comments

Provisions decreased by DKK 97 million from DKK 379 million to 282 DKK million at 31 December 2022. This was primarily due to the contracts with the Danish regions on antigen testing activities ending in March 2022.

Note 3.11 Provisions (continued)

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	2	7	11
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	-	2	-	(2)	-
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

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.

Section 4

Acquisitions and divestments

Note 4.1 Acquisitions

Investment in subsidiaries

DKK million	2022	2021
Assets		
Intangible assets	-	311
Property, plant and equipment	1	6
Right-of-use assets	-	95
Contract assets	-	6
Trade receivables	2	59
Other current assets	-	10
Cash	5	29
Liabilities		
Lease liabilities	-	(95)
Deferred tax liabilities	-	(67)
Contract liabilities	-	(14)
Other payables	(2)	(62)
Trade payables	-	(11)
Provisions	(2)	(4)
Acquired net assets	4	263
Goodwill	4	446
Purchase price	8	709
Hereof cash	(5)	(29)
Cash consideration for acquisitions	3	680
Revenue of acquired companies after date of acquisition	12	90
Profit of acquired companies after date of acquisition	-	7
Full-year revenue including acquisitions	12,651	15,624
Full-year profit including acquisitions	921	1,264

Comments

In March 2022, Falck signed an agreement to acquire all shares in Ringvoll Bedriftshelsetjeneste AS. The acquisition was completed by payment of the full consideration in March 2022, from which point control was gained. Ringvoll provides healthcare services similar to Falck's Employee and Labour Market services in a geographic area of Norway, Østfold, where Falck's Employee and Labour Market services was not well represented. Therefore, the acquisition was a strategic add on to the acquisition of Frisk Gruppen in 2021.

The total consideration amounted to DKK 8 million. Adjusted for cash of DKK 5 million, the total net consideration amounted to DKK 3 million. There are no contingent or deferred consideration arrangements and indemnifications and there were no transaction costs related to the acquisition.

No net assets have been identified which were not recognised in the company acquired on the date of acquisition. Goodwill of DKK 4 million has been calculated. The recognised goodwill is not tax deductible. Goodwill represents the strategic strengthening of the market presence in Østfold to secure an important nationwide presence in Norway.

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 across 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 were no contingent or deferred consideration arrangements and indemnification assets.

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

Besides customer contracts and brand amounting 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 in 2021 were to some extent still provisional. During 2022, the provisional purchase Price Allocations has been completed, no adjustments were applied to the provisional amounts.

Note 4.1 Acquisitions (Continued)

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.

Acquired assets included receivables from sales at fair value of DKK 59 million. The contractual gross receivable was 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 was calculated. The recognised goodwill was not tax deductible. Goodwill mainly represented 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	2022	2021
Assets		
Goodwill	(293)	(219)
Right-of-use assets	(23)	(3)
Property, plant and equipment	(24)	(8)
Other assets	(234)	(119)
Cash	(86)	(83)
Liabilities		
Lease liabilities	47	-
Other payables	49	134
Provisions	4	7
Other liabilities	153	39
Net assets divested	(407)	(252)
Recirculation of exchange rate adjustments from divestments	12	19
Sales price	1,074	160
Adjustments related to prior years divestments	10	(34)
Gain/losses from divestments of enterprises	689	(107)

Cash flow from divestments of enterprises

DKK million	2022	2021
Sales price	1,074	160
Hereof cash	(86)	(83)
Adjustments related to prior years divestments	10	6
Transaction costs	0	(2)
Cash flow from divestment of enterprises	998	81

Comments

In 2022, Falck divested its Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania. Falck also divested its Patient Transport Services in the UK.

Net assets divested amounted to DKK 407 million. A total gain from divestment of enterprises of DKK 689 million was recognised in the income statement.

In 2021, Falck divested its shares in a number of entities from the portfolio businesses in Denmark, Sweden, the US and the Czech Republic. Net assets divested amounted to DKK 252 million. A total loss from divestments of enterprises of DKK 107 million was recognised in the income statement.

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.

Section 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 (136,480,060 shares) with a nominal value of DKK 1.00 each.

