Annual Report

2019

The Annual General Meeting adopted
the annual report on 26th March 2020.
Chairman of the General Meeting: Anna Gentzschein

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

SOS INTERNATIONAL

Contents

PREFACE

Annual Report 2019

INVESTING IN THE FUTURE

As for the past years, the assistance industry was – also in 2019 - characterised by a strong competition as well as increased customer demands in terms of price, user experience, digital services and compliance.

Despite these circumstances, SOS International has grown its overall Nordic market share within the market for outsourcing of assistance service, and add to this, a concurrent high level of customer and end-user satisfaction.

SOS International is retaining its customers and at the same time regaining former customers. This is a clear testimonial of SOS International's value proposition – *to secure the value chain on behalf of our customers as a trusted partner and to provide the optimal end-user experiences while taking the total costs into account.*

We secure this through a sustainable approach to high quality services, digital integrations and solutions - and with a clear focus on information security, data protection and compliance. This comprises some of the most important parameters for the success of our business.

This year's result reflects the current very competitive environment as well as major investments in the growth of the Healthcare business and in digitalization.

LONG-TERM INVESTMENTS ARE SHOWING RESULTS

In 2019, SOS International started to harvest the results of some of its long-term investments made as part of the current strategy "Connected 2020". These major investments encompass, among others, an updated IT infrastructure and the establishment of a Nordic Healthcare business.

The Healthcare business is now experiencing comprehensive growth and has obtained close to 50 percent market share of psychology services within the insurance segment in Norway. Furthermore, a comprehensive set-up to deliver physiological treatments has been established in Sweden. This has led to an expansion of the counselling centre in Gothenburg.

The strengthening of SOS International's Nordic market position as an attractive outsourcing partner is also a result of our ability to respond to the demands of the market. As an example SOS International delivers other types of services than the traditional assistance services. This includes digital integrations and data.

STRENGTHENING THE COMPANY FROM WITHIN

Throughout the year, several major investments have been made. Firstly, the development of a new case management system for the Travelcare business has been initiated. The purpose of this is to establish a strong operational platform for the future business. The case management system constitutes a significant long-term investment that is expected to have a major business impact.

Secondly, we have spent a lot of effort rethinking the future workplace. The purpose of this is to be able to continue attracting the most talented employees and, not least, to create the most optimal workplace for their potential to unfold. As part of this, new premises in Aarhus and Oslo were inaugurated during 2019. The office layout and interior decoration in these offices reflect an ambitious investment in sustainable office solutions and optimal working conditions for our employees.

The overall results of this year's employee engagement survey also revealed an increase of the employee satisfaction. The strategic goal of a high employee satisfaction defined for 2020 was thus achieved already in 2019. This is not least due to a strong focus on leadership and competence development among our staff.

GOING TOWARDS 2020

It is our clear ambition to maintain a position as Nordic market leader within travel and roadside assistance services, and to become Nordic market leader within all three business areas (Travelcare, Mobility and Healthcare) in the future - in terms of volume, but not least in terms of quality. We will obtain that by keeping a clear focus on providing digital as well as non-digital solutions that represent high quality, optimal end-user journey and sustainability.

Thus, investments will be made in solutions that ensure and improve the company's competitiveness and efficiency as well as the value offered to our customers.

PREFACE

Annual Report 2019

Moreover, we continue to focus on responding to customer demands through development of solutions in close cooperation with our customers. The implementation of new product teams working according to agile development methods and using modern technologies will speed up our development process. The first teams were established at the end of 2019.

In 2020, we also expect to increase our attention on sustainability. We will not only ensure a strong focus on initiatives within our own organisation concerning for example energy consumption, waste management and the like, but we will also increase our focus on delivering sustainable services and support a sustainable development of the market. Read more in our separate sustainability report.

I hope you will enjoy the report.

Best regards,

Niels Krag Printz

Travelcare

Revenue (DKK million) **1,737**	High end-user satisfaction
Number of cases **180,000**	Development of new case management system

FOCUS

The next level

SOS International is Nordic market leader within medical and travel assistance and the Travelcare division had an annual revenue of DKK 1,737 million. In 2019, more than 180,000 cases were handled within this division, including pre-departure services, acute cases from Nordic travellers handled by the alarm centre as well as claims handling.

Various trends as well as the general increased awareness of flight traffic's effect on the climate and "flight shame" movements are gaining ground in many Nordic countries. It is closely followed how this might affect Scandinavian travel patterns and, in this context, how SOS International can support a sustainable agenda.

NEXT LEVEL OPERATIONS

2019 has been a year of development and progress within the medical and travel business area.

Firstly, the major investment in building a new case management system was launched and a dedicated team of specialists has worked intensively on this during the past year. As a result, several substantial milestones in the project were reached during 2019. The project continues the coming year according to the plan.

Secondly, creating holistic end-user experiences has been a key focus area in medical operations throughout the year. Streamlining of entries and contact points across operations was the point of direction in the ambition to create the most seamless and efficient end-user journeys.

The result stands clear in the high level of end-user satisfaction as well as the improved operational efficiency obtained again this year.

CLAIMS COSTS SAVINGS AND MEDICAL INFLATION

The previous years' comprehensive focus on claims cost optimisation has radically improved the level of claims costs within the medical and travel assistance area.

The efforts continue and there are still many ongoing initiatives that will positively affect the level of claims costs without compromising the high quality.

The high level of savings remains, but the absolute costs are, however, influenced by medical inflation. Global medical inflation is significantly higher than general inflation and SOS International's top destinations are on average some of the destinations mostly affected by medical inflation globally. Treatments are becoming more expensive which affects the absolute costs and thereby the overall level of claims cost savings.

The global network structure has been further revised during 2019, which has also had a positive effect on the overall level of claims costs.

NEXT LEVEL LEADERSHIP

The annual employee engagement survey also revealed significant progress and a performance above the 2019 strategic target.

The level of job satisfaction, working conditions and leadership all increased. All leaders in Travelcare Division have completed a customised leadership development education during 2019.

In general, competence development throughout the group of staff is an important parameter in the endeavour to future proof the business by ensuring a broad range of profiles and competences to accommodate future demands.

FOCUS

The next level

AMBITIOUS FUTURE

The ambition for the coming period is to continue the positive development in terms of rethinking and optimising the end-user journey by using new technology in combination with insights into the needs and expectations of the end-users.

