

Approved at the annual
general meeting held on 22
February 2024

Annual report 2023



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.



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Performance

2023 was another successful year for Falck. The full-year financial results were in line with expectations as revenue amounted to DKK 11,913 million and EBITA was DKK 486 million.

→ [Read about our results](#)



Sustainability

As healthcare systems around the world are facing increasing pressure, there is a growing need to implement and scale sustainable healthcare solutions.

→ [Read about our response and progress](#)

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. 29-50), 99b (p. 40-44) and 99d (p. 55) of the Danish Financial Statement Act.



Falck at a glance

Falck is a global healthcare company with an array of healthcare services designed to supplement and support established healthcare systems as a partner. Our preventive, acute and rehabilitative healthcare services are delivered on long-term contracts, subscriptions and pay-by-use to a broad range of customer segments.

Key healthcare services spanning across preventive, acute and rehabilitative care

	Preventive	Acute	Rehabilitative
Ambulance		•	
Emergency travel assistance		•	
Firefighting and prevention	•	•	
First aid courses and kits	•		
Health check	•		
Labour market services			•
Mental healthcare (e.g. psychologist)	•	•	•
Occupational health services	•	•	•
Online doctor-on-call	•	•	•
Patient transportation		•	•
Physical healthcare (e.g. physiotherapist)	•	•	•
Healthcare at home	•	•	•

Founded in

1906

Number of employees

+25,000

Yearly services

9.4 million

Countries

26

Financial highlights

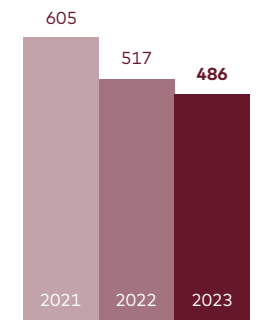
Falck delivered broad-based organic growth and an EBITA higher than last year when adjusting for divestments, foreign exchange effects and significantly increased investments in digitalisation and other strategic initiatives to support the execution of Falck's strategy.¹

Group

EBITA

DKK million

EBITA was impacted by significantly increased investments in costs of digitalisation and other strategic initiatives. In total, these costs increased by more than DKK 110 million. In addition, divestments carried out in 2022 and foreign exchange effects had a total negative impact of DKK 35 million compared to last year. When adjusting for these effects, EBITA increased driven by improved underlying business performance.



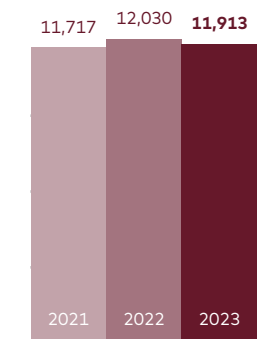
EBITA margin %

4.1

Revenue

DKK million

Organic revenue growth was 3.9%, driven by a combination of price increases and subscription growth, which more than outweighed changes in contract volumes.



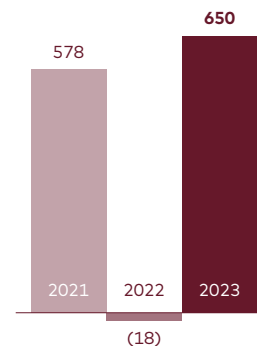
Organic growth %

3.9

Free cash flow

After tax, DKK million

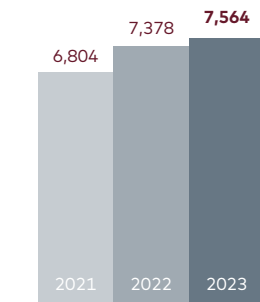
Free cash flow after tax was an inflow of DKK 650 million (outflow of DKK 18 million), corresponding to a cash conversion rate of 134%. The cash conversion rate was positively impacted by the timing of prepayments from fire and ambulance customers.



Emergency Health and Safety

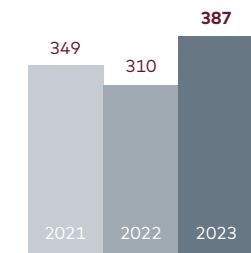
Revenue

DKK million



EBITA

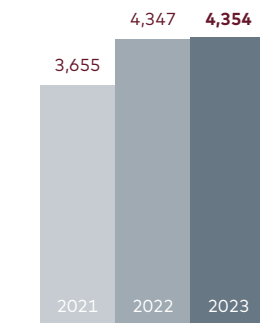
DKK million



Healthcare

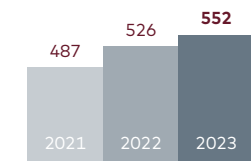
Revenue

DKK million



EBITA

DKK million



1. All numbers are stated excluding public testing activities in 2021 and Q1 2022

Sustainability highlights

Our main contribution to society lies in delivering preventive, acute and rehabilitative care. In 2023, we delivered 9.4 million healthcare services. In addition, we achieved a slight reduction in emissions from our fleet (scope 1), the employee engagement increased, and we had a satisfying whistle-blower reporting ratio. Unfortunately, the Lost Time Injury Rate remained too high.



WE SUPPORT

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 in the new database for UN Communication on Progress.

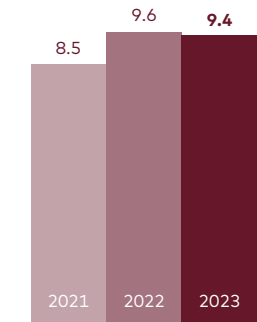


Enhance healthcare access

Services delivered

million

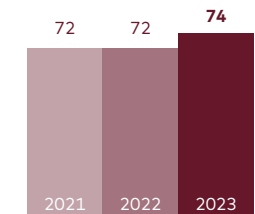
We delivered 9.4 million healthcare services which is at a high and stable level. This indicator is a key part of our sustainability strategy, as we believe that every time we prevent an accident, complete a trip or give a treatment we have improved the life of at least one person – in some cases with profound effect.



Secure diverse and safe workplace

Employee engagement score

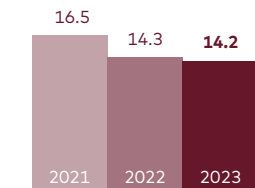
Number (0-100 scale)



Target: 75 in 2025

Lost Time Injury Rate

LTIs per 1 million working hours



Target: <8.8 in 2027

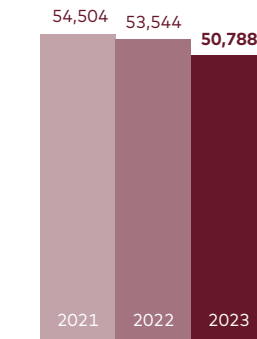


Reduce climate impact

Emissions in scope 1

CO₂e/tonnes

We reduced our CO₂ emissions in scope 1 slightly from 53,544 tonnes in 2022 to 50,788 tonnes in 2023, corresponding to a 5.1% decrease. Since the baseline year 2021, we have lowered our CO₂ emissions by a total of 6.8%. We also progressed on the scope 1, 2 and 3 baselines getting ready for submitting Science Based Targets during 2024.



Target: 50% reduction in 2030

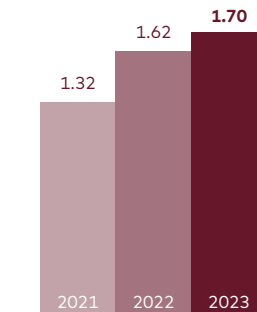


Build trust

Whistle-blower reporting ratio

Number of reports per 100 employees

The reporting ratio was 1.70 (1.62 in 2022), which indicates that it is an established, accessible and trusted whistle-blower system.



Target: >1 whistle-blower reporting ratio

Five-year summary

DKK million	2023	2022	2021	2020	2019
Income Statement					
Revenue	11,913	12,647	15,173	12,348	13,824
EBITA ¹	486	717	1,834	675	729
Impairment of goodwill	-	(174)	-	-	(450)
Operating profit (EBIT)	386	1,121	1,634	88	(158)
Net financial items	(181)	(74)	(46)	(146)	(158)
Profit/loss for the year	334	921	1,229	(178)	(546)
Statement of financial position					
Total assets	10,797	10,505	12,644	12,031	12,776
Net operating assets	7,562	7,126	6,881	6,358	7,655
Total equity	4,045	3,919	4,964	3,754	3,882
Net interest-bearing debt, including lease liabilities	3,517	3,208	1,918	2,605	3,782
Cash flows and investments					
Cash flows from operating activities	554	(113)	1,866	1,311	764
Free cash flow	650	(152)	1,888	1,410	1,050
Investments in intangible assets and property, plant and equipment	(204)	(201)	(109)	(66)	(191)

DKK million	2023	2022	2021	2020	2019
Key figures					
Economic profit	(206)	(82)	919	(52)	(288)
EBITA margin (%)	4.1	5.7	12.1	5.5	5.3
Cost of services (OPEX) ratio (%)	77.7	79.3	75.1	78.1	79.7
Sales and administrative expenses (SG&A) ratio (%)	18.7	15.6	13.2	16.9	16.0
Cash conversion rate (%)	133.7	(21.2)	103.0	208.9	144.0
Equity ratio (%)	37.5	37.3	39.3	31.2	30.4
Net interest-bearing debt to EBITDA (leverage) ^{2,3,4}	3.62x	2.64x	0.80x	1.81x	2.46x
EBITDA	967	1,215	2,305	1,269	1,369
FTEs	18,953	19,988	20,862	20,870	23,920

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.
2. For 2019-2020, the leverage is excluding the impact of IFRS 16 implementation.
3. For 2021, the leverage includes full-year impact from Frisk Gruppen.
4. For 2023, the leverage includes full-year impact from MedConnect.

Comments

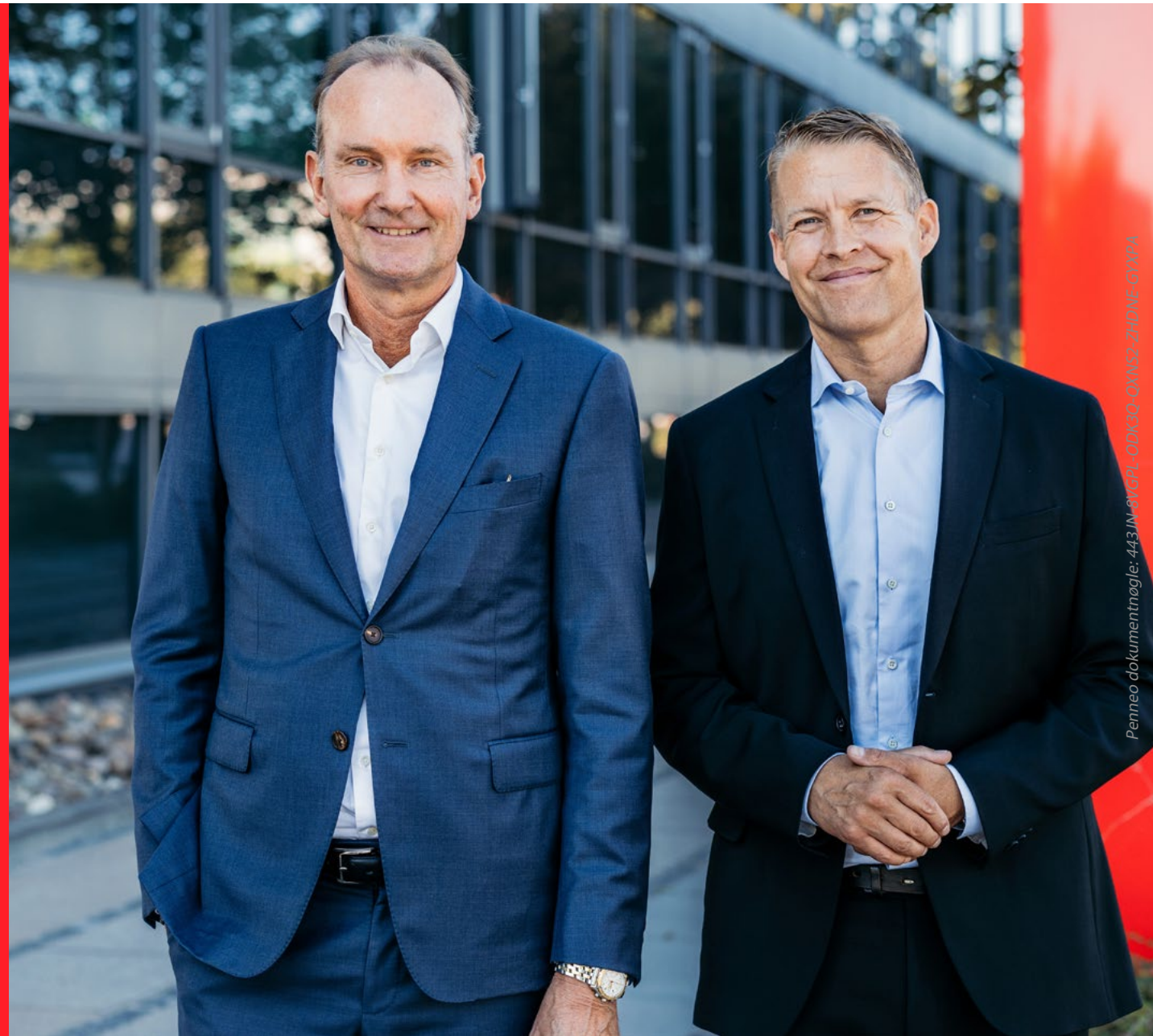
See definitions of key figures and ratios in note 1.4 of the consolidated financial statements.

In 2020, 2021 and 2022, revenue and EBITA was materially impacted by income and profit from the public testing activities. Revenue amounted to DKK 164 million in 2020, DKK 3,456 million in 2021 and DKK 617 million in 2022. EBITA amounted to DKK 97 million in 2020, DKK 1,229 million in 2021 and DKK 200 million in 2022.

Letter from the Chair and the CEO

Falck grows organically and increases investments in digitalisation

2023 was another successful year for Falck. The full-year financial results were in line with expectations as revenue amounted to DKK 11,913 million and EBITA was DKK 486 million. We achieved broad-based organic growth of 3.9%, commenced a comprehensive digitalisation programme, forged partnerships to develop healthcare services and progressed on our sustainability strategy.



The value to society of sufficient and easily accessible healthcare support can hardly be overstated. Nonetheless, it is evident that established healthcare systems are struggling to meet the growing and increasingly complex demand for healthcare services with constrained resources.

The mounting pressures stem from aging populations, more people with multiple chronic conditions, stronger healthcare awareness and elevated expectations to services due to breakthroughs in technology and healthcare science.

The severe implications are that too often young people with mental health issues must endure wait times to see a psychologist, middle-aged individuals grapple unreasonably to recover from physical injuries and elderly people with vulnerabilities are insecure when living alone. This situation is costly in every sense of the word.

At Falck, we are committed to taking on a leading role in addressing these crucial challenges by delivering impactful and sustainable healthcare services in efficient ways.

In 2023 alone, we delivered 9.4 million services across preventive, acute and rehabilitative care. Indeed, this makes us proud because these services have a positive impact on people's health and their lives. However, we want to do even more. This desire drives our endeavours to invest and further expand our capacity to act as a partner and a private supplement to healthcare systems.

Accelerated investments to deliver more

We need to pioneer a significant productivity boost in healthcare services and think out of the ordinary. This is the only viable path to expanding the total supply of impactful healthcare services to meet growing healthcare needs and counterbalance inequalities in healthcare access, while there are constraints in terms of government funding and availability of healthcare professionals. For those reasons, we advocate more emphasis on the development of healthcare services and on rethinking patient journeys, technology advancements, prevention and early intervention as well as encouraging more and deeper public-private partnerships.

On that backdrop, we have initiated an accelerated investment programme to digitalise Falck, improve our operation and services, and to spark the development of new healthcare services in partnerships. This was done in conjunction with the launch of the corporate strategy Care for More '27 in early 2023. Altogether, we invested about DKK 200 million in digitalisation and business development in 2023. We will expand digital investments to reach DKK 225 million in 2024, up from DKK 153 million, which was the amount solely invested in digitalisation in 2023. This represents an increase of almost 50%. Due to the nature of these investments, they are recognised as expenses in the financial statements.

As you will see in this annual report, we have progressed on this trajectory and will continue on this route. For instance, Falck has become engaged in a wide range of partnerships to develop healthcare services. Further, we have expanded our market position within telemedicine with the

acquisition of MedConnect A/S (Hejddoktor.dk) in Denmark at the end of 2023.

Organising leadership around strategic priorities

Falck has taken steps to align its overall organisation and executive leadership team to optimise the execution of Care for More '27.

To support these priorities, Falck has aligned regional executive leadership roles for the US, Latin America and Eastern Europe. The same has been done for the ambulance business in Western Europe.

Furthermore, Falck has merged two main global back-office functions, namely Corporate Development & Affairs and People & Culture. Camilla Krohn, Senior Vice President, has been appointed Chief of Staff to lead the area.

The financial performance was in line with the 2023 guidance. For 2024, we expect low, single-digit organic growth and an EBITA margin of 4-5%.

Elisabeth Milton, Senior Vice President of People & Culture, has subsequently decided to pursue opportunities outside of Falck.

The head of Digital Technology, Henrik Amsinck, has been appointed as new member of the executive leadership team. This appointment

reflects the importance of digital transformation in Falck's strategic objectives.

Solid financial performance

For the year 2023, Falck reported group revenue of DKK 11,913 million (DKK 12,030 million) and EBITA of DKK 486 million (DKK 517 million). Organic sales growth was 3.9% and broad-based with both business areas contributing. Free cash flow after tax was DKK 650 million (outflow of DKK 18 million). Public testing activities are excluded in the 2022 figures mentioned.

The financial performance was in line with the 2023 guidance. For 2024, we expect low, single-digit organic growth and an EBITA margin of 4-5%. The Board of Directors proposes not to pay out ordinary dividend at the upcoming Annual General Meeting.