No shares are subject to special rights or restrictions on voting rights. The shares are fully paid up and are not divided into classes.

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 2022, Falck was mainly funded by equity totalling DKK 3,919 million (DKK 4,964 million) and syndicated loan of DKK 1,935 million (DKK 1,715 million). 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 2021.

Distribution to the Company's shareholders

It is proposed to distribute a dividend of DKK 255 million for 2022 (2021: DKK 1,000 million, including extraordinary dividend of DKK 750 million). This corresponds to a dividend per share of DKK 1.87 (DKK 7.33).

Additional extraordinary dividend of DKK 748 million was paid out to the shareholders in June 2022.

According to Falck's dividend policy, it is the ambition to maintain a stable and growing dividend in nominal terms and a pay-out ratio of at least 30% of group 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.

	Number of shares		Nominal value DKK thousand		% of share capital	
	2022	2021	2022	2021	2022	2021
Treasury shares						
Treasury shares at 1 January	81,141	81,141	81	81	0.059	0.061
Additions	331,974	-	332	-	0.244	-
Change due to increase in share capital		-		-		(0.002)
Treasury shares at 31 December	413,115	81,141	413	81	0.303	0.059

Note 5.2 Loans

DKK million	2022	2021
Non-current liabilities		
Syndicated loan	1,935	1,715
Mortgage loans	348	359
Lease liabilities	659	747
Other non-current loans	3	9
Total	2,945	2,830
Current liabilities		
Mortgage loans	10	10
Lease liabilities	280	429
Other current loans	159	9
Total	449	448
Total loans	3,394	3,278
Interest reset periods		
Within 3 months	2,104	1,715
Between 3 and 12 months	388	456
After 12 months	902	1,107
Total	3,394	3,278

Comments

Falck's primary debt financing is a syndicated bank loan with a facility of EUR 500 million (DKK 3,725 million) split between a Term Loan expiring September 2024 and a Revolving Credit Facility expiring September 2027. The syndicated bank loan facility is linked to three ESG KPIs; CO₂e emissions, employee engagement and Lost Time Injury Rate.

Accounting policies

Loans

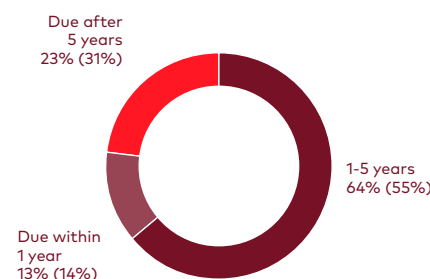
Debt to credit institutions, etc., is recognised at the time of obtaining the loan at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost.

Lease liabilities

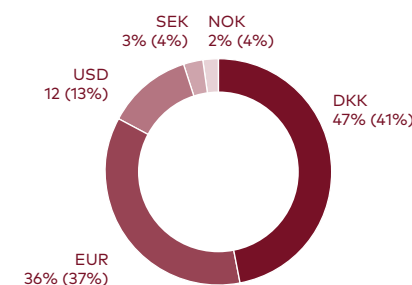
Falck recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The following is included in the lease payments:

- 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

Breakdown by maturity 2022 (2021)



Breakdown by currency 2022 (2021)



- 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	2021	Cash flows	Non-cash changes			2022
			New leases and re-measurement	Foreign exchange movement	Other transactions	
Long-term borrowings	2,083	229	-	-	(24)	2,286
Short-term borrowings	19	149	-	-	-	169
Lease liabilities	1,176	(447)	245	12	(49)	939
Total liabilities from financing activities	3,278	(69)	245	12	(73)	3,394

Lease liabilities

In 2022, Falck paid DKK 481 million for lease agreements of which interest expenses amounted to DKK 34 million.

Financing activities

In 2021, the syndicate financing agreement with Falck's core banking group was refinanced as well as ESG-linked. Excess cash has been used continuously throughout 2022 to pay dividends, repay debt and finance the business.