Expectations for the use of digital channels and self-service will continue to rise and SOS International's focus will be on digitalization where it makes sense. Digital value creation is a question of balancing personal and digital assistance. It is not a matter of full digital service flows or no digital services at all. Parts of a process can be digital and the purpose is to be at the forefront of development and thus secure a more agile development and a proactive approach to the end-user experiences offered.

Technological infrastructure, data and increased integrations with customers will be part of the active approach to further strengthen our services.

Healthcare

Revenue (DKK million) **76**	Succesful implementation of case management system across the Nordics
Growth in revenue **49 %**	Increased number of video consultations

FOCUS

Nordic growth

SOS International's business area Healthcare had an annual revenue of DKK 76 million and in 2019, SOS International handled 30,280 cases related to healthcare services.

SOS International's healthcare business area was established as a separate business line back in 2018 as a long-term investment growth case. The ambition was, and continues to be, to offer full-service healthcare solutions to the Nordic insurance market.

During 2019, SOS International has experienced an interest from the market in the solutions offered and its relevance towards the insurance segment is strengthened.

The results of this major investment are starting to demonstrate and SOS International completes this year with growth on all three Scandinavian markets with the onboarding of important new customers.

In Norway for example, SOS International is heading towards a 50 percent market share of the insurance market on psychology services, and in Sweden physiotherapy is now fully established with a market share close to 25 percent and a wide-ranging national network of treatment professionals.

DIGITAL VALUE CREATION

Digital user experiences have likewise been in focus for the past year, and by the end of 2019, SOS International had launched several new services, including digital lifestyle screening, online booking of treatment, self-service programs and video consultations within both psychology and physiotherapy.

A complete consolidation of all Nordic case management systems was also completed which entails a much smoother and efficient case management process and a more valid and qualitative source of data. All of which is used to improve and adjust the end-user journey and thereby increasing the quality and level of end-user satisfaction.

DIVERSE COMPETENCES

In 2019, the Healthcare Division was reorganised in a more country-based structure. The key rationale was to ensure a more efficient local focus.

A strong presence and network founded locally is crucial for the development and services offered, and at the same time, the business benefits from a Nordic foundation, while a strong local presence ensures a comprehensive knowledge of and response to local needs.

During the year, competence development and training of employees have been a key focus area on all locations. A persistent focus on attracting the right competences and talent will future proof the organisation and assure a complete match between the customers' demands and the competences and profiles in the organisation.

In addition to this, the ambition is to broaden the competence set of each employee with the purpose of servicing full treatment courses and make sure that everyone can service phone lines, video solutions and claims handling.

AMBITIOUS FUTURE

Further growth and development of the best healthcare solutions in the market will support the future ambition of becoming Nordic market leader.

Digital healthcare solutions stay on the agenda in the coming years and the ambition is to provide top class services and solutions within digital healthcare. This will ensure a fact and data-based level of quality to customers and end-users and an assurance that evidence and facts form the basis of the way services are developed and offered.

Through the past two years, high quality and end-user satisfaction has been obtained in our deliveries and the ambition is to constantly aim to improve the level of quality.

Furthermore, improvement of operational efficiency as well as a reduction of the average claims costs are some of the strategic focal points when looking into the coming year.

Mobility

Revenue (DKK million) **1,018**	Sustainability improvement in carbon footprint
Number of calls (Million) **1,75**	Safety training in electric vehicles for all roadside assistance workers

FOCUS

Diverse mobility services

SOS International's business area Mobility had an annual revenue of DKK 1,018 million. 2019 counts for 1.75 million calls to our roadside assistance alarm centres in Denmark, Sweden, Norway and Finland.

Despite a very competitive landscape and a significant price pressure in the market, SOS International has succeeded in gaining new customers in 2019 and expect to increase its market share significantly in the coming period.

In 2019, the roadside business area changed name to Mobility - a name that is more accurate for the future path of this business area with focus on much more than traditional vehicle assistance on the roads.

Through the rebuilding and strengthening of customer integrations as well as launch of platforms for both receiving data from external digital platforms and the ability to return real-time data from the assistance vehicles during the assistance, SOS International has taken a vital step into the future of mobility.

SCALABLE AND DYNAMIC

The mobility industry is subject to rapid and disruptive changes and 2019 has been no exception to this. Various megatrends such as electrification, automation, diverse mobility and connectivity are all factors that have had and will continue to have major impact on future business models.

In the end of 2019, SOS International has implemented new agile product teams with the purpose of strengthening and speed up business optimisation and launch of new products. In addition to this, several new initiatives were launched during the year to respond to market changes.

In terms of electrification, there has been a major focus on ensuring electric vehicle expertise at the alarm centres and in the Nordic network through training and competence development. Additional services within the field of electrification are the launch of mobile chargers in the service vehicles in Norway and Denmark and technical support to users of charging stations for electric vehicles from the alarm centres.

DIVERSE MOBILITY

But mobility does not only involve cars. Diverse mobility is a growing market in many countries, and in Norway SOS International is now servicing electric bikes. This includes training of assistance workers and providing the right tools and spare parts in the service vehicles in order to help as many as possible onward on their electrical bike.

Investigation of fraud in connection with car accidents is another example of a new service launched in 2019. Attempted fraud constitutes a significant expense for the insurance industry and with this new service, that has obtained major interest from customers, SOS International is able to influence the customers' level of claims costs in a positive direction.

These new services are examples of how SOS International's dynamic and scalable organisation can offer 24/7 customer support and services tailored to our customers' needs simultaneously with the market changes.

SUSTAINABILITY – MORE THAN ENVIRONMENT

Sustainability continues to be an important focus area, and again this year, SOS International has succeeded in increasing the volume of phone fix on both national and international assistances.

This has a substantial positive impact on the number of driven kilometres and thereby the company's carbon footprint. Phone fix, repair on spot as well as the number of driven kilometres are all areas subject to measuring with the purpose of enhancing the company's sustainability.

Moreover, SOS International is the only assistance company in the Nordics with an environmental certification.

FOCUS

Diverse mobility services

But sustainability is not only about the environmental impact of a company. In order to run a sustainable business, employee engagement and satisfaction are crucial parameters and in 2019, although it has been a very busy year, the annual employee engagement survey revealed a positive development in terms of employee satisfaction.

SOS International also, once again, increased the level of end-user satisfaction across all the Nordic markets.

Read more about SOS International's sustainability efforts in the Sustainability Report 2019.

AMBITIOUS FUTURE

Looking forward, SOS International's mobility business area will disclose new services and new markets in correspondence with the market development.

Mobility is no longer a traditional roadside or towing assistance, but a matter of operational and network optimisation, digital end-user experiences and sustainable and smart partner solutions that respond to the needs of the market.