In Emergency Health and Safety, our business area covering ambulance and fire operations, revenue and EBITA improved from last year, primarily due to strengthened ambulance operations in the US, which doubled its operating profit before special items (EBITA) from last year.

In Healthcare, our business area with healthcare services, we saw continued growth in the number of healthcare subscriptions delivered in Denmark and Colombia. However, demand for healthcare services among corporate customers in especially Sweden was weak and volatile due to economic slowdown.

Altogether, we generated positive organic growth and financial results in both business areas under challenging market conditions with surging salary inflation and rising interest rates. During the year, we faced a looming macroeconomic recession and retrenchments among private and corporate customers, while the labour market for healthcare professionals remained tight.

Across our businesses and markets, we managed to successfully adapt with measures such as price increases, operational efficiencies, cost reductions, stronger staff retention and recruitment efforts, and we were proactive in our sales dialogues with current and potential customers.

Ready to continue growth

We are optimistic about the future of Falck. Over the past six years, we have accomplished a turnaround, stabilised our business operations, improved our financial situation, and generated momentum for ongoing organic revenue growth from our well-defined core business. We have thereby established positive operational earnings and free cash flows, allowing us to fund long-term investments.

With this strong foundation, we are well-positioned to further drive organic revenue growth and improve EBITA margins in Europe, the US, and Latin America. These healthcare markets are projected to grow at a greater rate than GDP in most countries.

Progress on sustainability

We progressed on our sustainability strategy during 2023. Our CO₂ emissions (scope 1) declined by 5.1%, stemming from changing operational

requirements, electrification of small vehicles and other reduction initiatives. The year also marked the introduction of the first electric ambulances in Denmark and Spain.

We worked further to progress on our baselines for Science Based Targets, getting ready for submission in 2024, and we initiated a programme to become ready to comply with the Corporate Sustainability Reporting Directive (CSRD) in our reporting for 2025. However, our level of workplace injuries is not satisfactory, and we will follow up closely with added focus on safety procedures and awareness.

Improved employee engagement

The engagement and trust of our employees is essential for Falck to succeed. We are thus excited about the results of our annual engagement survey, which improved year on year.

We would like to express our sincere gratitude to all Falck employees for their unwavering dedication and hard work in building and advancing Falck as a healthcare company.

Further, we would like to extend our appreciation to our partners, customers, investors and all other stakeholders for their trust and support. Together, we can help communities and more people live healthy lives around the world.


Niels Smedegaard
Chair of the Board of Directors


Jakob Riis
President and CEO

Key events of the year

Q1

- The corporate strategy Care for More '27 approved by Board of Directors and launched
- Ingrid Bojner appointed new member of the Board of Directors
- Falck launches first electric ambulance in Denmark
- Falck and Swedish Transport Administration partner to use drones for traffic overview
- Falck takes over the training and rehabilitation area in Gribskov municipality, Denmark

Q3

- Running US ambulance contracts in Alameda and Santa Ana were extended
- New healthcare initiative to alleviate the emotional effects of emergency scene witnesses launched with Region Zealand, Denmark
- New partnership to provide virtual consultations to reduce emergency transports in Alameda
- Expansion of ambulance contract in Germany to include Gelsenkirchen
- Partnership with Jump Aero in pioneering drones in critical emergency situations
- Expansion of partnership with large Colombian insurance provider

Q2

- Falck participates in Global Health Summit on challenges to healthcare systems
- Falck launches a new B2C health campaign in Denmark
- Falck launches a range of new features to patient transport services

Q4

- Acquisition of MedConnect A/S (Hejddoktor.dk), a leader in online healthcare in Denmark
- Falck launches a new B2B healthcare solution in Denmark

Outlook 2024

The outlook for 2024 is based on good commercial traction, especially in the Healthcare business, where continued subscription growth, more pay-on-use services and price increases in combination are expected to drive revenue growth. In the Emergency Health and Safety business, however, organic growth will be hampered by contract changes in the European ambulance business.

Profitability is expected to increase in most business areas based on continuous efforts to improve operational efficiencies of Falck's activities, both within Healthcare and Emergency health and Safety. The expected improvement of profitability will more than outweigh further increased investments in costs of digitalisation and other strategic projects. Compared to 2023, this increase is expected to be approximately DKK 75 million.

The outlook for 2024 is based on foreign exchange rates as of end-December 2023. The key currencies that may impact Falck's financial results are USD, COP, SEK and NOK.

Revenue

Falck expects low, single-digit organic revenue growth in 2024 based on continued growth in the Healthcare business, which more than compensates for lower revenue in the Emergency Health and Safety business due to contract changes in Europe.

EBITA

In terms of earnings, Falck expects to improve the EBITA margin compared to 2023. Specifically, an EBITA margin of 4-5% is expected. This is based on expected profitability improvements in both Healthcare and Emergency Health and Safety.

In 2024, Falck expects low, single-digit organic revenue growth and an EBITA margin of 4-5%.



Case

We can provide much better support for the elderly living at home

The Polish government has earmarked USD 10 million for 2022-2024 to help the country's 16 provinces to develop and implement telecare solutions for elderly living in their own home. Falck serves around 10,000 seniors in 11 provinces in Poland, mainly in urban areas, as a subcontractor to the provincial authorities.

"Over the past two to three years, the provinces have rolled out telecare solutions to address the healthcare challenges arising from aging populations, a shortage of medical staff, long waiting times for medical aid and in following the advice of the European Commission in the aftermath of COVID-19 on keeping patients safe and mentally secure by providing more care at home," explains Katarzyna Czajka, managing director of Falck in Poland.

New telecare solutions are primarily provided to elderly people living in their own homes in urban areas. Many of them are living on their own, perhaps after their spouse has passed away, and their adult children are most likely working and living in cities a distance away.

As part of the solution, the elderly person at home wears a Novama teleband on the wrist. It tracks and wires information about blood

pressure, pulse, physical activity, oxygen saturation, fall detection, body temperature and current location. By pushing a button, it is possible to call the emergency number 112 directly.

Support to all from one central unit

The health conditions of elderly living in their own home are closely monitored from Falck's Telecare Centre, which is staffed with paramedics and nurses. They are situated in Warsaw and constitute a central healthcare hub for all provinces.

If the monitoring data from an elderly person gives reason for concern, Falck will immediately reach out to clarify and resolve. Sometimes, a patient calls in with a concern and often it can be handled with advice and mental support over the phone. At other times, Falck will send out a healthcare professional and, in an emergency,



"It would be great if we could establish a common digital platform on which we could gather and share individual healthcare data in a secure manner. This would greatly enhance our ability to remotely support more people and with a much more individualised approach."

Katarzyna Czajka
Managing director for Falck in Poland

the local ambulance operator will be alerted immediately.

Strong healthcare outcomes

The solution is believed to have prevented many instances of unwarranted emergency dispatches and hospitalisations. Furthermore, elderly people living at home feel much more secure, physically and mentally, than if they did not have support.

"This is the conclusion from our close observations of patterns and specific cases – and it has also led the provinces to extend their contracts with us," Katarzyna notes.



Strategy

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Our business model

Our purpose and who we are

"Advance sustainable healthcare to meet people's changing needs"



+25,000 highly skilled professionals present in **26 countries**



Acting as **partner and supplement** to the established healthcare offerings

Our capabilities



Deep understanding of healthcare, safety and customer needs.



High-quality commercial services delivered through long-term contracts and subscriptions.



Excellent operational planning, training, mobilisation and utilisation.

How we serve customers



Preventive Care

We help individuals and organisations stay healthy by working with them to prevent physical and mental health problems and lifestyle-related conditions



Acute Care

We deliver fast and effective care when a healthcare problem arises – ensuring people get the right diagnosis and treatment at the right time, either at home, digitally or in a healthcare facility



Rehabilitative Care

We help people physically and mentally recover after a health-care problem – keeping them safe as we bring them back to good health, so they can thrive in their everyday lives again

The value we create

Ease critical moments

During a crisis, the **right interventions at the right time are critical** to achieve the best outcome. Easing critical moments means **alleviating physical and emotional impact of critical healthcare moments.**

Enable equal access

Today many people **receive insufficient care** due to **financial, cultural and logistical barriers**. Enabling equal access means **delivering inclusive care** to diverse populations and **helping them navigate their care.**


Build resilient communities

Families, organisations and health systems need the **tools to prevent, withstand and recover from healthcare challenges**. Building resilient communities means **ensuring adaptable and sustainable healthcare for individuals and society.**

Our ownership

Majority foundation ownership with long-term commitment to healthcare

Falck has strongholds in three attractive markets




US / California

Market attractions

- California is a "G7-sized economy"¹ with the biggest global per capita spend on healthcare¹
- Big opportunity to bring down spending and strains on healthcare systems with a high willingness to pay and openness to innovation

→ **Falck's position**

- A leading Californian 911 position
- Emerging position within Mobile Health market and similar adjacent services




LATAM / Colombia

Market attractions

- Developing economies with ~ 650m population². Growing middle classes seeking better healthcare services in a market with scarce healthcare resources
- Colombia is the third largest economy in South America, and lack of a publicly funded healthcare system facilitates innovation

→ **Falck's position**

- A leading provider with strongholds in Colombia, offering subscription-based pre- and post-hospital services
- Globally leading digital healthcare services



Europe / Scandinavia

Market attractions

- Mature market with generally publicly funded healthcare systems – challenged financially and capacity wise with high demand for new solutions
- Large, growing and affluent B2B/B2C markets

→ **Falck's position**

- Falck's home market and a position of strength
- A fully integrated pan-Scandinavian healthcare provider
- A partner and a supplement to public healthcare systems
- Expanding EMS positions into the emerging market for mobile healthcare services

¹ California would as an independent country be the fifth largest economy globally (source: Bureau of Economic Analysis, World Bank)

² Source: UN data

Falck makes progress on its strategy and increases investments

The corporate strategy – Care for More '27 – is shaped to consistently strengthen our ability to act as a partner and a supplement to established healthcare systems by addressing accentuating healthcare trends. By doing this, we will deliver on our promise of helping even more people to live a healthy life.

At Falck, it is our ambition to help even more people around the world live healthy lives. This is the thread of our corporate strategy – Care for More '27 – which recognises that we are living in a time with strong megatrends affecting the demand for healthcare services. These must be addressed to counterbalance rising pressure on already stretched healthcare systems and inequalities in the access to healthcare.

Accentuating healthcare trends

The aging of populations is occurring at an unseen pace. This stems from rising life expectancy triggered by ongoing improvements in standards of living and current fertility rates.

In future, there will be more elderly people with a need for care, but fewer hands to do it. Further, healthcare needs are becoming increasingly complex and expensive to manage for healthcare systems with more people having chronic and

multi-chronic conditions. These conditions will manifest at an increasingly younger age and with a higher share of the population in advanced ages.

There are also mounting healthcare needs in other groups in society. For people in the workforce, it can be cumbersome to access relevant and swift healthcare support if the need arises. The implications are, for instance, longer sick leaves and later return to work with full capacity.

Various studies in several countries indicate that, among the younger generations, mental health has become a more troublesome issue than it was some years ago. Disturbingly, the challenge in terms of mental health appears not to be a problem only for the younger generations; Falck's Health Barometer 2023 reveals that one third of Danes across ages are at risk of developing stress or depression.



Care for More '27 is prepared to unfold our purpose to advance sustainable healthcare to meet people's changing needs.

Further, both demand and expectations for healthcare increase with better knowledge and the emergence of new treatments and diagnostic methods. The drive of digitalisation and technology improvements also fosters new solutions – and demands.

The consequence of all these trends unfolding will be further pressure on already overstretched healthcare systems. However, finding solutions to expand supply is not easy given tight availability of healthcare professionals and constraints on government funding.

This calls for innovation of healthcare services through new ways of working with embedded use of technology and digital solutions. Falck's corporate strategy – Care for More '27 – addresses exactly these challenges. The strategy is designed to deliver a response to megatrends that will impact healthcare systems and public health in the coming decades.

As we see it, building robust healthcare systems with capacity to respond sustainably to changing needs, now and in the future, is paramount to safeguarding and building strong societies.

Growing market for healthcare services

The total private market for healthcare services, measured in the geographical areas where Falck operates, is forecasted to grow by an aggregated 4-6% annually in real terms towards 2027. The healthcare market growth rate will surpass the forecasted GDP growth rate in most countries.

While there are similarities in the fundamental challenges and megatrends facing established healthcare systems in Europe, the US and Latin America, it is also obvious that market structures are different.

Each market is shaped by unique historical, cultural, political and economic conditions. As Falck does not have the same market position or service ranges in each key market, the growth potential in each market will be sought captured through relevant approaches within the ambition of Care for More '27.

In the years ahead, Falck will explore the opportunities to build a full pan-Scandinavian presence, offering a complete range of healthcare services in all countries, addressing B2B, B2G, B2I as well as B2C markets. In the US, Falck will primarily expand its running of 911 emergency services and an emerging Mobile Health solution in California. The growth strategy in Latin America is to launch service lines and proactively approach additional potential customers.

Common to all markets, however, is the growing demand and need for integration of digital and technological solutions in our service offerings.

Key components in our strategy

Care for More '27 is prepared to unfold our purpose to advance sustainable healthcare to meet people's changing needs. The route is to assist established healthcare systems as a partner to manage the challenges arising from the visible megatrends and provide supplementary services in the private sector.

The strategic focus is to further grow our established business model to provide preventive, acute and rehabilitative healthcare services to private consumers, companies, organisations and public authorities in selected countries and states in Europe, the US and Latin America. The aim is to achieve long-term sustainable and organic growth supplemented with acquisitions when the fit is right.

On this endeavour, we mainly drive innovation of patient journeys by exploiting the benefits of scale, technology and partnerships. As part of Care for More '27, we have established a significant investment programme aimed at accelerating digitalisation and innovation of healthcare services. The digitalisation has already begun and is structured along a clear roadmap. This will form the backbone for stronger, data-driven business operations, service solutions and customer experiences.

In recent years, Falck has progressed in taking advantage of global models and practices. We aim to further amplify our ability to achieve scale, efficiencies and utilisation of know-how across business units to consistently deliver competitive high-quality solutions across markets.

In so doing, we are strongly committed to sustainability, established targets and the Science Based Targets initiative. It is a cornerstone of the strategy to reduce the climate footprint, while delivering more healthcare services.

That said, the sustainability agenda is much broader, encompassing all parts of our business, and setting direction for topics such as diversity, safe workplace, trust and our role as a partner in resolving the societal issue of pressured healthcare systems.

Sustainability is overly important to us and our stakeholders and is regarded as a precondition for long-term, sustainable business performance. For these reasons, the sustainability strategy is deeply anchored into Falck's strategic business decisions and investments.

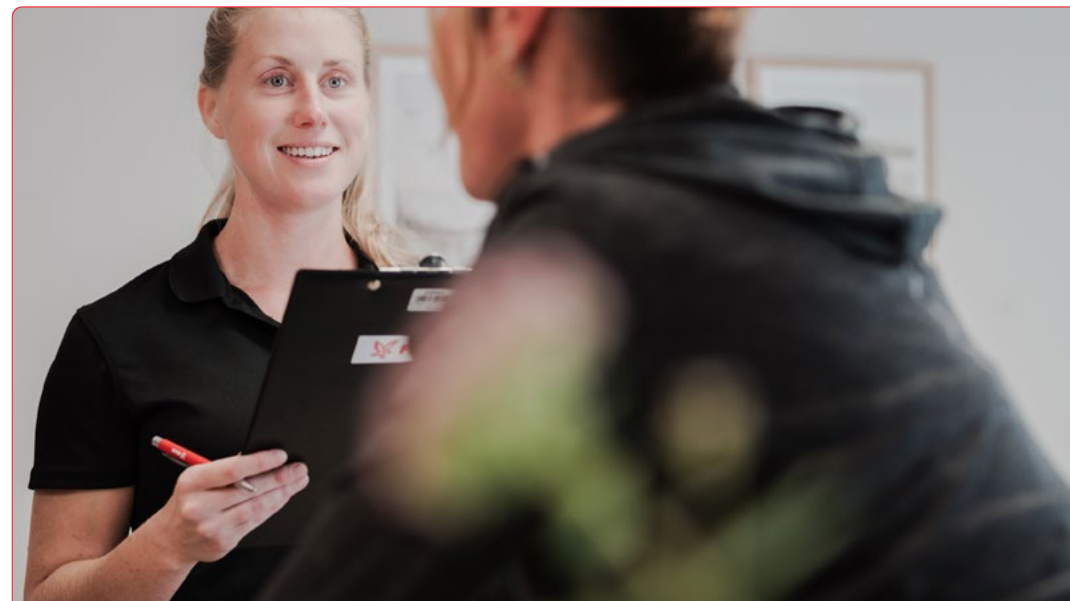
Solid progress on the strategy execution

In 2023, we invested in a wide range of innovation initiatives, usually together with partners, and in further refining our services.

In several markets, we worked intensively with remote patient monitoring and ways for people to stay at home with support, rather than being hospitalised. These operations and innovation projects are aimed to counter the challenge of aging populations and rising healthcare demands.

Another innovation theme has been to boost preventive care to alleviate pressure on the healthcare systems for the long term. On this account, we have launched a pilot on by-stander psychology support in the Danish region Zealand, created new B2B healthcare services in Denmark, and progressed on materialising mobile healthcare services in the US.

Across the business, we have expanded the use of digitalisation and new technologies to enhance opportunities to deliver healthcare to more patients, sooner and in smarter ways. Falck expanded its position within telemedicine at the end of 2023, following the acquisition of MedConnect A/S, which runs a leading online healthcare service in Denmark (Hejdoktor.dk). This acquisition is part of Falck's long-term strategy to disseminate more digital healthcare solutions to curb hospitalisations and increase access to health. This holds a great potential in relation to making healthcare more accessible to more people and accelerate several strategic initiatives.