Breakdown of liabilities from financing activities

DKK million	2020	Cash flows	Non-cash changes			2021
			New leases and re-measurement	Foreign exchange movement	Other transactions	
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

Note 5.3 Financial income and expenses

DKK million	2022	2021
Financial income		
Interest on deposits measured at amortised cost	22	13
Foreign exchange gains	21	79
Other financial income	1	15
Total financial income	44	107
Financial expenses		
Interest on loans measured at amortised cost	(61)	(79)
Interest element on discounted liabilities	(34)	(21)
Foreign exchange losses	(3)	(33)
Other financial expenses	(20)	(20)
Total financial expenses	(118)	(153)

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. 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), Norwegian kronor (NOK) and Swedish kronor (SEK).

The major balance sheet items denominated in foreign currencies are intercompany loans from Denmark to the US and a bank account in Columbia, both are denominated in USD.

Sensitivity: Impact on Profit before tax from 5% change in key exchange rates.

DKK million	Increase in foreign exchange ¹	Impact on Result		Impact on Equity	
		2022	2021	2022	2021
USD	5%	19	21	19	21

1) Due to the European Exchange Rate Mechanism (ERM 2) resp. a fluctuation band for EURDKK of +/- 2.25% around a central rate of 7.4038, 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 continuously 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 23 million (DKK 7 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 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 1,855 million at 31 December 2022 (DKK 2,021 million).

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)

2022 DKK million	Contractual cash flows			Total	Total carrying amount	Market value
	Due within 1 year	Due between 1 and 5 years	Due after 5 years			
Financial liabilities						
Loans	233	2,145	442	2,820	2,455	2,455
Lease liabilities	292	254	432	978	939	939
Trade payables	879	-	-	879	879	879
Other payables	975	-	-	975	975	975
Financial liabilities measured at amortised cost	2,379	2,399	874	5,652	5,248	5,248
Total financial liabilities	2,379	2,399	874	5,652	5,248	5,248

2021 DKK million	Contractual cash flows			Total	Total carrying amount	Market value
	Due within 1 year	Due between 1 and 5 years	Due after 5 years			
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

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	2022	2021
Cash can be specified as follows:		
Cash, available	186	1,359
Cash at 31 December	186	1,359

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	2022	2021
Change in inventories	29	(18)
Change in contract assets	(23)	144
Change in trade receivables	(47)	(36)
Change in other receivables	(24)	34
Change in provisions	(100)	113
Change in contract liabilities	(223)	(59)
Change in trade payables	(360)	318
Change in other payables	(309)	(508)
Change in net working capital	(1,057)	(12)

Comments

Change in provisions of negative DKK 100 million is mainly explained by a reduction in provisions relating to the ended contracts with the Danish regions on antigen testing activities recognised in 2021. Change in trade payables of negative DKK 360 million is mainly explained by payment of invoices relating testing activity recognised in 2021. Change in contract liabilities of negative DKK 223 million is mainly explained by the timing of the annual prepayments of public fire and ambulance contracts in Denmark. Change in other payables of negative DKK 309 million is mainly explained by tax and VAT payments related to the ended contracts with the Danish regions on antigen testing in 2022.

Section 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. Falck might be liable for damages as part of Falck ordinary activities. 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.

Falck has been involved in a few investigations by Danish environmental authorities and may, at some point in the future, be involved in more investigations regarding PFOS contamination in the portfolio of properties owned by Falck. Falck does not consider it probable that the investigations will result in a liability for Falck.

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	2022	2021
Collateral security		
Carrying amount of Falck's properties that have been mortgaged in security of loans	338	343
Mortgages issued and used as collateral for credits	358	372

Note 6.2 Related parties

The following investors have reported holdings of more than 5% of Falck A/S' share capital

	2022	2021
Lundbeckfond Invest A/S, Copenhagen	57.8%	57.8%
KIRKBI Invest A/S, Billund	27.9%	27.9%
TryghedsGruppen smba, Virum	14.0%	14.0%
Transactions with shareholders were as follows (DKK million):		
Tax paid to Lundbeckfond Invest A/S	(88)	(243)
Dividend paid to Lundbeckfond Invest A/S	(1,011)	-
Dividend paid to KIRKBI Invest A/S	(489)	-
Dividend TryghedsGruppen smba	(245)	-

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 a 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.