SOS International is Nordic market leader in terms of both technology and volume and the company will contribute to defining the market agenda going forward.

MANAGEMENT'S REVIEW

Consolidated key figures and financial ratios

DKK'000	2019	2018	2017	2016	2015
KEY FIGURES					
Net revenue	2,831,410	3,036,503	2,953,214	2,954,628	2,864,136
Assistance costs	-1,996,018	-2,154,816	-2,127,433	-2,130,345	-1,978,719
Income from operating activities (EBIT)	4,895	14,840	35,698	32,617	24,738
Income from net financials	-1,202	-1,800	-2,257	-2,459	1,871
PROFIT BEFORE TAX	3,693	11,501	33,441	39,367	26,088
Tax on income for the year	-1,639	-6,504	-11,379	-13,193	-6,523
Profit for the year	2,054	4,997	22,062	26,174	19,565
Balance sheet total	693,164	695,334	752,290	793,021	785,589
EQUITY	261,747	259,446	256,288	254,557	230,104
Cash flows from operating activities	52,984	-15,012	17,694	51,269	107,260
Cash flows from investment activities	-56,326	-18,106	-5,026	2,168	-16,573
of which invested in property, plant and equipment	-16,843	-12,035	-5,259	-13,002	-16,642
Cash flows from financing activities	-2,270	-36,286	-7,510	-11,376	-113,466
CASH FLOWS, TOTAL	-5,612	-69,404	5,158	42,061	-22,779
FINANCIAL RATIOS					
EBITDA margin	1.4	1.7	2.5	2.4	2.6
Net operating income margin	4.7	5.8	8.8	8.6	8.4
EBT margin	0.1	0.4	1.1	1.3	0.9
Profit margin	0.4	1.3	4.0	4.8	2.9
Return on capital employed	0.9	2.7	6.8	5.6	1.1
Liquidity ratio	179.5	185.7	138.4	130.0	114.9
Solvency ratio	37.8	37.3	34.1	32.1	29.3
Return on equity	0.8	1.9	8.6	10.8	8.8
AVERAGE NUMBER OF FULL-TIME EMPLOYEES	1,010	976	917	902	999

MANAGEMENT'S REVIEW

Financial review

MAIN ACTIVITIES

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

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

SOS International has a comprehensive network of qualified suppliers and partners all over the world, and six strategic partner offices in high volume areas. Counting more than 1200 employees, SOS International represents 30 nationalities and combined the employees speak more than 37 different languages.

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

INCOME STATEMENT

The total profit before tax for the group amounted to DKK 3.7 million for 2019 as opposed to DKK 11.5 million in 2018. The result is close to the result in 2018 where SOS International anticipated the profit in 2019 to be at the same level as in 2018.

The total profit before tax for the parent company amounted to DKK 2.6 million for 2019 compared to DKK 4.1 million in 2018. The decrease is primarily impacted by lower income from subsidiaries after tax.

NET REVENUE

The group's net revenue constituted DKK 2,831 million in 2019, which is 206 million lower than in 2018, where net revenue amounted to DKK 3,037 million. The development is specified for the Travelcare, Mobility and Healthcare division below:

- The net revenue in Travelcare have decreased by 7% and amounted to DKK 1,737 million in 2019 compared to DKK 1,874 million in 2018. The decrease is affected by loss of a Norwegian customer and different mix of cases.
- The net revenue in Mobility constituted at DKK 1,018 million which amounts to a decrease of DKK 94 million compared to 2018. The development in net revenue is affected by loss of a big customer in Sweden and a tough winter in 2018.
- The Net revenue in the Healthcare have increased by DKK 25 million equalling to a growth of 49% compared to 2018. The net revenue in Healthcare amounted to DKK 76 million in 2019 and is impacted by influx of new customers across the Scandinavian countries.

ASSISTANCE COSTS

Assistance costs are on a lower level than in 2018. Assistance costs amounted to DKK 1,996 million in 2019 as opposed to DKK 2,155 million in 2018. The development in assistance costs is affected by lower revenue, due to lower activity in Travelcare and Mobility.

CONTRIBUTION MARGIN

The development in net revenue and assistance costs contribute to a lower contribution margin in 2019 compared to 2018. The contribution margin amounted to DKK 835 million in 2019 as opposed to DKK 882 million in 2018. The decrease is a result of lower activities in the Travelcare and Mobility business.

WORK PERFORMED BY THE ENTITY AND CAPITALISED

In 2019 "Work performed by the entity and capitalised" amounted to DKK 5 million. The capitalised costs are related to the use of internal resources mainly to develop the new case management system in Travelcare. The amount is capitalised under "Intangible assets under development".

OTHER OPERATING INCOME

Other operating income are in line with 2019 and amounted to DKK 1 million in 2019 as opposed to DKK 1 million in 2018.

EXTERNAL COSTS

The external expenses amounted to DKK 176 million in 2019 as opposed to DKK 224 million in 2018. The decrease in external costs is primarily due to lower consultant costs in 2019 compared to 2018, since there has been a strategy of insourcing of IT competences.

MANAGEMENT'S REVIEW

Financial review

STAFF COSTS
The total employee expenses amounted to DKK 626 million in 2019 as opposed to DKK 607 million in 2018, while the average number of full-time employees increased from 976 to 1010. The increase is mainly due to the insourcing of IT-competences as a result of the focus on digital transformation.

DEPRECIATION AND AMORTISATION
The total depreciation and amortisation for the year amounted to DKK 35 million in 2019 as opposed to DKK 36 million in 2018.

FINANCIAL INCOME AND EXPENSES
The total financial income and expenses constituted a net cost of DKK 1 million in 2019 which is in line with 2018.

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

TAX ON INCOME FOR THE YEAR
The tax calculated for the group amounted to DKK 2 million for 2019 as opposed to DKK 7 million in 2018.

STATEMENT OF FINANCIAL POSITION

INTANGIBLE ASSETS
The carrying amount of intangible fixed assets constituted DKK 165 million at the end of 2019 as opposed to DKK 150 million at the end of 2018. The change is primarily capitalization of the development of the new case management system in Travelcare in intangible assets under development.

Intangible assets are also affected by influx of new assets in software and completed development projects which amounts to DKK 13 million and depreciation of DKK 25 million.

PROPERTY, PLANT AND EQUIPMENT
The total carrying amount of tangible fixed assets constituted DKK 24 million at the end of 2019, compared to DKK 17 million at the end of 2018. The higher level in tangible assets relates primarily to relocation to new offices in Aarhus and Oslo. The depreciations amounts to DKK 9 million opposed to DKK 12 million in 2018.