In 2023, Falck extended and solidified its corporate strategy by replacing the ongoing Care for More '25 with an updated Care for More '27, thereby confirming Falck's strategic direction. This was the outcome of a strategic review of Falck carried out during the autumn of 2022.

The strategic review confirmed the market potential and strategic direction outlined in the ongoing Care for More '25. This formed basis for Care for More '27 and the updated strategy was extended for two years and was officially launched in the Falck organisation at the beginning of 2023.

Case

Making easy access to healthcare a reality for more people in Latin America

Falck's doctor-on-call service supports more than 500,000 citizens in Latin America with easy and affordable access to healthcare. The service is a supplement to the healthcare system and takes strong advantage of virtual tools and early intervention.

Every quarter over the past years, Falck has continuously welcomed more citizens and households in Latin America as new customers for its subscription-based doctor-on-call service.

One of them is Alba Mary Bermudez, a 70-year-old woman from Medellin. She joined back in 2015 and has since used the healthcare service more than 50 times.

Before joining the service, Alba often found herself neglecting her well-being. Getting around and waiting for hours in healthcare institutions had become increasingly difficult. But not only that; there was also the risk of being turned away with an ask to make an appointment.

Alba found a supplement to the healthcare system with Falck's doctor-on-call service. It gives easy and swift access to virtual consultations with a doctor and visits whenever the need is there.

The service eliminates access barriers to healthcare, such as extensive travel, waiting times and multiple visits.

Following a recent session with Falck, Alba called back, saying: "I wish to express my gratitude for the service provided by your doctor and nurse. I am very pleased and grateful for their professionalism, dedication and attention".

In 2023, Falck delivered around 3 million doctor's consultations in Latin America, both virtually and onsite in the countries of Colombia, Ecuador, El Salvador, Panama and Uruguay. The operation is set up with a network of doctors dispersed in various regions. The healthcare packages are offered in different shapes and can include patient transport and ambulance services.

"Easy and swift access to healthcare matters for people's lives. We have found a way to deliver this in a smart and efficient way. It has paved the way to helping more people with their health conditions while also taking out some of the heated pressure on the healthcare system."

Gorka Vígara de Otazu
SVP, Falck LATAM



Performance

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Financial results for the Group

Organic growth was 3.9%, driven by both price increases and subscription growth. EBITA was negatively impacted by divestments and foreign exchange effects. The underlying EBITA was on par with last year despite significantly increased investments in digitalisation and other strategic initiatives.¹

Revenue amounted to DKK 11,913 million (DKK 12,030 million) and was positively impacted by organic growth of 3.9%, driven by price increases and subscription growth, more than offsetting contract volume changes in Ambulance Denmark. Divested revenue had a negative impact on growth of 2.7 percentage points and foreign exchange effects had a negative impact of 2.2 percentage points. As a result, reported growth was negative at 1.0%.

Cost of services (OPEX) decreased by DKK 318 million to DKK 9,253 million due to divestments made last year and foreign exchange effects. The OPEX ratio was positively impacted by the improved operational efficiency and price increases in both the Emergency Health and Safety and the Healthcare business areas. The OPEX ratio decreased by 2.4 percentage points to 77.7%.

Sales and administrative expenses (SG&A) increased by DKK 219 million to DKK 2,230 million, partly driven by increased costs of various strategic initiatives to support the execution of Falck's strategy. In total, these costs amounted to DKK 203 million, of which DKK 153 million related to the digitalisation of Falck, hereof DKK 104 million went to digital foundation work, and DKK 49 million related to business-oriented digital

capabilities. The remaining part of the increase was driven by a combination of salary inflation, higher sales and marketing costs, strengthened commercial capabilities and increased provisions. As a result of the above, the SG&A ratio increased to 18.7% (16.7%).

EBITA was impacted by divestments made in 2022 and foreign exchange effects totalling DKK 35 million. The underlying EBITA was at the same level as last year despite significantly increased costs of digitalisation and strategic projects as described above. This was a result of improved operational efficiency and price increases. As a result, the EBITA margin was on par with last year at 4.1% (4.3%).

Operating profit (EBIT) was DKK 386 million (DKK 1,121 million), adversely impacted by amortisation and special items totalling DKK 98 million. Last year, EBIT was positively impacted by gains from the divestment of businesses of DKK 689 million and by the contribution from public testing activities of DKK 200 million.

Profit for the year was DKK 334 million (DKK 921 million). Net financial expenses increased by DKK 107 million mainly driven by increased interest expenses due to higher interest rate levels. Income

taxes decreased by DKK 255 million impacted by a positive effect from capitalisation of deferred tax assets, mainly in the US. Given the high level of investments in 2023 and the acquisition of MedConnect A/S, the Board of Directors proposes to suspend the ordinary dividend during 2024

Free cash flow after tax was an inflow of DKK 650 million (outflow of DKK 18 million). The cash conversion rate was 134%, positively impacted by the timing of prepayments from fire and ambulance customers at the beginning of the year as well as an extended deadline for payment of withheld employee-related taxes in Denmark.

Equity increased to DKK 4,045 million compared to DKK 3,919 million at 31 December 2022. The increase was due to Profit for the year partly offset by dividend payments of DKK 254 million in February 2023.

Net interest-bearing debt was DKK 3,517 million, compared to DKK 3,208 million at 31 December 2022. The acquisition of MedConnect A/S (Hejddoktor.dk) and dividend payment was almost fully financed by the cash flow from operations during the year.

Net operating assets amounted to DKK 7,562 million, a slight increase from DKK 7,126 million at 31 December 2022. The development was impacted by an increase in intangible assets from the acquisition of MedConnect A/S.

Key figures

DKK million	2023	2022
Revenue	11,913	12,647
Revenue, excl. testing activities	11,913	12,030
EBITA	486	717
EBITA, excl. testing activities	486	517
EBITA margin (%)	4.1	5.7
EBITA margin (%), excl. testing activities	4.1	4.3
Free cash flow after tax	650	(152)
Free cash flow after tax, excl. testing activities	650	(18)

Revenue growth excl. testing activities

Organic (%)	3.9
Acquisitions/divestments (%)	(2.7)
Foreign exchange rates (%)	(2.2)
Reported growth (%)	(1.0)

Free cash flow after tax

DKK million	2023
Cash flow from operating activities	554
Interests etc. paid/received	179
Purchase property, plant, equipment and intangible assets	(204)
Sale of property, plant and equipment	121
Free cash flow after tax	650

1. All numbers in the commentary relating to the components of EBITA and cash flows are stated excluding the financial impact of the public testing activities in Q1 2022.

Emergency Health and Safety

The Emergency Health and Safety business area provides ambulance and fire services in Europe and the US.

Share of Group revenue

63%

Core services

- Ambulance
- Firefighting and prevention
- Healthcare at home
- Patient transportation

Services span across both prevention and treatment. They include emergency response, paramedics services, fire and safety training, firefighting, search and rescue as well as qualified medical transportation services. Falck's service offerings are based on decades of knowledge and experience in delivering highly specialised services and efficient operational planning.

The business area employs approximately 16,400 highly experienced and competent employees that share a passion for helping people in urgent need.

Falck delivers ambulance and fire services to public customers in Denmark, Sweden, Germany, and Spain. In addition, Falck delivers firefighting and prevention to large corporate customers

such as airports or large production facilities across several European markets. Outside Europe, Falck delivers ambulance services in the US, mainly in California but also in Colorado and Oregon.

All customers are serviced based on long-term contracts of three to seven years that define the services, quality level and payment terms. In the US, revenue is generated on a pay-on-use basis given contractually defined prices, whereas revenue for services in the European markets is based on a mix of fixed price contracts and pay-on-use revenue models.



Emergency Health and Safety operates in three business segments:

	Services	Market presence	Number of FTE's
Ambulance Europe	<ul style="list-style-type: none"> • Ambulance • Healthcare at home • Patient transportation 	Denmark, Germany, Poland, Spain and Sweden	6,251
Ambulance US	<ul style="list-style-type: none"> • Ambulance • Patient transportation 	California, Colorado and Oregon	2,843
Fire services	<ul style="list-style-type: none"> • Firefighting and prevention 	Belgium, Brazil, Denmark, France, Germany, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the UK	2,469

Performance in Emergency Health and Safety

Organic growth was mainly driven by higher prices and activity in the US business. Despite investments in commercial capabilities, EBITA increased due to price increases and improved operational efficiencies.

Revenue increased to DKK 7,564 million (DKK 7,378 million) and was positively impacted by underlying organic growth of 4%, driven by price increases carried out in response to an elevated cost inflation level during the past two years as well as increased activity in the US. In combination, this made up for lower revenue in Denmark resulting from contract changes. Foreign exchange effects had a negative impact of 1.5 percentage points, mainly stemming from USD and SEK. As a result, reported growth was 2.5%.

Staff shortages have been a fundamental challenge throughout the year. While there have been no material changes to external conditions in neither the US nor in Europe, staffing still gradually improved during the year as a result of focused efforts from Falck. In combination with other initiatives, this led to an improved operational performance in the second part of the year and, in turn, fewer lost trips and better performance at a higher level of compliance with contract requirements. These positive effects had a certain positive impact on both revenue and costs in the second part of the year.

Cost of services (OPEX) decreased by DKK 79 million to DKK 6,272 million, most of which was due to foreign exchange effects. The underlying decrease was mainly driven by lower activity levels in Europe. The OPEX ratio decreased by 3.2 percentage points to 82.9% due to both price increases and improved operational efficiencies.

Sales and administrative expenses (SG&A) increased by DKK 184 million to DKK 921 million, driven by salary inflation and strengthened commercial and operational planning capabilities. This included strengthened recruitment and retention, aiming at harvesting synergies and reduce costs related to staff shortages across Falck's ambulance operations in Europe and the US. In addition, SG&A was negatively impacted by increased provision for bad debt due to higher prices and activity levels in the US. As a result, the SG&A ratio increased to 12.2% (10.0%).

EBITA increased to DKK 387 million (DKK 310 million) driven by price increases and improved operational performance, mainly in the US, which more than made up for the increase in SG&A. As a result, the EBITA margin improved to 5.1% (4.2%).

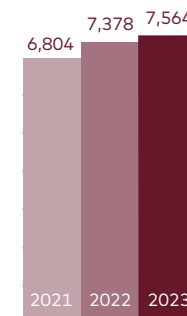
Key figures

DKK million	2023	2022
Revenue	7,564	7,995
Revenue, excl. testing activities	7,564	7,378
EBITA	387	510
EBITA, excl. testing activities	387	310
EBITA margin (%)	5.1	6.3
EBITA margin (%), excl. testing activities	5.1	4.2

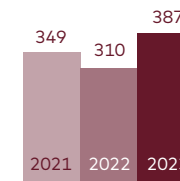
Revenue growth excl. testing activities

Organic (%)	4.0
Acquisitions/divestments	-
Foreign exchange rates	(1.5)
Reported growth	2.5

Revenue DKK million
Excl. testing activities



EBITA DKK million
Excl. testing activities



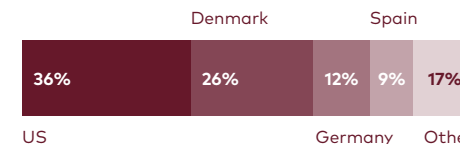
Organic growth %

4.0

EBITA margin %

5.1

Revenue by geography %



Revenue by contract type %



Healthcare

The Healthcare business area provides a strong and diverse offering of healthcare services to supplement and work in tandem with established healthcare systems in Europe and Latin America.

Share of Group revenue

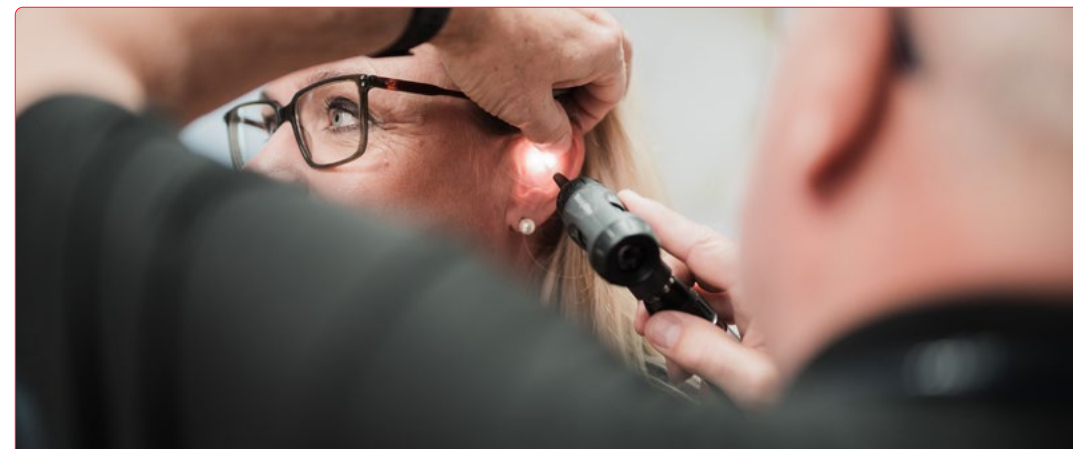
37%

Core services

- Doctor-on-call
- Emergency travel assistance
- Fire prevention
- First aid courses and kits
- Labour market services
- Mental healthcare (e.g. psychologist)
- Occupational health services
- Patient transportation
- Physical healthcare (e.g. physiotherapy)
- Roadside assistance

Services span across prevention, treatment and rehabilitation and include e.g., health and safety training, organisational health checks and courses, emergency travel assistance, patient transport services, treatments and consultation performed by psychologists, physio therapists, nurses, and doctors – both in person and virtually. The services also include rehabilitation services to municipalities and corporates towards individuals who need help and support to re-join the labour market after illness or accidents. Throughout its service offerings, Falck leverages its approximately 8,300 highly skilled and competent employees and a vast network of external specialists.

Falck operates its healthcare services both in the Nordic region, where Falck has a leading position, and in Latin America where Falck is among the prominent market participants with a continuously growing presence. Falck's relationship to its customers is dominated by subscription models for private customers in mainly Latin America and Denmark, whereas corporates, municipalities, insurance companies and pension funds are serviced based on framework agreements covering the services that are delivered on a pay-on-use basis.



Healthcare business area operates in three business segments:

	Services	Market presence	Number of FTE's
Employer and Labour Market services (ELM)	<ul style="list-style-type: none"> • Occupational health services • Labour market services • Mental healthcare • Physical healthcare 	Denmark, Norway and Sweden	1,871
Consumer and Technical services (CTS)	<ul style="list-style-type: none"> • Emergency travel assistance • Fire prevention • First aid courses and kits • Patient transportation • Roadside assistance • Mental healthcare • Physical healthcare 	Denmark. Emergency travel assistance services are supported out of Denmark, Norway, Finland, the US, India, Turkey, Spain and Thailand.	1,380
Community Health services (CHS)	<ul style="list-style-type: none"> • Doctors-on-call services • Patient transportation 	Colombia, Ecuador, El Salvador, Panama and Uruguay	3,660

Performance in Healthcare

Organic growth was driven by price increases and subscription growth. EBITA increased due to improved operational efficiency in the pay-on-use-based healthcare services in the Nordics.

Revenue amounted to DKK 4,354 million (DKK 4,347 million) and was positively impacted by organic growth of 3.6%, driven by price increases and continued subscription growth, mainly in Latin America. The macroeconomic condition in the first half of the year, especially in Sweden, led to a weak and volatile demand for healthcare services to corporate and public customers. However, the demand was still higher than last year, which also contributed slightly to the organic growth. The positive organic growth was offset by the significant negative impact from foreign exchange effects (from SEK, NOK and COP). As a result, reported revenue growth was 0.1%.

Cost of services (OPEX) decreased by DKK 29 million to DKK 2,927 million. The decrease was driven by foreign exchange effects. The underlying cost development was flat due to diligent capacity adjustments in Nordic healthcare services for corporate and public customers. The result of these efforts cancelled out the increased costs from higher activity levels and frequency of use in the subscription-based business-to-consumer activities. The capacity adjustments in the Nordics in combination with

general operational efficiency improvements had a positive impact on the OPEX ratio, which was reduced by 0.8 percentage point to 67.2%.

Sales and administrative expenses (SG&A) decreased by DKK 5 million to DKK 877 million due to foreign exchange effects of approximately DKK 22 million. The underlying increase was driven by strengthened sales efforts within the subscription-based healthcare services in Latin America. The SG&A ratio was on par with last year at 20.1% (19.8%).

EBITA increased by DKK 26 million to DKK 552 million despite foreign exchange headwinds of approximately DKK 14 million. The improvement was driven by a combination of price increases, subscription growth and operational efficiencies as described above. Consequently, the EBITA margin increased by 0.6 percentage point to 12.7%.

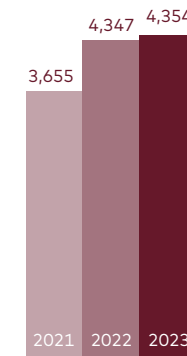
Key figures

DKK million	2023	2022
Revenue	4,354	4,347
EBITA	552	526
EBITA margin (%)	12.7	12.1

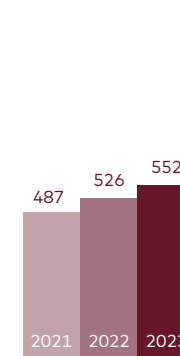
Revenue growth

Organic (%)	3.6
Acquisitions/divestments	0.1
Foreign exchange rates	(3.6)
Reported growth	0.1

Revenue
DKK million



EBITA
DKK million



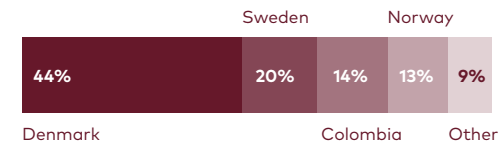
Organic growth %

3.6

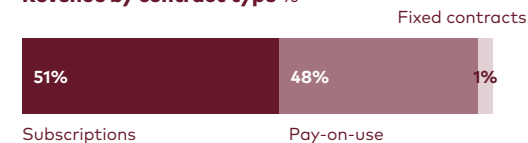
EBITA margin %

12.7

Revenue by geography %



Revenue by contract type %



Q4 financial results

Organic revenue growth was 5.2%, driven by price increases and subscription growth. EBITA was higher than last year, driven by price increases and operational efficiencies.