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.

Other Related Parties and 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.

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

Apart from the remuneration paid to the key

management personnel and dividend paid to shareholders, 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. Trading activities with associates and joint ventures are insignificant.

Note 6.3 Fees to auditors

DKK million	2022	2021
Statutory audit	(7)	(7)
Other assurance engagements	(1)	(1)
Tax advisory service	-	-
Other services	(1)	(4)
Total fees to PwC	(9)	(12)

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 2022.

Note 6.5

Group companies

Company name	Country	Interest	Company name	Country	Interest
Falck (Victoria) Pty. Ltd.	Australia	100%	Falck Fire Services Polska Sp. z.o.o.	Poland	100%
Falck Pty. Ltd.	Australia	100%	Falck IT Poland Spółka Z Ograniczoną Odpowiedzialnością	Poland	100%
Falck Fire Services BE NV	Belgium	100%	Falck Medycyna Sp. z.o.o.	Poland	100%
Falck Brasil 747 Participações Ltda.	Brazil	100%	Falck SCI Portugal – Segurança Contra Incêndios, SA.	Portugal	100%
Falck Fire & Safety do Brasil S.A.	Brazil	100%	Falck Fire Services S.R.L	Romania	100%
Falck Global Assistance (China) Limited	China	100%	Falck Global Assistance Singapore Pte. Ltd.	Singapore	100%
Empresa de Medicina Integral EMI S.A. Servicio de Ambulancia Prepagada – Grupo EMI S.A.	Colombia	100%	Falck Emergency AS	Slovakia	100%
Falck Servicios Logísticos S.A.S.	Colombia	100%	Falck Fire Services a.s.	Slovakia	100%
Haces Inversiones y Servicios S.A.S	Colombia	100%	Falck SK a.s.	Slovakia	100%
Falck Danmark A/S	Denmark	100%	Falck Záchraná a.s.	Slovakia	100%
Falck Global Assistance A/S	Denmark	100%	Falck Global Assistance Spain S.L.	Spain	100%
Falck Healthcare A/S	Denmark	100%	Falck SCI, S.A.	Spain	100%
EMI Ecuador S.A.- Emergencia Medica Integral	Ecuador	100%	Falck Servicios Sanitarios, S.L.	Spain	100%
EMI El Salvador S.A. de C.V.	El Salvador	100%	AB Previa	Sweden	100%
Falck Global Assistance Oy	Finland	100%	Alviva AB	Sweden	100%
Falck France SAS	France	100%	Falck Ambulans AB	Sweden	100%
Falck Arbeitsgemeinschaft Rettungsdienst Plauen GmbH & Co. HG	Germany	100%	Falck Global Assistance AB	Sweden	100%
Falck Fire Services DE GmbH	Germany	100%	Falck Healthcare AB	Sweden	100%
Falck Notfallrettung und Katastrophenschutz GmbH	Germany	100%	Falck Hjälsopartner AB	Sweden	100%
Falck Notfallrettung und Krankentransport Cuxhaven GmbH	Germany	100%	Falck Räddningstjänst AB	Sweden	100%
Falck Notfallrettung und Krankentransport Dortmund GmbH	Germany	100%	Falck Services AB	Sweden	100%
Falck Notfallrettung und Krankentransport GmbH	Germany	100%	Falck Global Assistance (Thailand) Ltd.	Thailand	49%
Falck Notfallrettung und Krankentransport Spree-Neiße GmbH	Germany	100%	Falck Global Assistance Ltd.	Thailand	100%
Falck Operations Services DE GmbH	Germany	100%	Falck Eurasia B.V.	The Netherlands	100%
Falck Rettungsdienst GmbH	Germany	100%	Falck Holding B.V.	The Netherlands	100%
Falck Rettungsdienst Hanse GmbH	Germany	100%	Falck Sağlık AŞ	Turkey	100%
Falck Rettungsdienst Holding GmbH	Germany	100%	Falck Fire Services UK Limited	UK	100%
Falck Rettungsdienst Nord GmbH	Germany	100%	Luvtel S.A.	Uruguay	100%
Falck India Pvt. Ltd. (India)	India	100%	Portovenus S.A.	Uruguay	15.5%
Falck Servizi Industriali di Emergenza S.r.l.	Italy	100%	UCM Uruguay S.A.	Uruguay	100%
Falck Brann og Redningstjeneste AS	Norway	100%	Falck Global Assistance, LLC	USA	100%
Falck Global Assistance Norway AS	Norway	100%	Falck Mobile Health Corp.	USA	100%
Falck Helseformidling AS	Norway	100%	Falck Northern California Corp.	USA	100%
Falck Norge AS	Norway	100%	Falck Northwest Corp.	USA	100%
EMI Holdings Management S.A.	Panama	100%	Falck Rocky Mountain, Inc.	USA	100%
EMI Panama S.A.	Panama	100%	Falck USA, Inc.	USA	100%