RECEIVABLES
The carrying amount of receivables constituted DKK 398 million at the end of 2019 as opposed to DKK 416 million at the end of 2018. The decrease is affected by the lower business activity.

EQUITY
Equity amounted to DKK 262 million at the end of 2019 compared to DKK 259 million at the end of 2018.

LIABILITIES
The total carrying amount of liabilities is decreased with DKK 5 million from the end of 2018 to the end of 2019.

LONG-TERM LIABILITIES
The carrying amount of long-term debt commitments constituted DKK 121 million at the end of 2019 as opposed to DKK 122 million at the end of 2018.

SHORT-TERM LIABILITIES
The carrying amount of short-term debt commitments constituted DKK 281 million at the end of 2019 as opposed to DKK 285 million at the end of 2018.

MANAGEMENT'S REVIEW

Financial review

CASH FLOW STATEMENT

Cash flows from operating activities amounted to DKK 53 million, which is an increase compared to 2018 where cash flow from operating activities amounted to negative DKK 15 million. The cash flow from activities is affected lower other receivables and less paid taxes compared to 2018.

Cash flows from investment activities amounted to DKK 56 million as opposed to DKK 18 million in 2018. The development is affected by the capitalizing of new case management system in Travelcare and new leasehold improvements related to relocation of the offices in Aarhus and Oslo.

The cash flow from financing activities amounted to negative DKK 2 million driven by the change in credit institutions compared to negative DKK 36 million in 2018.

At the end of 2019, the group's liquidity preparedness amounted to DKK 106 million, which is a decrease compared to the end of 2018, where the liquidity amounted to DKK 112 million.

DIVIDEND

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

EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

The financial result in January and February 2020 was in line with expectations. However, as of the beginning of March 2020, the worldwide Covid-19 outbreak will affect SOS Internationals financial performance significantly. It is though not possible at the time of reporting to quantify the effect, as it will depend on the duration and extent of the virus outbreak.

No other events have occurred since the end of the financial year 2019 that impacts the view on the results of operations, financial position and net assets of SOS International.

MANAGEMENT'S REVIEW

Expectations for 2020

Prior to the outbreak of the coronavirus, the original forecast for SOS International envisaged a profit before tax for 2020 at the same level as in 2019.

The spread of the coronavirus has slowed down the activities in three business divisions, Travelcare, Mobility and Healthcare.

Due to the lower activities compared to the original forecast profit before tax in SOS International is expected to be severely negatively impacted in 2020.

Therefore SOS International have no forecast for 2020.

SOS International continues to monitor the development closely and is working with different scenarios to adjust to the situation.

MANAGEMENT'S REVIEW

Special risks

RISK MANAGEMENT

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

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

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

FINANCIAL RISKS

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

CURRENCY RISK

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

CREDIT RISK

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

LIQUIDITY RISK

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

OPERATIONAL RISKS

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

COMPLIANCE

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

MANAGEMENT'S REVIEW

Special risks

OTHER RISKS

Other risks include geographical and technological development risks. Within recent years, SOS International has increased the business areas especially within Roadside assistance thus mitigating the geographical risk. The technological development within communications, medical and healthcare solutions and roadside assistance requires SOS International to be able to advance still more rapidly. The quality management system enables SOS International to swiftly identify, commence and implement changes caused by such development.

MANAGEMENT'S REVIEW

Corporate Social Responsibility

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

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

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

In our Communication on Progress (COP), SOS accounts for actions on continuous improvement of our social environment and employee engagement, our carbon footprint and impact on the environment as well as our work on information security and anti-corruption.

The 2019 UN Global Compact COP includes SOS International's mandatory CSR report in accordance with article 99a and 99b of the Danish Financial Statements Act.

The report can be downloaded here

- www.sos.eu/csr/cop2019

MANAGEMENT'S REVIEW

Company information

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CVR No.:	17 01 37 18
Founded:	3 May 1961
Municipality of domicile:	Frederiksberg
Financial year:	1 January - 31 December

THE BOARD OF DIRECTORS

Amund Skarholt *(Chairman)*
Jesper Mørch Sørensen *(Vice Chairman)*
Sigurd Ivar Austin
Ann Sommer
Camilla Amstrup
Odd Magnus Barstad
Johan Rudén
Harri Aho
Mads Bergholt Andersen *(Employee representative)*
Gustaf Sjöström *(Employee representative)*
Helle Bladmose *(Employee representative)*
Lazaros Kourtparasidis *(Employee representative)*