Revenue was DKK 3,139 million (DKK 3,030 million), positively impacted by organic growth of 5.2%, driven by price increases and subscription growth. Foreign exchange effects had a negative impact of 1.8 percentage points, mainly stemming from lower prices on USD and SEK exchange rates. As a result, reported growth was 3.6%.

Cost of services (OPEX) increased by DKK 5 million to DKK 2,403 million due to higher activity levels mainly within subscription-based healthcare services. Despite this increase, the OPEX ratio improved considerable to 76.5% (79.1%) as a result of price increases and operational improvements.

Sales and administrative expenses (SG&A) increased by DKK 92 million to DKK 626 million mainly due to a combination of salary inflation, increased sales and marketing costs and strengthened commercial capabilities in general as well as an increase in provisions for bad debt due to higher prices and activity in Ambulance US. Costs related to digitalisation and other strategic initiatives to support the execution of Falck's strategy amounted to DKK 69 million. Last year, the amount was DKK 72 million, of which a large part was related to global rebranding. The SG&A ratio increased to 19.9% (17.6%).

EBITA increased by DKK 7 million to DKK 125 million driven by price increases and the operational efficiencies described above. The EBITA margin was on par with last year at 4.0% (3.9%).

Free cash flow after tax was an outflow of DKK 209 million (outflow of DKK 210 million), corresponding to a cash conversion rate of 167%. Cash conversion was adversely impacted by the build-up of trade receivables and reduced contract liabilities, both subject to ordinary seasonality.

Key figures Q4 2023

DKK million	2023	2022
Revenue	3,139	3,030
EBITA	125	118
EBITA margin (%)	4.0	3.9
Free cash flow	(209)	(210)

Revenue growth

Organic (%)	5.2
Acquisitions/divestments (%)	0.2
Foreign exchange rates (%)	(1.8)
Reported growth (%)	3.6

Free cash flow after tax

DKK million	2023
Cash flow from operating activities	(207)
Interests etc. paid/received	44
Purchase property, plant, equipment and intangible assets	(63)
Sale of property, plant and equipment	16
Free cash flow after tax	(209)

Case

We help companies build healthy workplaces

Falck provides advice and occupational healthcare services to companies willing to invest and build healthy, safe, and sustainable workplaces. Common benefits are reduced sick leave rates, increased workplace productivity and faster rehabilitation. Many large industrial companies in Sweden partner with Falck to deliver on their high standards.

Falck is Sweden's most comprehensive provider of health and work-life services with more than 1,000 experts at over 100 locations nationwide. With a share of approximately one third of the market for occupational healthcare, Falck helps more than 1.2 million employees with their healthcare needs. The customer base is broad – ranging from small businesses to large Swedish industrial heavyweights. AstraZeneca, a British and globally operating, science-led biopharmaceutical company, is a strategic partner of Falck.

AstraZeneca works broadly and systematically with Falck on employee health and safety, workplace culture and work environment in order to build motivation and job satisfaction and to create a sustainable workforce.

Christina Sanders, Health & Wellbeing Director at AstraZeneca, is convinced that the efforts benefit productivity.

"Healthy employees are a prerequisite for good results, and it also benefits the company to have a clear and prioritised health strategy when it comes to recruiting and attracting new employees," says Christina.

Building a tailored healthcare strategy

Falck contributes to the development of health and safety strategies tailored to a company's needs by identifying, analysing and describing the connections between work environment, organisation, productivity, health and safety.

"We offer concrete support on systematic work environment management, leadership and organisational development, health, rehabilitation and crisis management. Our services are aimed at employees, managers and organisations to create a sustainable corporate culture and a health-promoting and safe workplace," says Carina Reidler, Managing director for Falck in Sweden.



"Together, we contribute to sustainable workplaces and a long work life across all industries and professions."

Carina Reidler
Managing director for Falck in Sweden

She further explains that a well-functioning occupational health service is an important factor in successfully building a healthy workplace in which employees thrive in their work and feel safe and secure in their work environment. At Falck, work environment management includes considerations of social, organisational and physical conditions in the workplace.

Delivering such support requires pooling different competencies and specialist knowledge within areas such as work organisation, industrial hygiene, behavioural science, ergonomics, medicine, rehabilitation and technology.

Consequently, Falck's team includes occupational health engineers, behavioural scientists, ergonomists, physiotherapists, occupational health physicians, occupational health nurses, health economists, health promoters, organisational consultants, psychologists and telephone nurses.

Sustainability

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Advancing sustainable healthcare

As healthcare systems around the world are facing increasing pressure, there is a growing need to implement and scale sustainable healthcare solutions. Our sustainability strategy seeks to advance healthcare while simultaneously reducing climate impact.

People's health is the foundation for a healthy and prosperous society, and the World Health Organisation (WHO) Constitution (1946) envisaged almost a century ago that "... the highest attainable standard of health as a fundamental right of every human being". In addition, the WHO acknowledges a legal obligation on states to ensure access to timely, acceptable and affordable healthcare. This topic is as relevant today as ever before.

Globally, healthcare systems are facing pressure from challenges such as increased multi-chronic patients, ageing populations and an ever-growing consumerisation of health. For example, chronic diseases kick in at a younger age¹ and the proportion of elderly (60+) in the global population is expected to increase to 17% by 2030 and 22% by 2050 (WHO²). At the same time, the healthcare sector currently accounts for 4-5% of global CO₂ emissions³.

As we look towards the future, innovation is crucial for maintaining and improving the quality of services delivered to patients. Every day, our +25,000 highly skilled professionals at Falck take action to improve people's health across 26 countries. We are both a partner and a supplement to the established healthcare systems, continuously aspiring to:

- Alleviate the distress and negative impact of critical healthcare moments
- Enable equal access to deliver accessible care to diverse populations
- Build resilient communities to ensure adaptable and sustainable healthcare for individuals and society

We are committed to helping resolve both current and emerging public health challenges while addressing climate issues. This is reflected in our business model, business strategy and sustainability strategy.

Delivering on our sustainability strategy

With our sustainability strategy, we are responding within areas with the greatest societal impact, and back that up with targets and KPIs across our business. We commit to:

- Enhance healthcare access
- Reduce climate impact
- Secure diverse and safe workplace
- Build trust

In 2023, we contributed to society by delivering 9.4 million services, achieving a slight reduction in emissions from our fleet (scope 1), progressing on our baselines for submitting Science Based Targets, increasing the engagement significantly across Falck, and continuing to have a satisfying whistle-blower reporting ratio.

In 2024, we will:

- Continue to optimise operations, reinvent services and transform systems
- Submit Science Based Targets for all scopes, and thereby extend our commitment to the end-to-end value chain
- Continue to implement CO₂ reduction initiatives for our operations and value chain
- Continue to take good care of ourselves and work with Diversity & Inclusion and safety initiatives
- Increase data maturity, continue with limited assurance of selected ESG targets and implement more automated reporting processes
- Finalise a Double Materiality Assessment and prepare for the implementation of Corporate Sustainability Reporting Directive (CSRD)

Getting ready for CSRD

Throughout 2023, we worked towards preparing Falck for the Corporate Sustainability Reporting Directive (CSRD), in particular the sustainability reporting standards as approved by the EU Commission in 2023. The CSRD will apply to Falck from 2025.

An ESG data and reporting programme to ensure CSRD readiness has been established securing governance and strategic direction. In addition, a gap analysis has been prepared highlighting areas where we might need to improve reporting to comply with the CSRD. This has been followed up by a structured plan for 'gap-closing'.

We also started preparing an extended Double Materiality Assessment and will finalise it in 2024. With this, we will have the overall direction for the most important and material sustainability topics within the CSRD, as we thoroughly are assessing both our impact materiality (positive and negative) and financial materiality (risks and opportunities) in line with the reporting standards.

To ensure data quality and efficiency, we are also strengthening the ESG data foundation by establishing an ESG data warehouse with data collection from both internal and external sources. Furthermore, the reporting production process will be automated to a larger extent.

1. Source: Zheng, H. Are Recent Cohorts Getting Worse? Trends in US Adult Physiological Status, Mental Health, and Health Behaviors Across a Century of Birth Cohorts. American Journal of Epidemiology (2021)
 2. Source: World Health Organization Data Portal for Ageing, <https://platform.who.int/data/maternal-newborn-child-adolescent-ageing/ageing-data/ageing---demographics>
 3. Source: https://noharm-global.org/sites/default/files/documents-files/5961/HealthCaresClimateFootprint_092319.pdf

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. Our stakeholders cover a broad range: customers (B2G, B2I, B2C and B2B), employees, politicians, institutions, media and society at large.

Sustainability risks are wide-ranging and can emerge in various aspects. Risks associated with human rights, labour rights, environment and corruption are addressed through the application of a risk assessment methodology on an individual basis.

We are in the process of preparing an extended Double Materiality Assessment (impact and financial materiality) in compliance with the new Corporate Sustainability Reporting Directive (CSRD). This will guide us further in prioritising our sustainability efforts and reporting. The CSRD will apply to Falck from 2025.

Our strategy mainly impacts four SDGs

Our sustainability efforts are mostly supporting and contributing to four of the UN Sustainable Development Goals (SDG), namely:



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 enhance access to healthcare.



SDG 13 Climate action. We want to reduce the climate impact of 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. Our employees are our most important asset, and we want to secure a diverse and safe 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

Accessible healthcare

What are the main areas affecting our stakeholders

- Unequal healthcare access
- Inadequate elderly care
- Prolonged sick leave periods
- Outbreaks of diseases and pandemics
- A healthcare system designed around reactive rather than proactive healthcare

Why it matters to our business

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

- Adverse impact on public health from climate changes
- Disruptions of healthcare provision due to acute weather events
- Shortage of resources and regulatory changes in the value chain

Responding to climate change requires us to continuously reduce emissions and invest in new ways to deliver our services in a more sustainable way.

Workforce availability

- 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

- Patient safety and trust
- Unethical business behaviour
- Data protection
- Cumbersome patient journey

People rely on us, and that requires us to be a trusted business partner to the local authorities and communities we serve.

Our sustainability strategy

Our purpose

Advance sustainable healthcare to meet people's changing needs

What we strive for to advance sustainable healthcare

Ease critical moments to alleviate the distress and negative impact of critical healthcare moments

Enable equal access to deliver accessible care to diverse populations

Build resilient communities to ensure adaptable and sustainable healthcare for individuals and society

Our sustainability commitments



Enhance healthcare access
• Deliver services to society



Reduce climate impact
• Reduce CO₂
• Submit Science Based Targets



Secure diverse and safe workplace
• Promote employee engagement
• Ensure gender diversity and inclusion
• Improve safety performance



Build trust
• Ensure code of conduct training
• Secure whistle-blower reporting ratio

How

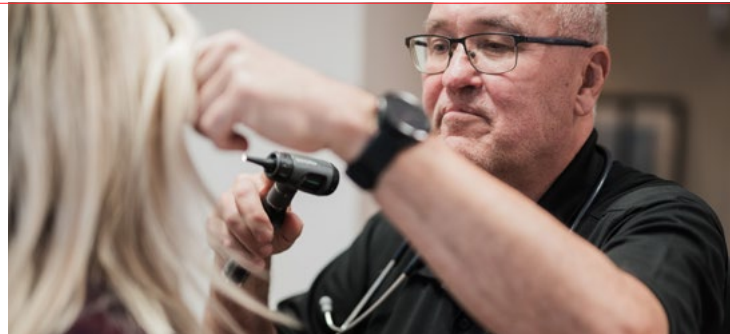
Transform systems
Reinvent services
Optimise operations

How we work to advance sustainable healthcare



Transform

Transform systems to realise strong and sustainable patient care



We shape and influence the established healthcare system. We are developing new care models, like monitoring and caring for patients outside of hospitals.

Reinvent

Reinvent services to deliver our patient care in smarter ways



We rethink how our services can deliver enhanced patient care. We are adjusting our care models to integrate new tools and capabilities like telehealth and early intervention.

Optimise

Optimise operations to reduce the negative impact of our patient care



We consistently make improvements to our operations to match new standards. We are reducing emissions by converting to alternative energy sources.

Enhance healthcare access

Delivering healthcare services for people and society



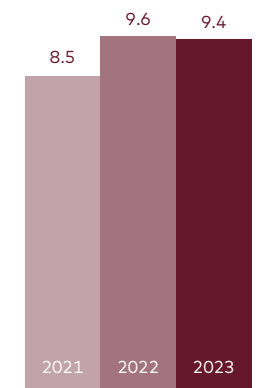
Our commitment

Every day, we go to work to improve and save lives, and we want to innovate and enhance access to healthcare.

Our KPI and progress

Services delivered

Million



What we did in 2023

- Delivered around 26,000 services on a daily basis, saving and improving lives
- Innovated to optimise, reinvent and transform our healthcare services
- Launched the first health barometer on mental health in Denmark based on a population survey
- Initiated a mobile health project in the US to serve more through virtual consultations
- Engaged in innovative partnership on monitoring in Denmark
- Started a project supporting bystanders in emergency situations

We create value in society by delivering services that help to ease critical moments, enable access and build resilient communities. The number of services is a key part of our sustainability strategy. Every time we prevent an accident, complete a trip, give a treatment or provide one of our rehabilitation services, we usually improve the life of at least one person – in some cases with profound effect.

Our highly skilled staff delivered 9.4 million healthcare services in 2023, which was a minor decrease compared with last year. However, the number of services delivered remains consistently high and stable.

9.4 million services delivered in 2023

Preventive, acute and rehabilitative care

Our services can broadly be categorised in three main areas, all playing a crucial role for improving health:

- Preventive care aims to prevent illnesses, injuries or accidents before they occur (i.e. health education programmes, occupational health and first-aid/safety training).
- Acute care aims to relieve people suffering from an illness, condition or accident (i.e. ambulance services, physical and mental health treatments).
- Rehabilitative care aims to help people recover and regain their abilities after suffering from

an illness, injury or accident (i.e. physical therapy to help regain strength and mobility, occupational therapy to help people regain the skills needed for daily living and working and follow-up mental health services to help people recover from mental health conditions).

Across our organisation, we delivered the majority of our services within acute care, thereby supporting many people in their time of most need. This includes e.g. ambulance services and virtual consultations. Our preventive services account for another large part of our services, which is important in helping people to avoid critical health situations. Although our rehabilitative care services are not as prevalent, they are equally important as they help individuals recover and regain their independence, often through physical or occupational therapy.

Proportion by type of healthcare service



Making a difference every day

When looking into where Falck has changed the volume of healthcare services provided in 2023, it is clear that:

- The highest increase is seen within Emergency travel assistance, due to increased travel activity in 2023.
- Within Community Health services, the number of consultations provided has slightly decreased. Virtual consultations have dropped by 15%, while the number of physical consultations has risen by 3%. This is a consequence of COVID-19 restrictions in 2022, which shifted many physical consultations to virtual. This trend was reversed in 2023 as COVID-19 restrictions were lifted, but it also resulted in a lower number of services provided in total.
- Within Ambulance services, the number of trips has decreased by 71,000 partly due to natural fluctuations in demand, but also due to a loss of some ambulance contracts

We truly believe in optimising, reinventing and transforming the services we deliver across the globe, and therefore we expect to see movements in numbers across the different services we provide. One way of reinventing services is to deliver virtual consultations instead of providing them physically. In many cases this is faster, more efficient and also less CO₂ intensive. A way to transform systems is for example to monitor chronic patients at home to avoid a critical acute situation from occurring, and thereby minimise the need for sending an ambulance.

Note: For more information see the ESG Accounting Policies.

Services delivered

	2023	2022	2021
Total	9,436,000	9,590,000	8,497,000
Healthcare	6,003,000	6,087,000	5,224,000
Community Health services			
Virtual consultations	948,000	1,118,000	828,000
Physical consultations	1,919,000	1,860,000	1,557,000
Other services	215,000	252,000	173,000
Consumer and Technical services			
Patient transport trips	461,000	430,000	436,000
Roadside assistance trips	260,000	286,000	316,000
Emergency travel assistance cases	124,000	96,000	47,000
Preventive services and training	624,000	619,000	595,000
Employee and Labour Market services			
Physical treatments	491,000	446,000	498,000
Psychological treatments	253,000	239,000	235,000
Occupational health services	708,000	741,000	539,000
Emergency Health and Safety	3,433,000	3,503,000	3,273,000
Ambulance services			
Ambulance trips	3,410,000	3,481,000	3,254,000
Fire services			
Interventions/call-outs	23,000	22,000	19,000

Innovative partnership preventing hospitalisations

A new public/private partnership was launched in 2023 with FIERS – Life Science Innovation Denmark, Roche Diagnostics Denmark and the hospital in Nykøbing Falster, Denmark. The overall purpose of the partnership is to reduce hospitalisations and move treatments into people's own home. In Denmark, and in many other countries, one of the major challenges within healthcare is that more people are diagnosed with one or more chronic diseases that require continuous monitoring and treatment.