07

Parent company financial statements

Primary statements

Income statement	115
Statement of financial position	115
Statement of changes in equity	116

Notes

Note 1: Other operating income	117
Note 2: Fees to auditors	117
Note 3: Staff costs	117
Note 4: Financial income	117
Note 5: Financial expenses	117
Note 6: Income taxes	118
Note 7: Investment in subsidiaries	118
Note 8: Deferred tax	119
Note 9: Equity	119
Note 10: Loans	119
Note 11: Contingent liabilities, lease obligations and collateral security	119
Note 12: Related parties	120
Note 13: Events after the reporting date	120
Note 14: Accounting policies	120

Income statement

1 January - 31 December

DKK million	Note	2022	2021
Other operating income	1	5	5
Other external costs	2	(3)	(2)
Staff costs	3	-	(42)
Operating profit		2	(39)
Dividend from group companies		-	2,275
Financial income	4	10	597
Financial expenses	5	(1,044)	(48)
Profit/loss before tax		(1,032)	2,785
Income taxes	6	11	(5)
Profit/loss for the year	9	(1,021)	2,780

Statement of financial position

At 31 December

DKK million	Note	2022	2021
Assets			
Investments in subsidiaries	7	6,489	7,479
Receivables from Group companies		2,039	2,917
Deferred tax assets	8	96	106
Total non-current assets		8,624	10,502
Income taxes		-	106
Other receivables		-	12
Prepayments		10	-
Cash		-	554
Total current assets		10	672
Total assets		8,634	11,174
Equity and liabilities			
Share capital	9	136	136
Proposed dividend		255	1,000
Retained earnings		6,197	8,266
Total equity		6,588	9,402
Loans	10	1,935	1,715
Total non-current liabilities		1,935	1,715
Cash pool		24	-
Trade payables		1	-
Income tax payables		65	-
Other payables		21	57
Total current liabilities		111	57
Total equity and liabilities		8,634	11,174

Statement of changes in equity

1 January - 31 December

2022 DKK million	Share capital	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2022	136	1,000	8,266	9,402
Changes in equity in 2022				
Dividend paid	-	(999)	(748)	(1,747)
Dividend treasury shares	-	(1)	1	-
Profit/loss for the year	-	255	(1,276)	(1,021)
Purchase and sale of treasury shares, warrants, etc.	-	-	(46)	(46)
Total changes in equity in 2022	-	(745)	(2,069)	(2,814)
Total equity at 31 December 2022	136	255	6,197	6,588

2021 DKK million	Share capital	Proposed dividend	Retained earnings	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	-	1,000	1,780	2,780
Total changes in equity in 2021	3	1,000	1,902	2,905
Total equity at 31 December 2021	136	1,000	8,266	9,402

Note 1 Other operating income

DKK million	2022	2021
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	2022	2021
Wages, salaries and remuneration	-	(42)
Total staff costs	-	(42)
Remuneration to the Executive Committee	(16)	(31)
Reversal of incentive programme bonus prior year	21	-
Global incentive programme bonus	-	(6)
Remuneration to the Board of Directors	(5)	(5)
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	2022	2021
Interest from Group companies	10	66
Reversal of impairment of investments in subsidiaries	-	530
Other financial income	-	1
Total financial income	10	597