THE EXECUTIVE BOARD

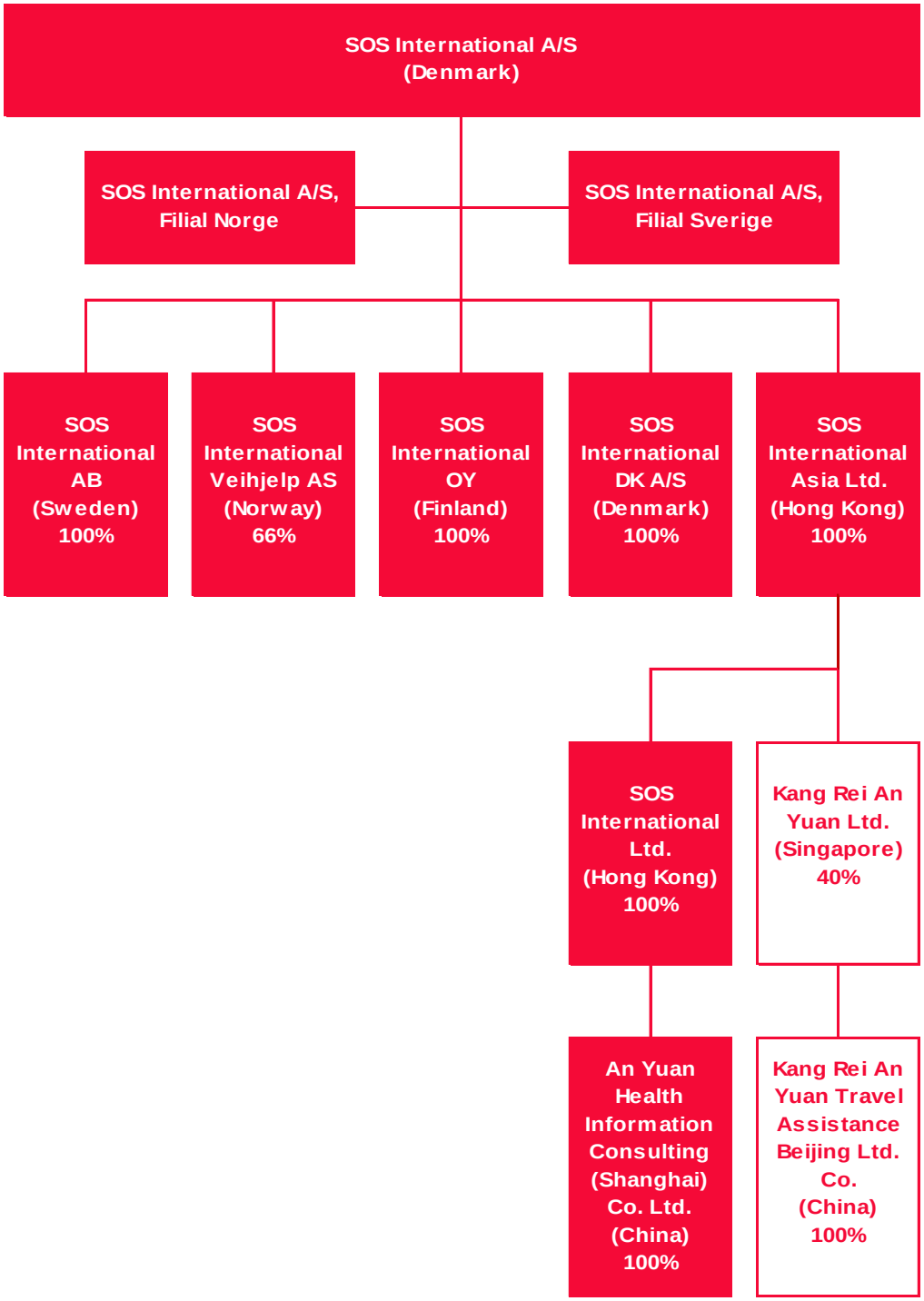
Niels Krag Printz

AUDIT

Ernst & Young
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
P.O. Box 250
DK-2000 Frederiksberg

MANAGEMENT'S REVIEW

Group overview



REVIEWS

Management’s statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of SOS International A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2019 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2019.

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

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

Copenhagen, 26 March 2020

Niels Krag Printz
CEO

Ole Joachim Jensen
CFO

THE BOARD OF DIRECTORS

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REVIEWS

Independent auditor’s report

TO THE SHAREHOLDERS OF SOS INTERNATIONAL A/S

OPINION

We have audited the consolidated financial statements and the parent company financial statements of SOS International A/S for the financial year 1 January – 31 December 2019, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

REVIEWS

Independent auditor’s report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 26 March 2020

Ernst & Young
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Jesper Jørn Pedersen
State Authorised Public Accountant
mne21326

Allan Lunde Pedersen
State Authorised Public Accountant
mne34495

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Statement of income

		GROUP		PARENT COMPANY	
DKK'000	NOTE	2019	2018	2019	2018
NET REVENUE	1	2,831,410	3,036,503	1,813,224	1,889,466
Assistance costs		-1,996,018	-2,154,816	-1,303,274	-1,366,965
CONTRIBUTION MARGIN		835,392	881,687	509,950	522,501
Work performed by the entity and capitalised		4,613	0	4,613	0
Other income		1,146	742	10,603	3,023
External costs	2	-176,137	-224,264	-99,504	-150,182
GROSS PROFIT		665,014	658,165	425,662	375,342
Staff costs	3	-625,595	-607,186	-416,029	-377,670
Depreciation and amortisation on tangible and intangible assets	4	-34,524	-36,139	-6,062	-7,712
INCOME FROM OPERATING ACTIVITIES		4,895	14,840	3,571	-10,040
Income from subsidiaries after tax	5	0	0	-1,322	14,256
Income from associates after tax		0	-1,539	0	0
Financial income	6	15,400	16,753	13,962	15,384
Financial expenses	7	-16,602	-18,553	-13,576	-15,494
PROFIT BEFORE TAX		3,693	11,501	2,635	4,106
Tax on income for the year	8	-1,639	-6,504	-581	891
PROFIT FOR THE YEAR		2,054	4,997	2,054	4,997

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Statement of financial position

		GROUP		PARENT COMPANY	
DKK'000	NOTE	2019	2018	2019	2018
ASSETS					
INTANGIBLE ASSETS	9				
Goodwill		77,568	89,760	0	0
Software		4,960	304	4,960	83
Customer-related assets		30,404	38,476	1,395	0
Trademarks		13,169	14,886	0	0
Intangible assets under development		26,944	6,156	26,944	0
Completed development projects		11,600	0	4,144	0
		164,645	149,582	37,443	83
PROPERTY, PLANT AND EQUIPMENT	10				
Leasehold improvements		6,826	494	0	0
Fixtures and fittings, tools and equipment		17,026	16,458	6,102	7,234
		23,852	16,952	6,102	7,234
FINANCIAL ASSETS					
Investments in group enterprises	11	0	0	208,566	231,779
Investments in associates	12	0	0	0	0
		0	0	208,566	231,779
NON-CURRENT ASSETS, TOTAL		188,497	166,534	252,111	239,096
INVENTORIES					
Manufactured goods and goods for resale		402	553	0	0
		402	553	0	0
RECEIVABLES					
Trade debtors		211,125	207,153	76,169	70,682
Work in progress		129,738	129,228	129,357	126,288
Prepayments to business partners		2,289	2,433	2,289	2,433
Receivables from group enterprises		0	0	28,282	29,195
Deferred tax assets	13	3,719	1,600	2,749	0
Corporate tax receivables	14	13,881	11,952	10,130	10,471
Other receivables		18,194	34,076	3,755	3,570
Prepayments	15	19,144	30,024	16,565	25,590
		398,090	416,466	269,296	268,229
SECURITIES		222	216	222	216
CASH AND CASH EQUIVALENTS		105,953	111,565	105,293	110,460
CURRENT ASSETS, TOTAL		504,667	528,800	374,811	378,905
ASSETS, TOTAL		693,164	695,334	626,922	618,001

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Statement of financial position