This new partnership will establish a model that can ensure that vulnerable patient groups with, for example, heart or lung diseases will get help faster, to avoid deterioration and hospitalisation. In this and other partnerships we use technologies to transform systems to benefit the quality of life of our patients whilst reducing our use of resources, for example by limiting the number of ambulance trips and healthcare personnel involved in situations that become critical if not reacted on in due time.

Mobile healthcare and virtual consultations to care for more people in the US

In 2023, we continued developing our new mobile health service in California, the US. Based on insights gained from mapping the patient experience from our 911 ambulance services in 2022, we identified a significant number of low-acuity medical calls. This led us to develop a new, innovative acute care model which allows us to provide urgent but lower acuity healthcare services directly to patients in their own home – bringing care closer to the patient and reducing logistical barriers to care access. Through 2023, the mobile health service was further developed to prepare for launch in early 2024. A lot of focus was placed on defining the clinical care of the service and the clinical capability needs to achieve patient care at home and therefore diverting cases away from the emergency department.

In addition to our mobile health service, we launched a partnership with MD Ally (a company that enables digital health ecosystems) in the US. This collaboration allowed us to integrate virtual consultations into our 911 services, specifically in Alameda County. Through virtual care, patients calling 911 can access a range of services, including prescription refills and



delivery, scheduling doctor's appointments, arranging treatment at urgent care centres, accessing social services, mental health services and assistance with transportation. By redirecting eligible patients to virtual care, we can better allocate our resources to emergencies that require immediate attention, ensuring that our response is swift and effective. This not only meets the diverse needs of our patients by providing them with the right healthcare options, but also enhances the quality of care we deliver, resulting in an overall more efficient emergency response system.

Helping bystanders in critical situations

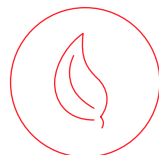
In 2023, we launched a new healthcare initiative designed to alleviate the psychological effects experienced by bystanders at emergency scenes. This was launched together with Region Zealand, a large public-sector customer. In Denmark alone, more than 200,000 acute illness or injury cases require an ambulance response each year, and these incidents can affect all people present at the scene, not just the patients. This is not only the case for Denmark but is mirrored in many other countries as well.

Bystanders such as relatives, friends, acquaintances and strangers play a crucial role during an emergency: they call for help, provide first aid and take care of the patient until the ambulance arrives. During an emergency, we are naturally focused on the patient. However, a study conducted by Falck shows that 24% of bystanders experience difficult psychological symptoms and proper early psychological intervention may prevent severe and prolonged illnesses. Therefore, Falck's psychologists and paramedics have developed a new initiative that gives bystanders access to help when they have been part of an emergency. Our ambulance staff from stations across Region Zealand, Denmark, tested and distributed cards with advice and guidance on how to best take care of oneself after an emergency. The card also offers bystanders a follow-up phone call with one of Falck's psychologists. It was tested over a period of 10 weeks and was assessed to help those who participated.

During an emergency, we are naturally focused on the patient. However, a study conducted by Falck shows that 24% of bystanders experience difficult psychological symptoms

Reduce climate impact

Still reducing our CO₂ emissions



Our commitment

We want to reduce adverse impacts from our fleet, and submit Science Based Targets covering our value chain.

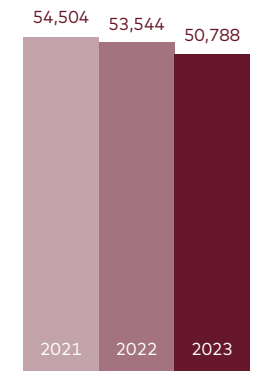
Our targets and progress

Reduce CO₂

Reduction of CO₂e (scope 1)

50% in 2030

(Baseline 2021)

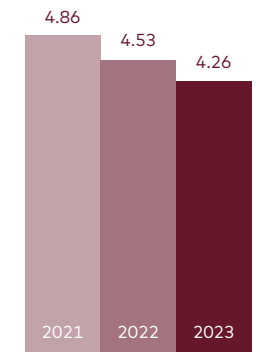


Reduce CO₂ relative

CO₂e tonnes/revenue (DKK million)

1.88 in 2030

10% y-o-y reduction (Baseline 2021)



What we did in 2023

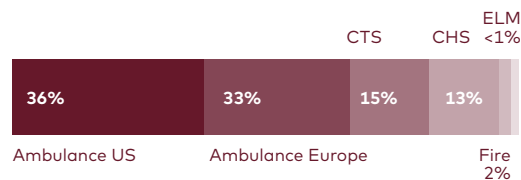
- Moved closer to full baselines for scope 1, 2 and 3. Current scope 1 baseline extended to scope 2 and 3 (entire value chain)
- Launched the first electric ambulances in Denmark and in Spain
- Launched a green and safe driving behaviour programme in Denmark based on vehicle telematics (automated driving behaviour data)
- Continued the electrification of our passenger car fleet
- Established an Environmental Board and team to drive CO₂ reductions initiatives
- Disclosed climate data to CDP, the world's largest transparency platform for environmental data

Health and climate are highly interlinked, and 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 to reduce climate impact alongside advancing healthcare. For several years, we have worked to reduce CO₂ emissions from our fleet, our single biggest direct source of emissions (scope 1). We also have an impact on scope 2 (through the usage of heating and electricity) and scope 3 emissions (through our value chain), which is why we committed to Science Based Targets initiative and for which we will set targets no later than in 2024.

Looking specifically at our direct emissions, our major challenge is that about 75% of our scope 1 carbon emissions originate from Ambulance Europe, Ambulance US and ambulances within Community Health services, where electrification and a green transition are especially challenging due to the high operational requirements of ambulance vehicles.

Fleet operations (scope 1 emissions) per business unit



CO₂ emissions from fleet decreased

Although the green transition of the ambulance business is impeded by the lack of feasible technological solutions, we have set an ambitious target for reducing our direct emissions (scope 1) by 50% in 2030 with 2021 as the baseline.

In 2023, we managed to reduce our CO₂ emissions in scope 1 slightly from 53,544 tonnes in 2022 to 50,788 tonnes in 2023, indicating a 5.1% decrease. Since the baseline year 2021, we have lowered our CO₂ emissions by a total of 6.8%. These reductions are a consequence of changing operational requirements, the electrification of small vehicles, and minor reduction initiatives.

To support this trajectory, we aim to make our fleet for seated patient transportation 100% electric by 2027. We are also piloting the electrification of ambulances, although this is subject to significant innovation in battery technology. In 2023, we began operating one electrical ambulance in Denmark and one in Spain.

In addition, to strengthen our efforts on CO₂ reductions, we have established the Environmental Sustainability Board, which consists of four Executive Management members. Also, a new team has been established to support CO₂ reduction initiatives.

Relative CO₂ emissions decreased

As a supplement to the absolute CO₂ reduction target, we have also set a relative target to measure our ability to reduce the climate impact of our individual services. We aim to lower the ratio of our total scope 1 CO₂ emissions to total revenue per year to 1.88 tonnes CO₂ per DKK million by 2030 (equal to a 10% reduction year-on-year).

The ratio recorded for 2023 shows that we are still on track for this target as the relative number decreased by 5.9% from 4.53 in 2022 to 4.26. We will continue to explore ways to make progress, optimising our operations, and reinventing services and transforming systems as we firmly believe we can continue delivering high quality healthcare services whilst reducing CO₂ emissions.

Further progress on the Science Based Targets baseline

In 2023, we made further progress on the Science Based Targets initiative based on our 2022 commitment. We have progressed on our baselines for scopes 1, 2 and 3, and are now ready to define CO₂ reduction pathways in line with the Paris Agreement and to align as necessary according to climate science to limit the global temperature rise to 1.5°C.

The baseline work has made it even clearer that we have a major CO₂ footprint in our value chain. We consume energy in buildings, we use equipment in our ambulances, we buy goods and services, and our employees commute and go on business travel, all of which is included in the scopes 1-3 guidelines of the Greenhouse Gas Protocol Accounting and Reporting Standard.

As part of getting these baselines in place, we are establishing processes for categories as diverse as the waste generated by our operations, how our employees commute to work, and emissions when our products are used by customers. Our most significant category is Purchased Goods & Services, including varied products such as medical consumables, IT equipment and the production of our vehicles.

Estimated split of CO₂ emissions per scope

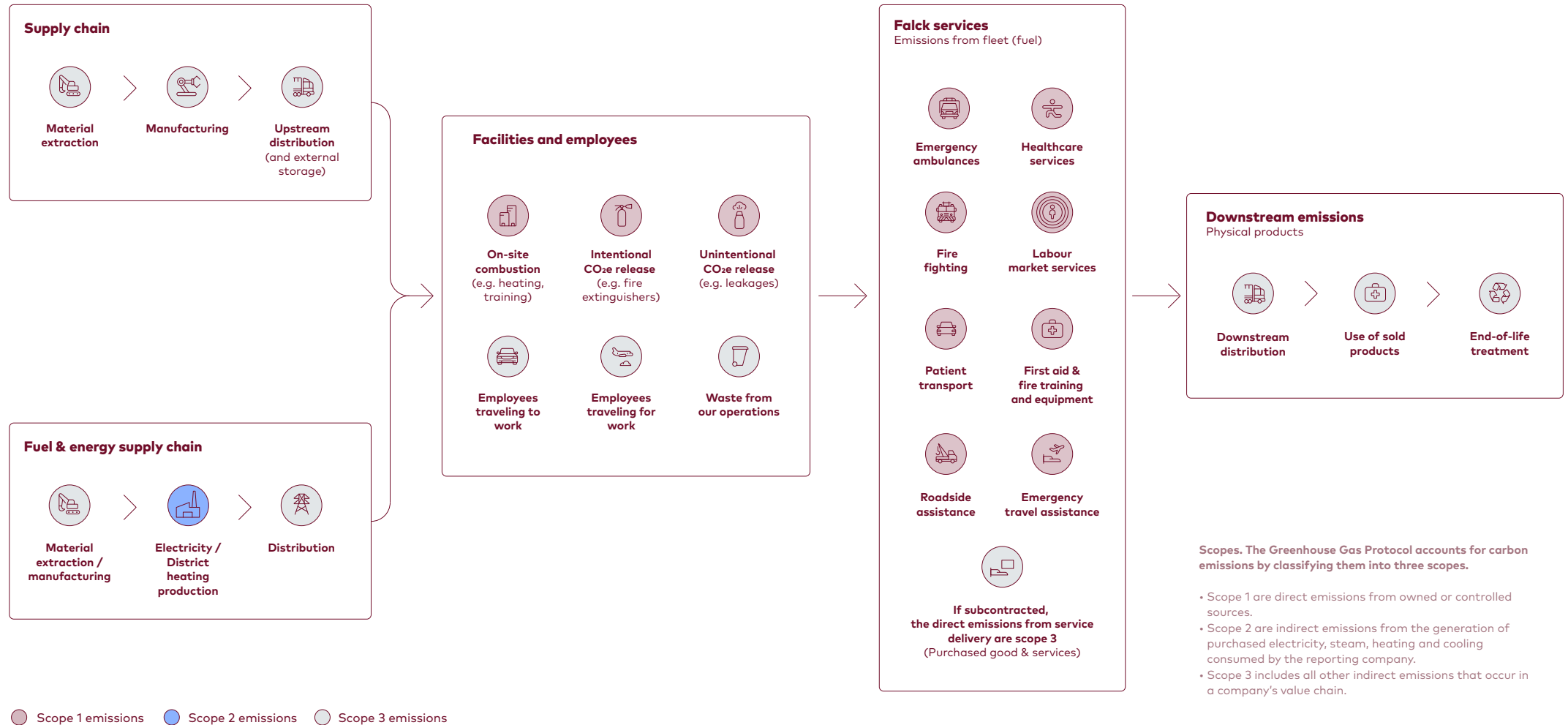
CO ₂ emissions	Estimated split
Scope 1 emissions	25%
Scope 2 emissions	5%
Scope 3 emissions	70%

ISO 14001 environmental recertification

In 2023, we received a recertification of our ISO 14001 environmental management multi-site certification. This certification is now applicable for the next three years until 2026. 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 Portugal, Romania, Spain, the Netherlands and the UK, and for our headquarters in Copenhagen, Denmark.

CO₂ emissions deriving from the entire value chain



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

- Scope 1 are direct emissions from owned or controlled sources.
- Scope 2 are 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.



Testing electric ambulances in Denmark and Spain

A major milestone was achieved in the beginning of 2023, when we launched Denmark's first electric ambulance. The weight and available space have been optimised for an operational and scalable electric ambulance, capable of responding to all types of emergency calls. In Spain, we have developed an electric patient transport vehicle, and with the two vehicles we are now gaining experience, which is supporting our goal to convert more ambulances to run on electricity. The experiences from the electric ambulance will help to shape and mature the technology so that knowledge is obtained about how electric ambulances may become part of ambulance operations in the future.

We want to promote the green conversion of ambulances and have a long-term strategy of converting ambulances to run on electricity and other renewable energy sources in line with the maturity of the technology.

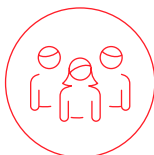
Green and safe driving behaviour

Some of our vehicles are difficult to electrify due to their operational requirements, for example our roadside assistance vehicles. These large trucks need to drive long distances with heavy loads which currently is a challenge for battery-electric vehicles. To optimise the way these vehicles run, Falck is running a pilot with 120 vehicles of intelligent telematics. These telematics provide feedback to the driver on how efficiently and safely they are driving, encouraging improvements. These potential efficiencies are applicable to our entire fleet and the pilot is currently on track to find a 5% reduction in CO₂e.



Secure diverse and safe workplace

Engagement increased across our entire company



Our commitment

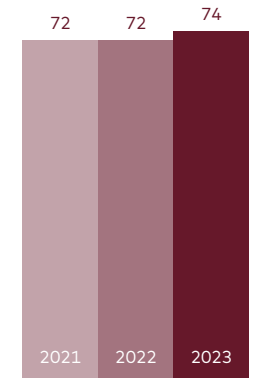
To take good care of others, we need to take good care of ourselves.

Our targets and progress

Promote employee engagement

Engagement score (eSat)

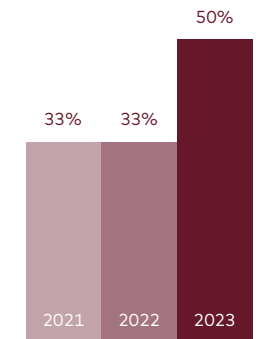
75 in 2025



Ensure gender diversity and inclusion

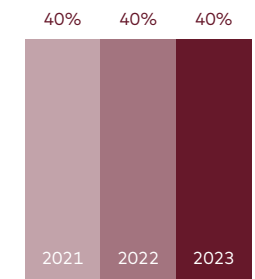
Board of Directors¹
underrepresented gender/total

40%



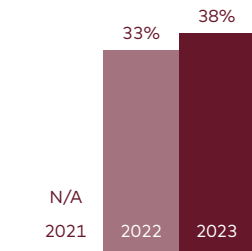
Executive Management
underrepresented gender/total

40%



Senior management²
underrepresented gender/total

40% in 2025

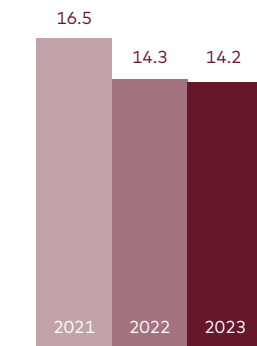


Improve safety performance

Lost Time Injury Rate

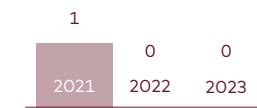
<8.8 in 2027

10% y-o-y reduction (Baseline 2021)



Fatalities

0



1. In 2023, three of the six members of the Board of Directors are women, which is equal representation. In previous years (2021 and 2022), two out of six members were women which is also equal representation in accordance with the guidelines of the Danish Business Authority. Only members elected by the General Assembly are included. 2. In 2022, this number included Executive Management as well.

We are committed to care, and to care for others, we need to care for ourselves. That is why we continuously work with engagement, health, safety, and inclusion among our employees. We want Falck to be a great and healthy workplace where everyone can thrive and develop. Across not only countries and cultures, but also gender, age, and diversity of thoughts. In 2023, focus was on involvement and getting local plans and activities in place to increase engagement, diversity, and safety. Through different forums and channels, we asked our employees and leaders to engage and involve. Because we truly believe that together we create even more value.

Increased levels of employee engagement

Each year, we conduct a global employee engagement survey and this year we saw an increase in the engagement score. The target is to increase the employee engagement score (eSat) to 75 by 2025. In 2023, our engagement score was 74, an increase from 72 in 2022. This score was based entirely on employee responses to the question: "How happy are you with working at Falck?". In particular, we saw a strong increase in the score for Ambulance US and within our Fire businesses. Consumer and Technical services and Community Health services remained on an equally high level as last year – significantly above the benchmark. Employee and Labour Market services remained at the same level and on benchmark.

Apart from the increased eSat score, we have seen other very positive developments, as illustrated in the accompanying Employee engagement survey 2023 table.

Some countries have significantly improved their results during 2023, after being identified as areas requiring special attention in 2022. The specific focus on teams with low scores on selected questions has yielded particularly strong outcomes.

Purpose still at high level

The score on purpose was again very high, at 86, compared to the benchmark (79). The score has increased from 2022 (+2) and indicates that Falck provides a purpose-driven and meaningful workplace, where employees contribute to saving and improving lives every day.

We will continue working with employee engagement, knowing the importance of our main asset – our employees. This year's result strongly indicates we are in a good place at Falck.