Note 5 Financial expenses

DKK million	2022	2021
Interest on loans	(47)	(47)
Interest to Group companies	(7)	-
Impairment of investments in subsidiaries	(990)	-
Other financial expenses	-	(1)
Total financial expenses	(1,044)	(48)

Note 6 Income taxes

DKK million	2022	2021
Current tax	16	(1)
Change in deferred tax for the year	(7)	3
Prior year taxes	2	(7)
Total tax	11	(5)
Explanation of total tax		
Total income taxes	11	(5)
Profit/loss before tax	(1,032)	2,785
Danish tax rate	22.0%	22.0%
Non-deductible costs and tax-exempt income	(21.1%)	(22.0%)
Other adjustments including adjustments relating to prior years	0.2%	0.2%
Effective tax rate	1.1%	0.2%

Note 7 Investments in subsidiaries

DKK million	2022	2021
Cost at 1 January	7,479	6,334
Additions	-	1,145
Cost at 31 December	7,479	7,479
Value adjustments at 1 January	-	(530)
Reversal of impairment losses	-	530
Impairment on subsidiaries	(990)	-
Value adjustments at 31 December	(990)	-
Carrying amount at 31 December	6,489	7,479

Comments

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

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

The impairment test for 2022 resulted in an impairment of investments in subsidiaries of DKK 551 million related to the investment in Falck Danmark A/S and of DKK 439 million related to the investment in Falck Healthcare A/S.

In 2021, the impairment test showed that there was no longer 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 was reversed.

Note 8 Deferred tax

DKK million	2022	2021
Deferred tax assets at 1 January	106	113
Prior year taxes	(2)	(3)
Change in tax losses for the year ¹⁾	(1)	(7)
Change in deferred tax	(7)	3
Deferred tax assets at 31 December	96	106
Breakdown of deferred tax		
Non-current liabilities and provisions	2	11
Tax losses carried forward	94	95
Deferred tax assets at 31 December	96	106

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

Note 9 Equity

Comments

The share capital is divided into 136,480,060 shares (136,480,060 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.

Profit distribution

DKK million	2022	2021
Retained earnings	(1,276)	1,780
Proposed dividend	255	1,000
Profit for the year	(1,021)	2,780

Note 10 Loans

DKK million	2022	2021
Non-current loans	1,935	1,715
Total loans	1,935	1,715
Attributable to:		
Loans	1,935	1,715
Total loans	1,935	1,715

Note 11 Contingent liabilities, lease obligations and collateral security

DKK million	2022	2021
Warranty and guarantee commitments	-	11

Comments

Falck A/S has no guarantee commitments. The decrease in 2022 relates to the disposal of Roadside Assistance in Norway.

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.

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.

Joint taxation

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

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	2022	2021
Transactions with other Group companies were as follows:		
Paid extraordinary dividend 2022	(748)	-
Paid dividend from 2021	(999)	-
Management fee received	5	5
Interest paid	(7)	-
Interest received	10	66
Received tax from subsidiaries	80	119
Paid tax to Lundbeckfond Invest A/S	(88)	(243)

Note 13 Events after the reporting date

No events have occurred after the reporting date affecting Falck A/S' financial position at 31 December 2022.

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 2022.

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 2022, 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 2022.

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, 25 January 2023

Executive Committee:

Jakob Riis
President and CEO

Christian Baltzer
CFO

Board of Directors:

Niels Smedegaard
Chair

Lene Skole
Deputy Chair

Lars Frederiksen

Stefan Fyhn Gregersen
Employee representative

Christian Jesper Engvad Madsen
Employee representative

Dorthe Mikkelsen

Vagn Flink Møller Pedersen
Employee representative

Thomas Lau Schleicher

Peter Schütze

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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2022 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 2022, 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, 25 January 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Lars Baungaard
State Authorised Public Accountant
mne23331

Tue Stensgård Sørensen
State Authorised Public Accountant
mne32200

Falck A/S

Sydhavns­gade 18
2450 Copenhagen SV
Denmark

Tel.: +45 70 33 33 11
www.falck.com
www.falck.dk
CVR no. 33 59 70 45