		GROUP		PARENT COMPANY	
DKK'000	NOTE	2019	2018	2019	2018
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	20,960	20,960	20,960	20,960
Reserves for development projects		0	0	24,248	0
Retained income		240,787	238,486	216,539	238,486
EQUITY, TOTAL		261,747	259,446	261,747	259,446
PROVISIONS					
Deferred tax	13	23,634	21,801	9,377	4,793
Other provisions		6,000	7,000	6,000	7,000
PROVISIONS, TOTAL		29,634	28,801	15,377	11,793
LIABILITIES OTHER THAN PROVISIONS					
LONG-TERM LIABILITIES	17				
Customer deposits		94,601	97,308	94,601	46,118
Other long-term liabilities		26,042	25,074	26,042	25,074
LONG-TERM LIABILITIES, TOTAL		120,643	122,382	120,643	71,192
SHORT-TERM LIABILITIES					
Credit institutions		4,441	6,711	4,441	6,711
Trade payables		54,224	58,038	31,825	38,736
Amounts owed to group enterprises		0	0	76,291	117,711
Prepayments from customers		88,150	95,140	44,495	51,058
Corporation tax	14	2,085	827	0	0
Other short-term liabilities		132,240	123,989	72,103	61,354
SHORT-TERM LIABILITIES, TOTAL		281,140	284,705	229,155	275,570
LIABILITIES OTHER THAN PROVISIONS, TOTAL		401,783	407,087	349,798	346,762
EQUITY AND LIABILITIES, TOTAL		693,164	695,334	626,922	618,001
CONTINGENT LIABILITIES	18				
DISTRIBUTION OF PROFIT FOR THE YEAR	19				
RELATED PARTIES	22				

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Statement of changes in equity

	GROUP			
DKK'000	Share capital	Retained income	Proposed dividends	Total
Equity at 1 Jan 2018	20,960	235,328	0	256,288
Dividends distributed	0	0	0	0
Distribution of profit for the year	0	4,997	0	4,997
Exchange rate adjustment, group enterprises	0	-1,839	0	-1,839
Equity at 31 Dec 2018	20,960	238,486	0	259,446
Equity at 1 Jan 2019	20,960	238,486	0	259,446
Dividends distributed	0	0	0	0
Distribution of profit for the year	0	2,054	0	2,054
Exchange rate adjustment, branches	0	-25	0	-25
Exchange rate adjustment, group enterprises	0	272	0	272
Equity at 31 Dec 2019	**20,960**	**240,787**	**0**	**261,747**

	PARENT COMPANY				
DKK'000	Share capital	Reserve for development projects	Retained income	Proposed dividends	Total
Equity at 1 Jan 2018	20,960	0	235,328	0	256,288
Dividends distributed	0	0	0	0	0
Distribution of profit for the year	0	0	4,997	0	4,997
Exchange rate adjustment, group enterprises	0	0	-1,839	0	-1,839
Equity at 31 Dec 2018	20,960	0	238,486	0	259,446
Equity at 1 Jan 2019	20,960	0	238,486	0	259,446
Dividends distributed	0	0	0	0	0
Transfers	0	24,248	-24,248	0	0
Distribution of profit for the year	0	0	2,054	0	2,054
Exchange rate adjustment, branches	0	0	-25	0	-25
Exchange rate adjustment, group enterprises	0	0	272	0	272
Equity at 31 Dec 2019	**20,960**	**24,248**	**216,539**	**0**	**261,747**

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Statement of cash flow

		GROUP	
DKK'000	NOTE	2019	2018
Operating cash flows before changes in working capital	20	39,424	50,983
Change in working capital	21	17,146	-47,856
Operating cash flows		56,570	3,127
Interest income, paid		15,400	16,753
Interest costs, paid		-16,602	-18,553
Cash flows from ordinary activities		55,368	1,327
Corporation tax, paid		-2,384	-16,339
Cash flows from operating activities		52,984	-15,012
Acquisition of intangible fixed assets		-39,948	-6,156
Acquisition of property, plant and equipment		-16,843	-12,035
Disposal of property, plant and equipment		465	85
Cash flows from investment activities		-56,326	-18,106
Change in debt to credit institutions		-2,270	-36,286
Cash flows from financing activities		-2,270	-36,286
Cash flows, 1 Jan – 31 Dec		-5,612	-69,404
Cash and cash equivalents, 1 Jan		111,565	180,969
Cash and cash equivalents, 31 Dec		**105,953**	**111,565**

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP		PARENT COMPANY	
DKK'000	2019	2018	2019	2018
NOTE 1 NET REVENUE				
Gross revenue	2,831,410	3,036,503	1,813,224	1,889,466
Assistance costs	-1,996,018	-2,154,816	-1,303,274	-1,366,965
	835,392	881,687	509,950	522,501
Segment information by activity				
Travelcare	1,737,404	1,873,802	1,737,605	1,873,292
Mobility	1,018,313	1,111,953	116	1,152
Healthcare	75,693	50,748	75,503	15,022
	2,831,410	3,036,503	1,813,224	1,889,466
Segment information by geography				
Denmark	825,021	834,537	398,651	410,436
Sweden	956,375	1,023,603	732,157	686,293
Norway	578,404	656,967	331,418	390,914
Finland	317,500	320,935	208,976	211,146
Other countries	154,110	200,461	142,022	190,677
	2,831,410	3,036,503	1,813,224	1,889,466
NOTE 2 EXTERNAL COSTS				
Rent, etc.	34,009	30,329	19,061	17,748
Consultant fee, etc.	48,242	93,362	27,670	68,317
IT service, software licenses, etc.	36,509	36,569	25,906	26,385
Other external costs	57,377	64,004	26,868	37,732
	176,137	224,264	99,504	150,182
Fees for auditor elected by the annual general meeting				
Statutory audit	1,354	1,383	842	698
Other assurance services with security	33	5	33	0
Tax and VAT advisory services	134	187	103	75
Other services	189	127	146	56
	1,710	1,702	1,124	829

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP		PARENT COMPANY	
DKK'000	2019	2018	2019	2018
NOTE 3 STAFF COSTS				
Wages and salaries	512,022	497,459	344,693	315,152
Pensions	56,225	52,558	42,545	38,365
Other social security costs	36,211	38,343	15,719	13,405
Other staff costs	21,137	18,826	13,072	10,748
	625,595	607,186	416,029	377,670
Average number of full-time employees	1,010	976	544	476

Staff costs include wages and salaries accrued by Executive Management and the Supervisory Board in the amount DKK'000 4,297 (2018: DKK'000 4,293).