Employee engagement survey 2023

Employee engagement survey 2023

- 21,512 invited (+297)
- 26 questions (-1)
- 24 scores improved
- 0 scores deteriorated
- 72% response rate (+9 percentage points)
- 26,289 comments (+2 percentage points)
- 25 countries included (+5)

Purpose

86 (+2)

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

Recommend Manager

78 (+1)

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

Promote employee engagement

What we did in 2023

- Made 146 local action plans to improve safety, increasing the safety score significantly for the teams working with it
- Worked closely with markets and business units with lower scores (eSat has increased in three quarters of those countries and business units)
- Continued cultural turnaround in the US, resulting in higher engagement scores
- Launched onboarding and exit surveys in Colombia, Spain and the US
- Enhanced even further on data insights to ensure more targeted approach and action plans

New lifecycle surveys

Falck employees are invited to impact and engage in the development of their workplace. In parallel, Falck gets a more accurate and nuanced understanding of our workforce which is used to address potential concerns and proactively mitigate issues. This also helps to foster ideas and fuel actions within Falck.

We have therefore launched two new lifecycle surveys to engage in dialogue with employees joining or leaving Falck, helping us to improve the workplace and our ability to attract and retain employees.

Together with insights from our people data, engagement survey, Falck Alert and other sources, the two new surveys will be used to improve employee engagement, retention and productivity, leading to better business outcomes.

Turnover rate

The turnover rate remains high in certain areas, even though it decreased slightly to 28.2% in 2023 from 28.8% in 2022. A high turnover rate is still seen in Community Health services (43%) and in Employee and Labour Market services (31%) despite the presence of improvements. Hence, attraction and retention of staff continues to represent a risk and a focus area. See pages 59-60.

Diversity and inclusion as part of the solution

We strive to secure a workplace with 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. This includes elimination of all forms of discrimination related to racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, and all other forms of discrimination covered by global standards and national laws.

Working deliberately with diversity and inclusion increases our employees' engagement and well-being. Moreover, it improves decision-making, our ability to be innovative, revenue

growth and our ability to attract and retain employees.

Our global policies on e.g. Diversity & Inclusion, Human Rights, and Health & Safety serve as the foundation of our commitment to creating a great and healthy workplace. Adherence to these policies is monitored locally and through touch points with our global teams, such as procurement and legal.

Our commitment to providing remedies for human rights impacts is reflected in our procedures and reporting mechanisms. Employees are encouraged to report concerns through our whistle-blower policy and Falck Alert. See pages 46-47.



Diversity and inclusion should not be seen as a problem, but as a great opportunity and investment for Falck

This statement and inherent mind-set opened the global Gender Diversity & Inclusion master classes across business units and countries. Here, top-100 leaders joined forces and worked with

Diversity & Inclusion Policy

Falck's Global Diversity and Inclusion Policy serves as the framework for our approach to diversity and inclusion. The Policy applies to everyone at Falck, including leaders at all levels, all employee categories (full-time, part-time, temporary, students, etc.) and contractors working for Falck. As with all Falck policies, the policy can be accessed at Falck's Quality Managements System (GEMS), In addition it can be found at our global Leadership Portal and at www.falck.com. Moreover, the policy has been uploaded to relevant local sites to ensure that all employees can access the policy across countries, jobs and business units. All employees are trained in the Falck approach to Diversity & Inclusion as part of the Code of Conduct. The training is mandatory when joining Falck and repeated every two years of employment. Specific actions are put in place locally to meet the requirements stated.

→ **Read our Diversity & Inclusion Policy here**

their own biases, deep dived into gender diversity facts and statistics for their own business units and more importantly acted on how to improve and develop. Diversity and inclusion are indeed a prerequisite and an essential enabler for the success of Falck.

Safeguarding human rights and labour rights for our employees

We safeguard human rights and labour rights across our business and do not tolerate any illegal or unethical behaviour as explained by the Falck Code of Conduct for employees and other related (internal) policies. Falck adheres to all applicable laws and regulations aimed at the protection of recognised human rights as well as the principles set forth by international initiatives such as the UN Global Compact.

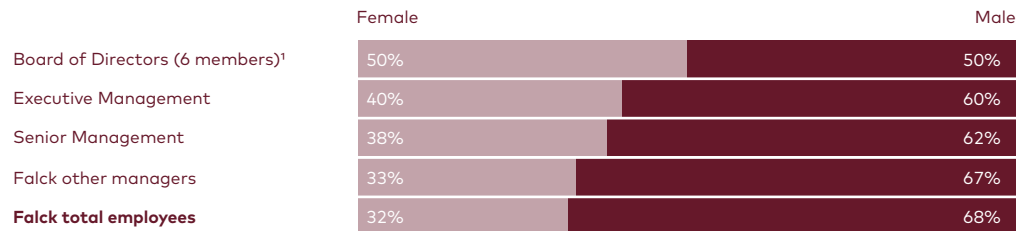
Our policy on Human Rights, which we updated in 2022, sets out clear expectations and minimum requirements. This includes – among other things – human rights protection, labour conditions, work hours, wages, and compensation.

In line with our Human Rights Policy, we explicitly prohibit the use of child labor and any form of forced or bonded labor, including human trafficking and modern slavery. We are committed to upholding these standards throughout our operations.

The policy applies to everyone at or with Falck, and covers internationally and locally protected human rights intended to ensure that Falck employees and any other persons in or outside of the Group are protected from any human rights violations. All employees are trained in the Falck Human Rights as part of the Code of Conduct. The training is mandatory when joining Falck and repeated every two years of employment. Specific actions are put in place locally to live up to the requirements stated.

→ **Read our Human Rights Policy here**

Gender composition, management, Falck Group



1. In 2023, three of the six members of the Board of Directors are women, which is equal representation. Previous years (2021 and 2022) two out of six members were women which is also equal representation in accordance with the guidelines of the Danish Business Authority. Only members elected by the General Assembly are included.

Gender composition, Falck A/S²



2. Falck A/S is required to report in line with section 99b of the Danish Financial Statement Act. The Board of Directors for Falck A/S is the same as for the Falck Group, where there is equal representation. Since Falck A/S has only two employees, it falls below the employee threshold specified in section 99b, and therefore no additional reporting is required.

Gender split at top management levels

To promote gender diversity at management levels and generate a cascading effect, we have set targets for equal representation at three levels of the Falck organisation: The Board of Directors, the Executive Management and Senior Management (managers reporting to Executive Management).

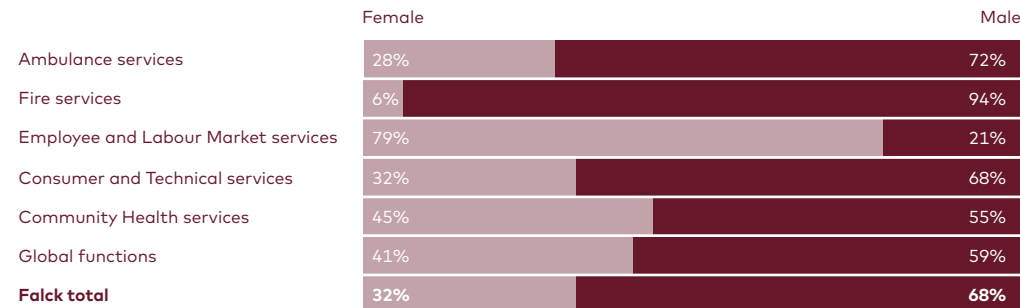
In 2023, we increased gender representation on the Board of Directors to a 50/50 split and maintained equal representation in Executive Management (40/60%). For Senior Management, we strive towards a representation of at least 40% of the underrepresented gender by

2025, and are closer to this target as the current representation is 38%. Equal representation is defined as a 40/60 gender composition in line with guidelines issued by the Danish Business Authority.

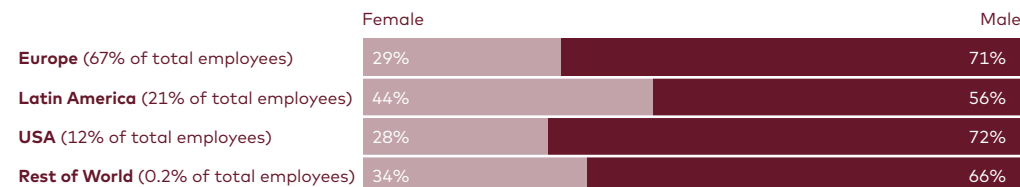
Workforce composition across

We strive for diversity and inclusion in many aspects. When looking at the gender split across Falck, 68% of our total employees are male. Particularly within Ambulance and Fire businesses the predominant gender by far is men, whereas the proportion of women in Employee and Labour Market services is high. We are working to change this balance. For instance, we saw an increase in the number of women choosing a career path in the Ambulance business in Denmark during 2023.

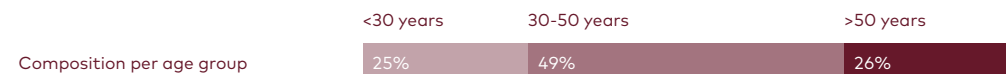
Gender composition per business unit



Gender composition per main market



Composition per age group



The gender composition is more equally balanced in the operations in Latin America compared to the US. When analysing the age distribution of our employees, we found that approximately 50% of our workforce falls within the 30-50 age range.

Additionally, around 25% of our employees are under 30 years old, while the remaining 25% are over 50 years old. We view this as a diverse age composition.

Ensure gender diversity and inclusion

What we did in 2023

- Confirmed target of 40/60% gender distribution for Senior Management by 2025
- Rolled out gender diversity and inclusion master classes to leadership groups (top 100 management) with focus on own biases, GD&I insights, and how to work with and improve gender balance split within own business unit
- Invited all employees to share their experiences and viewpoints and to impact Falck's Diversity & Inclusion strategy and future activities in a Roundtable discussion
- Engaged in the UN global Compact Target Gender Equality Programme

Priority to improve safety

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. We strive to achieve a 10% reduction year-on-year with 2021 as our baseline year, and our target is to reduce the Lost Time Injury Rate (LTIR) to below 8.8 by 2027.

In 2023, 586 (563 in 2022) Lost Time Injuries were recorded, which resulted in a Lost Time Injury Rate (LTIR) of 14.2 (14.3 in 2022). We are dedicated to further reducing the rate, and it is evident that we are still far from reaching the set target.

The incidents reported in 2023 mainly occurred during routine activities such as exercise, maintenance, training and other non-emergency activities (around 42%) and handling patients (around 11%). Incidents that occur during emergency activities are typically influenced by external factors. These accounted for 25% of all incidents. This understanding allows us to prioritise safety procedures, global processes and awareness efforts to mitigate such incidents even further.

Safety action plans across

To mitigate incidents, we have approved a new safety strategy highly embedded in our market to:

- Develop, across all business units, a common approach to safety characterised by strong

safety values and by safety behaviour, which employees, leaders and communities can integrate into their day-to-day activities.

- Implement a structured and unified incident registration and investigation methodology supported by a culture that encourages the sharing of learnings in safety communities representing all business units.
- Learn across markets based on good practices and at the same time develop initiatives targeted to specific market to proactively and effectively prevent incidents from happening in the future.

Each business unit has created specific action plans and mitigation strategies, grounded in data pertinent to their respective areas. This ensures that our overarching safety strategy is not only supported by concrete actions but also subject to continuous refinement and improvement. The entire organisation has actively participated in the strategy development process. An important component of the implementation phase involves conducting comprehensive training designed to effectively implement, anchor, and foster ownership of the safety strategy.

Furthermore, we are committed to empowering our employees, particularly those in safety roles, with the necessary tools to address their challenges and foster the right action-oriented community. To facilitate this, we hold regular safety community meetings where best practices and learnings are shared across the business. This collaborative approach ensures a unified, effective strategy that is both responsive and adaptive to our evolving business needs. Last, but not least, we continued throughout the

year to do root-cause analysis, as this allows us to investigate the root causes of incidents, tailor safety initiatives and develop documented processes where needed. This has further elevated the conditions for conducting deep-dive analytics and on that basis commence initiatives to either keep up or improve standards.

Zero fatalities

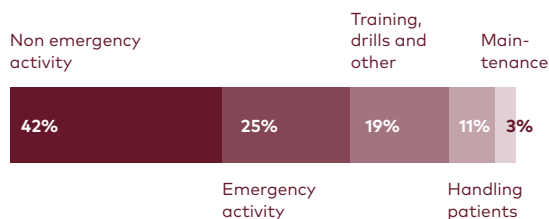
Every life is precious, and each fatality serves as a heartbreaking reminder that prioritising safety is paramount. Our goal is to achieve zero fatalities, and we successfully reached this milestone in 2023 with no reported fatalities.

Improve safety performance

What we did in 2023

- Developed a locally anchored safety strategy across business units and backed it up with actions plans
- Improved safety governance by establishing, documenting, and training employees in standardised processes for incident investigation, reporting and communication
- Partially anchored safety governance in newly established global safety and investigation communities
- Improved local businesses' capacity to maintain their safety responsibility by providing targeted support and training
- Conducted incident investigations using a standardised approach

Activities causing incidents



Build trust

We build trust



Our commitment

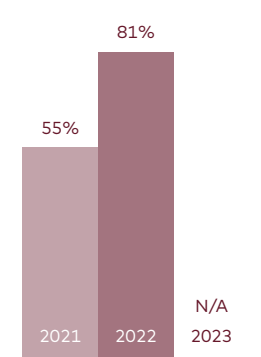
We want to conduct business in a way that will never breach the trust of our employees, partners or customers.

Our targets and progress

Ensure code of conduct training

Full-time employees trained every two years

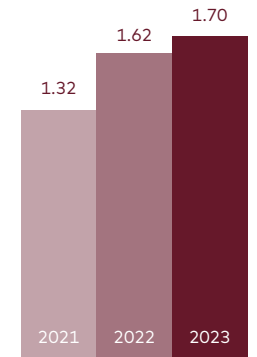
100%



Secure whistle-blower reporting ratio

Whistle-blower reporting ratio per 100 employees

>1



What we did in 2023

- Subject-specific training in Code of Conduct areas
- Targeted awareness campaigns in Anti-Bribery and Anti-Corruption and Gifts & Hospitality
- Further ingrained our whistle-blower governance
- Increased the number of audits of suppliers and developed the processes further
- Developed standardised and global processes for procurement

People and societies rely on us every day, which 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, partners, customers or the communities in which we operate. Unfair competition and unethical behaviour lead to higher costs and the erosion of trust.

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 in the way we operate, as we commit to competing for business on fair terms and solely on the merits of our services. We carry out our activities according to principles of good corporate governance and proactively seek to identify and mitigate compliance risks.

In addition, Falck has a zero-tolerance approach towards any form of direct or indirect, passive or active bribery or corruption, and we use the Falck Alert whistle-blower system in conjunction with employee training to monitor and assess this area. It is a key system in which concerns about the Group's conduct e.g. related to human rights, labour rights, the environment, anti-corruption and the like can be raised. Falck has zero-tolerance practise towards any form of bribery or corruption, whether committed by employees, agents or any other business partners.

Employee Code of Conduct topics

- Respecting people (human rights, labour rights etc.)
- 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

Through targeted training and awareness campaigns, Falck continues to promote a culture of integrity. Falck remains committed to combatting corruption, and will continue making these issues a focus throughout 2024.

→ **Read our Anti-Corruption Statement here**

Code of Conduct for employees

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

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

While 2023 was not a year in which we ran global Employee Code of Conduct training, Falck nevertheless recognises the importance of promoting the principles of the Employee Code of Conduct in our everyday work. This is why we conducted e.g. training and targeted awareness campaigns in several of the Code of Conduct's key areas during the year:

- Targeted awareness campaigns in anti-bribery and anti-corruption and gifts & hospitality
- GDPR and data privacy training for employees
- Competition law refresher training for senior managers and those with commercial responsibility

Campaigns during the year to raise awareness

Gifts and hospitality campaign

A holiday awareness campaign around Falck's Gifts & Hospitality Policy & Procedure was run to ensure employees are mindful of the rules surrounding acceptable gift giving and receiving to and from external parties, and that gifts follow the approved registration processes.

Anti-Bribery and Anti-Corruption campaign

To combat corruption and mitigate compliance risks in this area, we conducted targeted anti-bribery and anti-corruption awareness campaigns, reminding employees of some of the common ways bribery can be encountered and providing resources for what to do if faced with a situation involving corruption. This also gave Falck the opportunity to introduce the improved Social Investments Procedure, which sets forth approval and due diligence measures to consider when making a social contribution.

Additionally, we took steps to improve the Employee Code of Conduct training process by:

- Conducting training of Global Travel Assistance employees
- Providing refresher training of Fire employees
- Working to improve the employee onboarding process

Whistle-blower reporting ratio at stable level

We actively promote a global speak-up culture. Our whistle-blower system, Falck Alert, is available 24/7 to all employees, business partners and third parties. We continuously encourage employees to report concerns about irregularities or improper actions that fail to comply with applicable laws and regulations, the 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 ratio target for our whistle-blower reporting system to be above 1 report per 100 employees. 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 2023 was 1.70 (1.62 in 2022), which indicates that it is an established, accessible and trusted whistle-blower system.

In 2023, we received 322 reports (296 in 2022), of which 59% were anonymous (58% in 2022). This is in line with a weighted average for organisations within the NAVEX Global database. Individuals who file a report are guaranteed protection from retaliation and all cases are treated confidentially. The cases reported via Falck Alert fall within the following top-five categories:

1. Discrimination and harassment (26%): Reports related to sexual harassment, discriminatory treatment and bullying
2. Misconduct or inappropriate behaviour (16%): The reports related to a range of inappropriate behaviour that makes people uncomfortable or create a hostile working environment
3. Working conditions (12%): Most reports related to staff shortages
4. Compliance with laws and standards (11%): The reports related to non-compliance, for example with our standards for uniforms or similar
5. Leadership (10%): Reports related to various managerial issues, e.g. leadership style, communication and fair distribution of work

Out of 322 cases reported, 22 led to termination of employment, 10 to written warnings and 38 to additional instructions or guidance. This is 26 more cases than last year, where there were 296 cases reported, leading to 29 terminations.

Strengthened governance and activities

Governance and processes were strengthened further during 2023. The Falck Alert Procedure was fully rolled out to local management across

Falck's entities which enables a global overview and standardisation of Alert cases. In addition, new investigators were onboarded to bolster local governance and increase operational efficiencies in investigations – all reporting to Falck's global Head of Investigation.

Our Advisory Board and Community Forum enhancing whistle-blower governance have been even further ingrained in our organisation. In addition, there have been a variety of focus areas and initiatives, for example quarterly awareness campaigns, regular presentations across Falck's business units to inform employees of the Falck Alert whistle-blower processes as well as the types of cases that can be expected to fall within the scope of investigation. Overall, Falck Alert has become a more data-driven operation through aiding different areas of the organisation in improving work culture and mitigating risks.

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. Falck's Supplier Code of Conduct sets out expectations and minimum requirements applicable to all parties in Falck's supply chain, including all suppliers, agents, and their direct and indirect sub-suppliers. That clearly sets out the requirement that Falck's suppliers and sub-suppliers must both protect and promote human rights and reduce their environmental impact. Our Supplier Code of Conduct is mandatory for suppliers doing business with Falck and is a formalised part of our contracts.

In 2023, we built up solid, global processes within procurement, focusing in particular on standardised sourcing processes to unify our ways of working and secure a strong focus on governance and compliance when contracting with suppliers. The Supplier Code of Conduct and due diligence are key elements in this.

Further, we have a Third Party Due Diligence Compliance Policy and Procedure which is supported by an external platform and uses a set of risk-based criteria to screen suppliers to confirm that third parties have not been found to have committed modern slavery or human trafficking violations. The platform also screens vendors for information relating to sanctions, adverse media, and items of enforcement.

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

Increased audits of suppliers

The Supplier Code of Conduct is part of the audit criteria when critical suppliers are being audited. In cases where due diligence screenings reveal a particular severe risk, Falck seeks to consider and carry out additional reviews and/or audits. In 2023, we conducted an increased number (4) of supplier audits on global critical suppliers compared to 2022 (2). In 2024, we expect to increase the number of supplier audits to 7-8, and to set further requirements to ensure we have auditing rights in respect of all our suppliers. Further, we expect to increase the number of supplier audits by also auditing suppliers within IT and IT security.

Risks and issues related to Environmental, Social and Governance are to be further ingrained in the way we engage with key suppliers through quarterly business reviews. The aim is to strengthen compliance and foster innovation after contract signing.

Promoting human rights in our supply chains

In Falck's annual Global Statement on Modern Slavery and Human Rights, we outline the ongoing work we do to help promote human rights and prevent modern slavery risks in our supply chain. This year, the statement also took into account requirements under the Norwegian Transparency Statement. In 2023, Falck received one external request regarding a sub-supplier under the Norwegian statute. Our risk-based criteria and subsequent review did not find substantiated human rights violations.

→ [Read our Global Statement on Modern Slavery and Human Rights](#)

Remediation

Falck has not identified, caused, or contributed to any material adverse impact within human rights, labour rights, environment or anti-corruption. Albeit a smaller amount of individual cases may have led to individual remedy being provided.

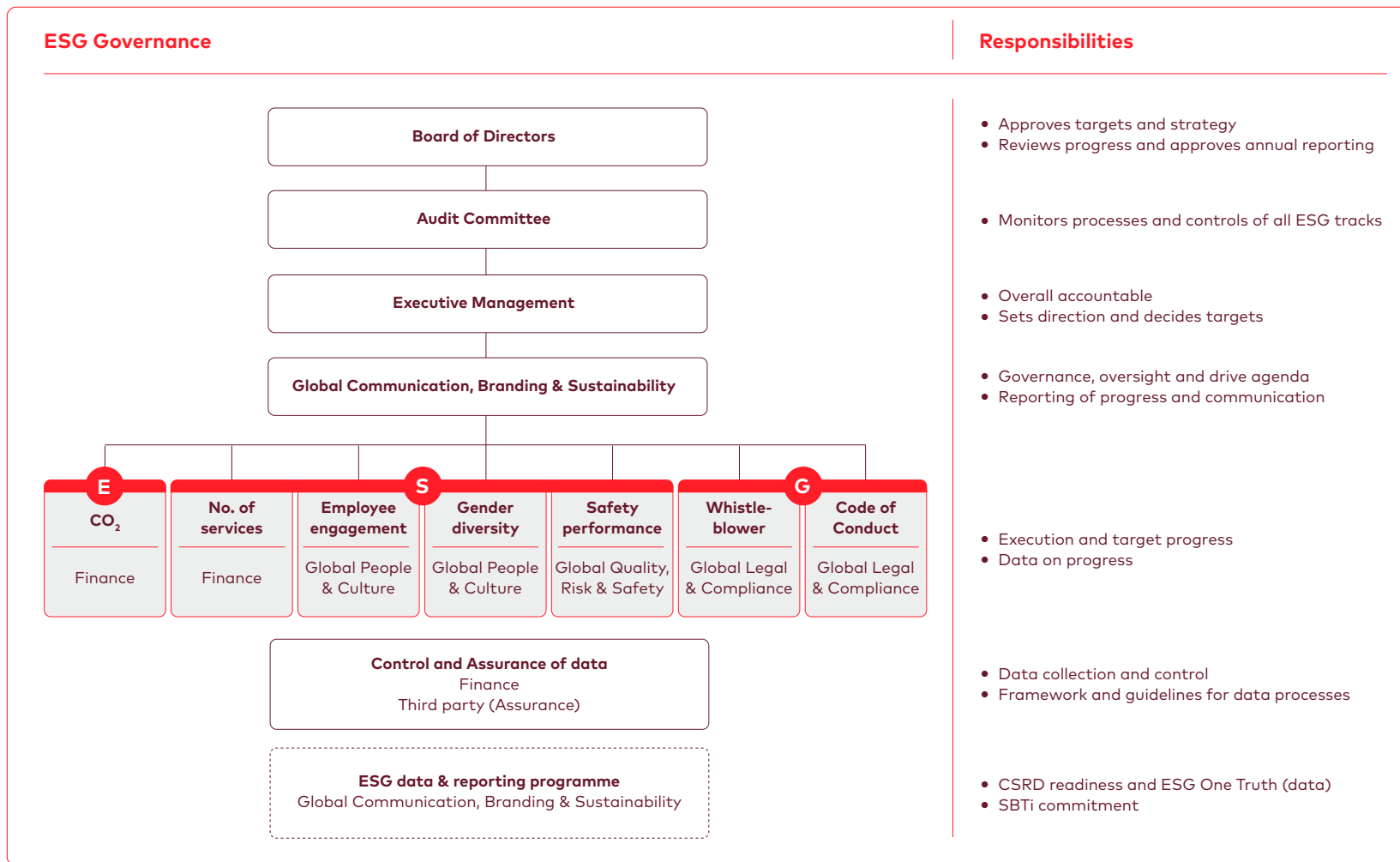
Governance and the way we monitor progress

Our sustainability efforts are integrated in the daily business decisions and strategy, and our commitment is firmly embedded in ways of working, the Employee Code of Conduct and our Winning Behaviours. Initiatives are managed by the management teams of relevant business units and Group functions. KPIs and targets are agreed 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. To strengthen our governance, we have established a new programme for ESG data and reporting and a new Environmental Sustainability Board.

Progress is monitored through an ESG dashboard and reported on an annual basis. Selected ESG targets (CO₂ reduction scope 1, LTIR and employee engagement) are part of our ESG-linked long-term credit facility.

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](http://www.falck.com/policies)



ESG key figures

	Unit	Target	2023	2022	2021
Environment					
CO ₂ emissions, total (scope 1)	Total tonnes	50% reduction in 2030 (Baseline: 2021)	50,788	53,544	54,504
CO ₂ emissions, relative (scope 1)	Tonnes / revenue (DKK million)	1.88 in 2030 (10% reduction y-o-y)	4.26	4.53	4.86
Social					
Number of services delivered	Number of services		9,436,000	9,590,000	8,497,000
Employee engagement	Number (0-100 scale)	75 in 2025	74	72	72
Gender diversity, Executive Management	Underrepresented gender / total, %	40%	40%	40%	40%
Gender diversity, Senior Management	Underrepresented gender / total, %	40% by 2025 ¹	38%	33% ²	N/A
Lost Time Injury Rate (LTIR)	LTIs per 1 million working hours	<8.8 in 2027 (10% reduction y-o-y)	14.2	14.3	16.5
Fatalities	Number	Zero	0	0	1
Governance					
Code of conduct training	% of employees trained in a given year	All full-time employees trained every two years	N/A ³	81%	55%
Whistle-blower reporting ratio	Number of reports per 100 employees	>1	1.70	1.62	1.32

1. Baseline year for this target is 2022.
 2. 2022 number includes Executive Management
 3. Global Employee Code of Conduct training takes place every two years and was not run in 2023.

ESG accounting policies

The Sustainability Report and accounting policies cover the period 1 January 2023 - 31 December 2023.

The scope for this reporting is the core business that makes up Falck's strategic focus area. The core business covers Emergency Health and Safety (which includes Ambulance Europe & rest of world, Ambulance US and Fire services) and Healthcare (which includes Employee and Labour Market services, Consumer and Technical services and Community Health services).

At the end of 2022, Falck decided to re-categorise Falck Global Assistance to become part of the core business. Thus, effective at 1 January 2023 the business unit was transferred to Consumer and Technical services. Furthermore, ambulance entities in Australia and Poland are now part of the core business. Comparable figures have been restated accordingly. Falck's UK ambulance operations were divested at the end of 2022, and therefore ESG figures from these operations are not included in the comparative figures for 2021 and 2022 set out in this report. The impact of the restatements are mentioned below in connection with the detailed description of the accounting policies for each KPI.

CO₂ emissions, total

This indicator is defined as the total scope 1

CO_{2e} 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 in accordance with Greenhouse Gas Protocol standards based on 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. It is not possible at certain locations to get exact fuel data from our suppliers or internal systems. Where this is the case, emissions are calculated in one of three ways: kilometre data multiplied by the relevant EPA emissions factors; estimated from a comparable business entity; or estimated from historic fuel data.

Restatement

CO₂ emissions, total for 2021 and 2022 reported in the Annual Report 2022 have been changed due to the re-categorisation of business areas included under core business as mentioned above. Thus, CO₂ emission total has been restated for 2021 from 53,194 to 54,504 and for 2022 from 52,325 to 53,544.

CO₂ emissions, relative

The CO₂ emissions, relative, is defined as the indicator CO₂ emissions, total tonnes, scope 1 divided by revenue from the current group structure (i.e. excluding portfolio segment entities that were sold in 2021 and 2022), excluding antigen testing activities, in millions of DKK according to Falck segment note from the consolidated financial statement.

Restatement

CO₂ emissions, relative for 2021 and 2022 reported in the Annual Report 2022 have been changed due to the changes in CO₂ emission figures mentioned above. Thus, CO₂ emissions relative, has been restated for 2021 from 5.31 to 4.86 and for 2022 from 4.66 to 4.53.

Number of services

Number of services is defined as the sum of the services provided by Falck within Emergency Health and Safety and Healthcare. The numbers are rounded to the nearest thousand. All services have equal weight, given the definition specific to the type of service.

Emergency Health and Safety contributes with the number of ambulance trips and callouts/interventions from the Fire services business. A trip and a callout/intervention are defined as a response to a specific incident (scene) by a specific vehicle and team, which accepted the call for help at that incident. A specific incident might contain several responses. Responses which are subsequently cancelled are included in the number of services. Falck considers a service still delivered even if it does not involve the provision of medical care or transportation to

patients, if the team was dispatched. Prevention services from the Fire services business and healthcare at home services are currently not included due to lack of data.

Healthcare contributes the number of various types of treatments, consultations, cases, trips, or other services:

- Community Health services contributes with the number of virtual consultations and physical consultations, which are defined as: unique consultations, treatments, trainings, and services, including billable cancellations. If a consultation/treatment/training/service includes several patients/clients, the session is multiplied by the number of participants.
- Customer and Technical services contributes with the number of patient transport services or roadside assistance trips, global assistance cases, first aid trainings, etc. The definitions are the following:
 - o Patient transport services (PTS): unique trips, including billable cancelled trips. If a single trip includes several patients, the number of patients is counted.
 - o Roadside assistance (RSA): unique trips, including billable cancelled trips.
 - o Global assistance (FGA): unique assistance cases, excluding cancelled cases.
 - o Courses/Other: unique training sessions and services, including billable cancellations. If a training session or service includes several clients, the session is multiplied by the number of participants.
- Employee and Labour Market services contributes with the number of physical treatments, psychological treatments and other consultations. The definitions are the following:

- o Health services: unique consultations, treatments, trainings and services, including billable cancellations. If a consultation/treatment/training/service includes several patients/clients, the session is multiplied by the number of participants.
- o Labour market services: unique trainings and services, including billable cancellations. If a training/service includes several clients, the session is multiplied by the number of participants.

For all business areas within Healthcare, billable cancelled services, including no-shows or very late cancellations, are included in the number of services. Falck considers a service still delivered even if it does not involve the provision of the service, if the provider's time was blocked.

- The number of services is specified further to provide additional detail and transparency:
- Treatment types with the following definitions:
 - o Preventive: services provided to prevent an accident, injury or illness.
 - o Acute care: services that provide treatment of an acute condition.
 - o Rehabilitative: services that provide rehabilitation after an acute condition.
 - Treatment location:
 - o Onsite: in person treatment/service provided in a physical location, such as a clinic or healthcare facility, allowing for direct interaction between the patient and the healthcare professional, enabling physical examinations, hands-on procedures and face-to-face communication.
 - o Virtual: virtual treatments provided remotely, typically via video calls, phone or online platforms.

Restatement
 Number of services for 2021 and 2022 reported in the Annual Report 2022 have been changed due to the following:

- Several improvements to the data foundation have been achieved in 2023. Firstly, additional data sources containing the number of services have been set up to give a more comprehensive picture of Falck's services.
- Definitions of a service provided have been further aligned so that the data is comparable across regions.
- The figures for the entities divested in 2021 and 2022 have been excluded, while figures for entities reintegrated into Falck's core business are now included.

These definitional alignments and additional data collections within Healthcare have resulted in a restatement of the number of services reported for 2021 from 4,343,000 to 5,224,000 and for 2022 from 5,329,000 to 6,087,000. Within Emergency Health and Safety, the effect of definitional alignments and the exclusion of divested entities have resulted in a restatement for 2021 from 3,721,000 to 3,273,000 and for 2022 from 3,595,000 to 3,503,000.

Employee engagement
 Employee engagement is defined as the average employee satisfaction score (eSat) to 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 scale of 0-100. The survey was conducted by the external consultancy firm Glint in Autumn 2023.

In general, all Falck employees 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 21 August 2023 and employees registered as leaving Falck on or before 9 October 2023 were excluded.

Underrepresented gender, Executive Management
 This indicator measures the percentage of individuals from the underrepresented gender in the Executive Management team. Executive Management is responsible for the day-to-day management and operations of Falck.

Underrepresented gender, Senior management
 This indicator measures the percentage of individuals from the underrepresented gender in the Senior Management team. The Senior Management team consists of managers who report to an Executive Management member and have at least one employee reporting to them.

Lost Time Injury Rate
 The Lost Time Injury Rate (LTIR) is calculated by determining the number of lost time injuries per million working hours. A lost time injury (LTI) refers to a physical injury that occurs at work and results in at least one day of absence, in addition to the day of the injury. Working hours include both normal working hours and overtime hours, but exclude hours registered as leave.

The scope of reporting includes employees who have a permanent or fixed-term contract of

employment with Falck, as well as selected freelancers (contractors) based on the nature of their activities and payment structure.

Reporting on LTIs is conducted on a monthly basis using a Microsoft Excel template. Additionally, monthly review meetings are held to assess local injury registrations and reclassify LTIs. The reporting encompasses injuries that occurred within the reporting year and were reported before mid-January of the following reporting year. Working hours are reported monthly to Global People and Culture, where they are consolidated and validated.

Fatalities
 This indicator encompasses any fatalities that occur at work, regardless of the time elapsed between the injury and the subsequent death. The scope of this indicator includes employees, subcontractors, and third parties.

Code of Conduct training
 Code of Conduct training measures the completion rate of the Code of Conduct training, using the percentage of Falck's full-time employees who have been trained every two years.

Whistle-blower reporting ratio
 The whistle-blower reporting ratio is calculated by dividing the number of cases reported during the year by the average FTEs for the same year, multiplied by 100. FTEs are calculated from the number of full-time hours worked by both full-time and part-time employees. An FTE is different from country to country, ranging from 150-200 hours per month for one FTE. The average FTE is 170 hours per month.

Governance

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Corporate governance

Falck is aligned with the corporate governance recommendations issued by the Danish Committee on Corporate Governance.

At Falck, it remains a high priority to conduct business in accordance with strong corporate governance principles.

Hence, the Board of Directors regularly reviews the Group's corporate governance framework and policies in relation to the Group's activities, business environment and the Danish Recommendations on Corporate Governance (in the following referred to as the "Recommendations").

Falck's corporate governance compliance is reported annually in accordance with the "comply or explain" principle set out in the Recommendations. The report is available on the corporate website (www.falck.com/about-us/corporategovernance).

The compliance report from 2023 found that Falck adhered to all but one of the Recommendations.

The Audit Committee has an equal distribution of independent and dependent members and therefore it is not deemed independent under the Recommendations. Falck is aware and continuously assesses what is the right composition of

the board committees taking into consideration, among others, the Recommendations.