NOTE 4 DEPRECIATION AND AMORTISATION				
Depreciation Tangible assets	9,381	12,069	4,428	7,295
Amortisation Intangible assets	25,148	24,074	1,634	417
Gain / loss fixed assets	-5	-4	0	0
	34,524	36,139	6,062	7,712
NOTE 5 INCOME FROM SUBSIDIARIES AFTER TAX				
Profit/loss in subsidiaries after tax	0	0	13,152	29,410
Goodwill amortisation	0	0	-14,474	-15,154
	0	0	-1,322	14,256
NOTE 6 FINANCIAL INCOME				
Interest income from subsidiaries	0	0	282	705
Currency gains	14,732	16,310	13,091	14,420
Other financial income	668	443	589	259
	15,400	16,753	13,962	15,384

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP		PARENT COMPANY	
DKK'000	2019	2018	2019	2018
NOTE 7 FINANCIAL EXPENSES				
Interest expenses to subsidiaries	0	0	223	214
Exchange losses	12,448	14,120	10,316	12,312
Bank fees	2,821	3,003	1,834	1,596
Interest expenses	1,333	1,430	1,203	1,372
	16,602	18,553	13,576	15,494
NOTE 8 TAX ON INCOME FOR THE YEAR				
Current tax	1,420	4,105	-1,228	-2,889
Adjustment of tax from previous years	-341	1,095	-345	1,096
Adjustment of deferred tax for the year	560	1,304	2,153	902
	1,639	6,504	581	-891

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

NOTE 9 INTANGIBLE ASSETS

GROUP

DKK'000	Goodwill	Software	Customer-related assets	Trademarks	Intangible assets under development	Completed development projects	Total
Cost price, 1 Jan 2019	157,649	31,854	92,452	25,765	6,156	0	313,876
Exchange rate adjustments	483	-9	282	0	0	0	756
Additions	0	5,590	0	0	26,944	7,414	39,948
Disposals	0	-2,685	0	0	0	0	-2,685
Transfers	0	0	0	0	-6,156	6,156	0
Cost price, 31 Dec 2019	158,132	34,750	92,734	25,765	26,944	13,570	351,895
Amortisation, 1 Jan 2019	-67,889	-31,550	-53,976	-10,879	0	0	-164,294
Exchange rate adjustments	-395	9	-107	0	0	0	-493
Disposals	0	2,685	0	0	0	0	2,685
Amortisation	-12,280	-934	-8,247	-1,717	0	-1,970	-25,148
Amortisation, 31 Dec 2019	-80,564	-29,790	-62,330	-12,596	0	-1,970	-187,250
CARRYING AMOUNT, 31 DEC 2019	77,568	4,960	30,404	13,169	26,944	11,600	164,645

PARENT COMPANY

DKK'000	Software	Customer-related assets	Intangible assets under development	Completed development projects	Total
Cost price, 1 Jan 2019	9,943	0	0	0	9,943
Additions	5,591	2,091	26,944	4,377	39,003
Disposals	-437	0	0	0	-437
Cost price, 31 Dec 2019	15,097	2,091	26,944	4,377	48,509
Amortisation, 1 Jan 2019	-9,860	0	0	0	-9,860
Exchange rate adjustments	0	-9	0	0	-9
Disposals	437	0	0	0	437
Amortisation	-714	-687	0	-233	-1,634
Amortisation, 31 Dec 2019	-10,137	-696	0	-233	-11,066
CARRYING AMOUNT, 31 DEC 2019	4,960	1,395	26,944	4,144	37,443

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	GROUP		
DKK'000	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost price, 1 Jan 2019	8,446	91,100	99,546
Exchange rate adjustments	-30	43	13
Additions	7,173	9,670	16,843
Disposals	-429	-25,528	-25,957
Cost price, 31 Dec 2019	15,160	75,285	90,445
Amortisation, 1 Jan 2019	-7,952	-74,642	-82,594
Exchange rate adjustments	62	-34	28
Disposals	429	24,925	25,354
Depreciation	-873	-8,508	-9,381
Amortisation, 31 Dec 2019	-8,334	-58,259	-66,593
CARRYING AMOUNT, 31 DEC 2019	6,826	17,026	23,852

	PARENT COMPANY		
DKK'000	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost price, 1 Jan 2019	6,439	62,746	69,185
Additions	0	3,296	3,296
Disposals	0	-20,273	-20,273
Cost price, 31 Dec 2019	6,439	45,769	52,208
Amortisation, 1 Jan 2019	-6,439	-55,512	-61,951
Disposals	0	20,273	20,273
Depreciation	0	-4,428	-4,428
Amortisation, 31 Dec 2019	-6,439	-39,667	-46,106
CARRYING AMOUNT, 31 DEC 2019	0	6,102	6,102

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	PARENT COMPANY	
DKK'000	2019	2018
NOTE 11 INVESTMENTS IN GROUP ENTERPRISES		
Cost price, 1 Jan	345,929	341,842
Capital increase	0	4,087
Disposals	-21,306	0
Cost price, 31 Dec	324,623	345,929
Value adjustments, 1 Jan	-114,150	-108,621
Disposals	24,041	0
Exchange rate adjustments	272	-1,839
Goodwill amortisation	-14,474	-15,154
Distribution of dividends	-24,898	-17,946
Income for the year	13,152	29,410
Value adjustments, 31 Dec	-116,057	-114,150
CARRYING AMOUNT, 31 DEC	208,566	231,779

Name	Registered in	Voting and ownership share
SOS Dansk Autohjælp A/S	Aarhus, Denmark	100 %
SOS International AB	Stockholm, Sweden	100 %
SOS Veihjelp AS	Oslo, Norway	66 %
SOS International OY	Helsinki, Finland	100 %
SOS International Asia Ltd.	Hong Kong, China	100 %

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP		PARENT COMPANY	
DKK'000	2019	2018	2019	2018
NOTE 12 INVESTMENTS IN ASSOCIATES				
Cost price, 1 Jan	2,187	2,279	0	92
Disposals	0	-92	0	-92
Cost price, 31 Dec	2,187	2,187	0	0
Value adjustments, 1 Jan	-2,187	-637	0	93
Exchange rate adjustments	0	82	0	0
Income for the year	0	-1,539	0	0
Disposals	0	-93	0	-93
Value adjustments, 31 Dec	-2,187	-2,187	0	0
CARRYING AMOUNT, 31 DEC	0	0	0	0

Name	Registered in	Voting and ownership share
Kang Rei An Yuan Ltd.	Singapore	50 % / 40 %

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP		PARENT COMPANY	
DKK'000	2019	2018	2019	2018
NOTE 13 DEFERRED TAX				
Deferred tax, 1 Jan	-20,201	-19,056	-4,793	-3,891
Exchange rate adjustment	233	159	-27	0
Adjustments for previous years	613	0	345	0
Additions relating to the acquisition of subsidiaries	0	0	0	0
Adjustment of deferred tax for the year	-560	-1,304	-2,153	-902
CARRYING AMOUNT, 31 DEC	-19,915	-20,201	-6,628	-4,793
Recognised in the Statement of Financial Position as:				
Deferred tax assets	3,719	1,600	2,749	0
Provision for deferred tax	-23,634	-21,801	-9,377	-4,793
CARRYING AMOUNT, 31 DEC	-19,915	-20,201	-6,628	-4,793
NOTE 14 CORPORATION TAX				
Corporation tax payable, 1 Jan	11,125	-11	10,471	361
Exchange rate adjustment	-5	-3	2	0
Adjustments for previous years	-272	-1,095	37	-1,096
Current tax for the year	-1,436	-4,105	1,228	2,889
Corporation tax for the year, paid	2,384	16,339	-1,608	8,317
CARRYING AMOUNT, 31 DEC	11,796	11,125	10,130	10,471
Recognised in the Statement of Financial Position as:				
Corporate tax receivables	13,881	11,952	10,130	10,471
Corporation tax	-2,085	-827	0	0
CARRYING AMOUNT, 31 DEC	11,796	11,125	10,130	10,471
NOTE 15 PREPAYMENTS				
Prepaid expenses	19,144	30,024	16,565	25,590
CARRYING AMOUNT, 31 DEC	19,144	30,024	16,565	25,590

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP		PARENT COMPANY	
DKK'000	2019	2018	2019	2018
NOTE 16 SHARE CAPITAL				
Unlisted share capital:				
Nominal value at 1 Jan 2015			21,388	21,388
Capital reduction Feb 2017			-428	-428
NOMINAL VALUE, 31 DEC			20,960	20,960

The share capital consists of 2,096,000 shares of DKK 10 nominal value and is paid up in full. No shares have special rights.

NOTE 17 LONG-TERM LIABILITIES

Long-term liabilities comprises contract deposits and similar liabilities, which is renewed on an ongoing basis and expected to be due later than 5 years from the balance sheet date.

NOTE 18 CONTINGENT LIABILITIES

SOS International is a part in individual ongoing legal disputes. It is the opinion of the management that the outcome of these legal disputes will not affect the financial situation beyond the receivables and liabilities that have been factored in the balance as of 31 December 2019.

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

Operating lease commitments due within five years	3,663	4,382	987	2,226
Rent commitments due within five years	54,012	39,715	8,193	7,875

NOTE 19 DISTRIBUTION OF PROFIT FOR THE YEAR

Proposed profit appropriation:				
Retained income			2,054	4,997
			2,054	4,997

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Notes

	GROUP	
DKK'000	2019	2018
NOTE 20 OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		
Operating income	4,895	14,840
Adjustments for non-cash operating items, etc.		
Depreciations	34,524	36,139
Losses/gains from the sale of fixed assets	5	4
	39,424	50,983
NOTE 21 CHANGE IN WORKING CAPITAL		
Changes in inventories	151	-57
Changes in trade receivables	-3,972	-11,100
Changes in w ork in progress	-510	-6,061
Changes in other receivables, including prepayments, etc.	26,906	-5,549
Changes in trade payables	-3,814	-31,392
Changes in customer prepayments	-9,697	-4,557
Changes in other debts	8,082	10,860
	17,146	-47,856

NOTE 22 RELATED PARTIES

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

The 2019 Annual Report of SOS International has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

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

RECOGNITION AND MEASUREMENT

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

COMPANY MERGERS

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

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

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

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

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

INTRA-GROUP COMPANY MERGERS

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

TRANSLATION OF FOREIGN CURRENCY

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

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

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

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

INCOME STATEMENT

NET REVENUE

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

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

ASSISTANCE COSTS

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

OTHER OPERATING INCOME

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

EXTERNAL COSTS

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

STAFF COSTS

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

Staff costs furthermore include payments of medical consultants.

RESULTS OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

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

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

FINANCIAL INCOME AND EXPENSES

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

TAX ON INCOME FOR THE YEAR

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

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

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

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

STATEMENT OF FINANCIAL POSITION

INTANGIBLE ASSETS

DEVELOPMENT PROJECTS

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

Development projects are initially measured at cost price. The cost price of development projects comprises costs that can be attributed directly or indirectly to the development projects, and which are necessary to complete the project, counting from the time when the development project first meets the criteria for recognition as an asset.

Completed development projects are amortised on a straight-line basis over the estimated life, which is estimated to be 3-10 years. Development projects are written down to a possible lower recoverable amount, cf. the section on impairment of assets below.

GOODWILL

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

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

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

SOFTWARE

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

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

CUSTOMER-RELATED ASSETS AND TRADEMARKS

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

FINANCIAL ASSETS

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

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

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0 and any receivables from these companies will be impaired to the extent the receivable is deemed non-collectable. To the extent the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable; the balance will be recognised under accruals. If SOS International has a legal or actual obligation to the company's deficit, an allocated commitment will be included to this.

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

IMPAIRMENT TEST OF ASSETS

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

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

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

RECEIVABLES

Receivables are measured at amortised cost.

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

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

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

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

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

WORK IN PROGRESS

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

PREPAYMENTS

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

SECURITIES

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

EQUITY

RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD

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

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

The reserve may not be recognised at a negative amount.

RESERVE FOR DEVELOPMENT PROJECTS

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

If the recognised development projects are written down, part of the reserve for development projects must be reversed. The reversed portion corresponds to the write-down of the development projects. If a write-down of the development projects is subsequently reversed, the reserve for development projects must be re-established. The reserve for development projects is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the statement of financial position as development projects.

DIVIDEND

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

CORPORATE TAX AND DEFERRED TAX

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

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

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

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

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

PROVISIONS

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

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

LIABILITIES

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

PREPAYMENTS

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

CASH FLOW STATEMENT

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

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

CASH FLOW FROM OPERATING ACTIVITIES

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

CASH FLOW FROM INVESTMENT ACTIVITIES

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

CASH FLOW FROM FINANCING ACTIVITIES

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

CASH AND CASH EQUIVALENTS

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

SEGMENT INFORMATION

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2019

Accounting policies

KEY FIGURES

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

EBITDA margin:

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

Net operating income margin:

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

EBT Margin:

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

Profit margin:

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

Return on capital employed:

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

Operating assets:

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

Liquidity ratio:

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

Solvency ratio:

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

Return on equity:

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

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