Governance structure, board composition and responsibilities

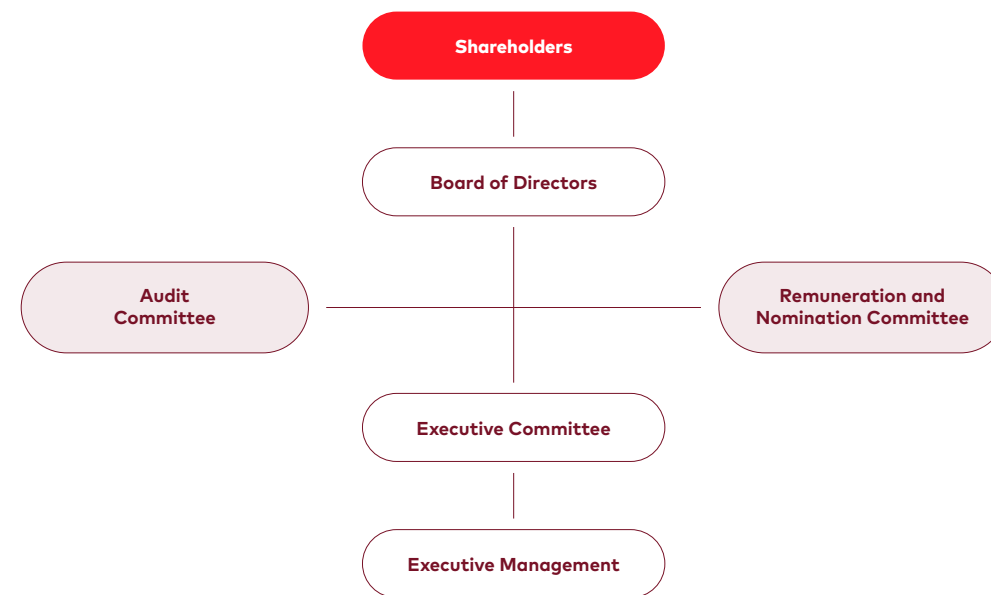
Falck operates a two-tier management system comprising the Board of Directors and the Executive Committee. This practice follows Danish legislation. There are no overlapping memberships between the two bodies. Moreover, retiring members of the Executive Committee are not permitted to join the Board of Directors immediately following tenure.

The shareholders have the ultimate decision-making power of Falck and hold the opportunity to pass resolutions at the Annual General Meeting and Extraordinary General Meetings.

At the Annual General Meeting, members are elected to the Board of Directors, and an independent auditor is appointed. 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.

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

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.

one-year terms and employee-elected members for four-year terms. The most recent election of employee representatives for the Board of Directors was held in March 2021 for the 2021-2025 term. The current employee representatives are Vagn Flink Møller Pedersen, Stefan Fyhn Gregersen and 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. Ingrid Bojner joined the board in 2023 as an independent member. None of the employee-elected members are deemed independent as defined by the Recommendations.

The Executive Committee and Executive Management team

The Executive Committee is responsible for the day-to-day management and operation of Falck, which is conducted in accordance with the guidelines and recommendations issued by the Board of Directors and with the focus on developing and implementing strategies and significant initiatives.

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. 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 Falck USA, SVP Eastern Europe, the SVP LATAM, the SVP Ambulance Western Europe and Commercial, the VP CIO and the SVP Chief of Staff.

Evaluation of the Board of Directors

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 assessment was carried out by an external company as a standard procedure to assure anonymity, thereby following the recommendations. The quantitative board evaluations are two-fold with a collective and an individual on-line self-assessment.

Each Board member and member of the Executive Committee have responded to an online questionnaire. This year's evaluation of the Board of Directors also included a qualitative assessment, based on individual interviews conducted by the external company. This is done every third year in line with the Recommendations.

Moreover, last year's evaluation on individual competencies of the Board members were verified, and only the new member of the Board of Directors conducted that particular evaluation this year. As has been general practise for several years, the board evaluation was presented to and discussed collectively on the Board of Directors, and the Chair provided each Board member with feedback.

The board evaluation for 2023 resulted in a total score of 9.92 on a scale from 1 – 10 (9.85 in 2022). This is a very high score, given the average of close to 8 in an external industry benchmark. The board evaluation reveals that there is a high level of trust among the Board members in the performance of and the collaboration with the Executive Management. The evaluation also shows that the work on the two board committees functions very well. In this regard, there was a strong overall assessment that the Board of Directors works with a strong commitment to sustainability and that the work should continue and be further developed going forward. The board evaluation also revealed certain areas for improvement. One is to put more efforts into understanding the political landscape and engaging in public affairs in the countries in which Falck operates and into monitoring the trends in the healthcare sector more systematically. There is also a need to further strengthen attention towards risk areas such as safety in the business.

Based on the board discussions of the evaluation in 2023, it has been decided to focus on the below key areas in 2024:

- Execution of new strategy
- Bring the approach to sustainability to the next level
- Political dialogue and stakeholder management

Board competencies and diversity

The members of the Board of Directors must jointly possess the breadth and depth of competencies required to inspire, progress and oversee the development of Falck. The Board of Directors believes that members should be chosen based on their overall competencies and recognises the

importance and beneficial effect of the board diversity with respect to experience, cultural and educational backgrounds, and gender. In 2023, the Board of Directors surpassed the 40/60% gender distribution target through a 50/50% distribution.

All members of the Board of Directors hold equal rights and obligations.

In 2022, the Board of Directors identified the following important competencies for the board:

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

- Knowledge of the Company
- Balancing employee and business perspectives
- Employee engagement
- Internal communication

Board activities

The Board of Directors held seven ordinary or extraordinary board meetings as well as a strategy seminar in 2023. The most significant activities were related to:

- Approval of Falck's strategy, Care for More '27

- Strategy on the implementation of the Corporate Sustainability Reporting Directive (CSRD)
- Strategy and business review of the US ambulance operation

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

- Annual and interim reports, including sustainability reporting, remuneration reporting, forecast and targets
- Acquisitions, divestments, tenders and business updates
- Responses to engagement surveys and succession planning
- Policies for various subject areas

All members of the Board of Directors had an attendance rate of 100%.

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 Internal Financial Controls, Quality Assurance and ISO Audit.

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 recommendations. The Remuneration Policy and the annual Remuneration Report are available at www.falck.com/aboutus/corporategovernance/remuneration.

Data Ethics

Falck's Data Ethics Policy is based on the basic principles of data ethics set out by the think tank, DataEthics. It 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

In April 2023, the Board of Directors reappointed Peter Schütze as Chair of the Audit Committee. Further, Lene Skole and Dorthe Mikkelsen were reappointed, while Ingrid Bojner, who was elected for the Board in 2023, was appointed as new member of the Audit Committee, thereby replacing Lars Frederiksen. The Audit Committee meets at least four times a year. Altogether, the Audit Committee held six meetings during 2023 with a high overall attendance rate.

Most significant activities during 2023

- The recommendation to approve the Annual Report 2022 as an integrated financial and sustainability report and the interim reports
- Discussion of future and likely requirements in terms of control and assurance of sustainability reporting (e.g. CSRD)
- Committee recommendations related to audit and compliance, IT and cybersecurity, enterprise risks and the refinancing agreement linked to selected sustainability KPIs
- Supervision of scoping and implementation progress of the finance system consolidation initiative, called Moneta.

You can read more about the Audit Committee and its terms of reference in the Charter, available here.

The Remuneration and Nomination Committee

In April 2023, Niels Smedegaard was reappointed as Chair of the Remuneration and Nomination Committee. Dorthe Mikkelsen and Lene Skole were reappointed as members. The Remuneration and Nomination Committee meets at least twice a year. The committee held three meetings during 2023 with an attendance rate of 100%.

Most significant activities during 2023

- A share-based options remuneration programme for members of the Executive Management

You can read more about the Remuneration and Nomination Committee and its terms of reference in the Charter, available here.

Meeting attendance 2023

Name	Board and committees			Board meetings		Board committee meetings	
	Board	Audit	Remuneration and Nomination	Board meetings	Attendance	Audit	Remuneration and Nomination
Niels Smedegaard	Chair		Chair	●●●●●●●●	100%		●●●
Lene Skole	Deputy Chair	Member	Member	●●●●●●●●	100%	●●●●●●●●	●●●
Ingrid Bojner ¹	Member	Member		●●●●●●●●	100%	●●●●●●	
Lars Frederiksen ²	Member			●	100%	●	
Dorthe Mikkelsen	Member	Member	Member	●●●●●●●●	100%	●●●●●●●●	●●●
Peter Schütze	Member	Chair		●●●●●●●●	100%	●●●●●●○	
Thomas Lau Schleicher	Member			●●●●●●●●	100%		
Stefan Fyhn Gregersen (E)	Member			●●●●●●●●	100%		
Christian Jesper Engvad Madsen (E)	Member			●●●●●●●●	100%		
Vagn Flink Møller Pedersen (E)	Member			●●●●●●●●	100%		

(E) Elected by employees

1. Became member of the Board in February 2023

2. Stepped down as member of the Board and Audit Committee in February 2023

● Attended ○ Did not attend

Board competencies		Niels Smedegaard Chair	Lene Skole Deputy Chair	Ingrid Bojner	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 management 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.

Risk management

Mitigating risks to safeguard our business

Risk management is an integral part of good management practice, and at Falck we are committed to promote 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.

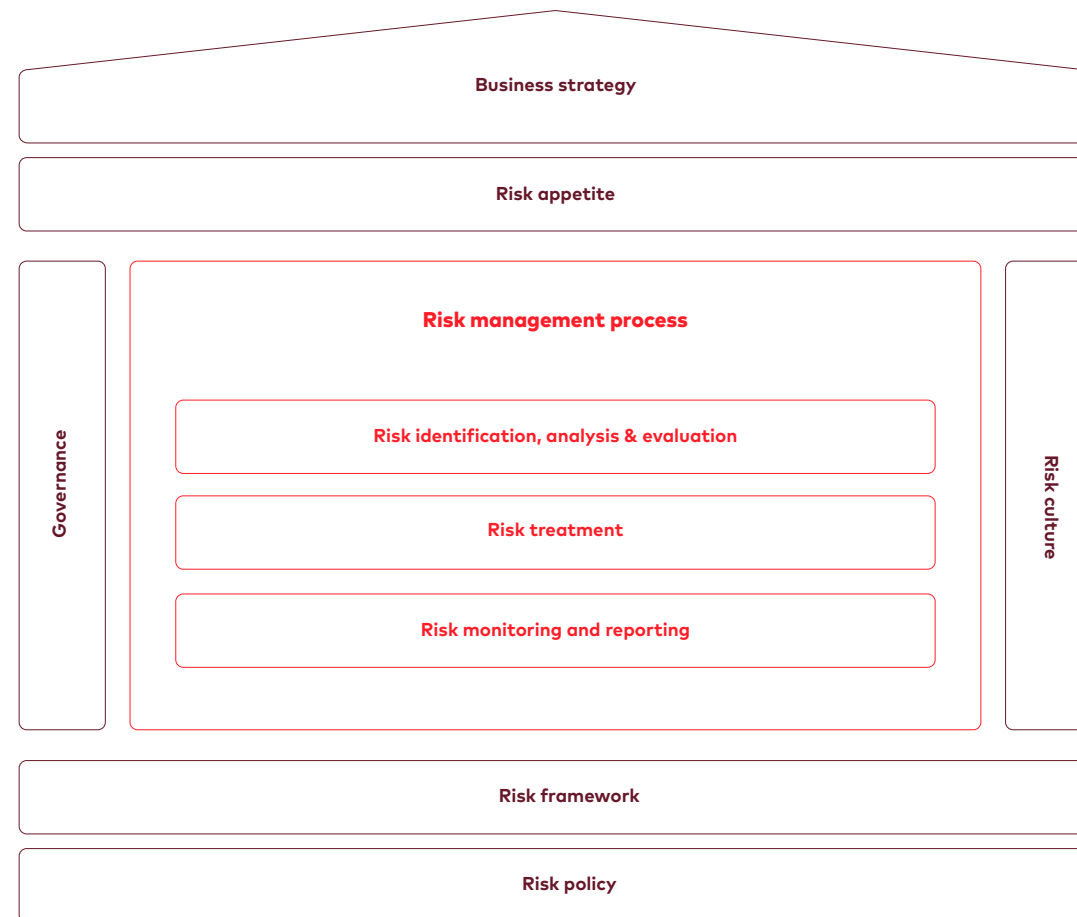
Falck continuously focuses on strengthening its risk culture to support the execution of its strategy and obtain business objectives. The established risk management process enables Falck to ensure that changes in both external and internal factors are adequately captured and reflected in the strategic 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 2023, Falck focused on strengthening the risk awareness and integration of risk management. The overall risk picture and progress on mitigating actions to the top-six risks for 2023 were monitored by the Executive Management, the Audit Committee and the Board of Directors on a regular basis. The top risks for 2023 were selected through a holistic approach evaluating macroeconomic risks, sector trends as well as strategic and emerging risks for Falck on Group level. The risk following constraints on passing on higher costs to customers has been taken out as a top risk.

In 2024, Falck will continue to conduct risk training and workshops to further raise awareness and enable timely identification of both existing and emerging risks.

Falck operates a risk management framework to support the business strategy



Actions taken to mitigate the top-six enterprise risks in 2023

The top-six risks were monitored throughout the year with each top-six risks having clear ownership and a strong mitigation plan.

Mitigating actions taken during 2023 to address the top-six 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 Competition Law and GDPR continued and new employees of Falck are required to complete a mandatory training programme. This risk continues to be a top risk for Falck given the dynamic regulatory environment and highly regulated sector globally.

B. Workforce shortage

In 2023, key initiatives were taken and 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 and has the attention of our Executive Management as part of its efforts to continue the mitigation plan during 2024.

C. Cyber-attack risk

Recovery plans for the most critical systems were developed and prioritised activities are included in the Care for More '27 strategy. Close monitoring of the implementation and regular reporting to the Audit Committee were performed throughout 2023. 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. Constraints on passing on higher costs to customers

Several projects aimed to improve the overall efficiencies of most business areas were started in 2023 and will continue to be monitored over the next year. High importance is now given to the automation of processes which is scheduled to be completed during 2024 and to lead to a significant reduction in manual work. Starting in 2023, a new proactive, forward-looking forecast process has run at Falck to address the mitigation and implementation of corrective actions. Considering the strong actions taken during 2023, the risk will not be monitored as a top risk by the Executive Management, but regular reporting will continue in order to monitor the status.

E. Digital disruption

A Digital Potential board was established to govern and approve prioritised initiatives that are included in the roadmap for Falck. A transparent overview of initiatives and progress is maintained via a dedicated project management office. Falck continuously oversees the external factors and the speed of digitalisation globally that may influence the risk to the Group. The risk will remain high and will be monitored during 2024 as well.

F. Changes in government and regulatory policy

A continuous monitoring of Falck's long term contracts and retention pipeline was set-up to ensure visibility of customers at risk. At the same time, new innovation projects are being launched to enforce customer loyalty and to position Falck as an industry leader. The risk will remain high and will be monitored during 2024 as well.

Top risks to be monitored in 2024

In 2024, Falck will monitor and prioritise its efforts on the following six main risks with the same approach as in previous years.

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 2024

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 health-care 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.

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, 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, while process and system owners in Falck will be asked to ensure review and update of access control rights on a regular basis.

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.

These might 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.

Falck is pursuing a global approach to attract, recruit and onboard employees. This includes alignment and professionalisation of talent acquisition processes and tools, sharing of best practices and upskilling of personnel. Specific initiatives will be implemented to meet challenges in critical areas.

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 cyber defense 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 is focused on further strengthening its risk-based cybersecurity framework and processes along with business continuity and recovery plans for defined threats and attacks.

Top-six risks identified for 2024

Risk description

D Sustainability/ESG risk

Falck considers Sustainability/ESG risk as a top priority because it impacts the Group's long-term viability and profitability. Stakeholder expectations on all ESG-related areas, including climate change, are increasing. As such, there is a risk of reputational damage and loss of trust in our brand – across the Group – occurring as a result of not taking appropriate action to meet those expectations, not meeting commitments and not meeting the reporting obligations (CSRD reporting from 2025).

Planned mitigating actions

In the strategic planning for the coming years, Falck will prepare a well-founded Double Materiality Assessment that will guide the decision-making processes. From 2025, Falck will ensure that adequate resources, processes and systems are in place for compliance with relevant regulations and standards. Also, systems and support mechanisms for extended reporting will be explored to enhance transparency and accountability while also preparing for the CSRD reporting (Corporate Sustainability Reporting Directive).

E Digital disruption

The healthcare sector is characterized 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 are pivotal for meeting competition in time with scalable business models and innovative services that win in the healthcare market.

Development of a technology modernisation roadmap and comprehensive plans for further digitalisation with investment in upskilling employees continues to be in focus.

F 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.

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.

Tax reporting

Commitment to being a responsible taxpayer

Falck is dedicated to being a responsible taxpayer and actively supports initiatives to prevent aggressive tax planning and tax avoidance. The total tax footprint in 2023 in the eight main jurisdictions was equivalent to 31% of the revenue.

Falck's approach and commitment to pursue ethical tax practises are emphasised in Falck's Tax Policy, available on Falck.com. Falck engages in constructive dialogues with governments, business groups and civil society to develop effective tax systems. As part of Falck's commitment to transparency, Falck shares the Group's tax footprint to provide insights into the taxes paid and collected in the eight main jurisdictions, which account for 90% of total Group revenue.

3,364 million, representing 31% of total revenue. Out of this total, 63% was taxes collected, while 37% was taxes borne.

When it comes to taxes borne, Falck incurs the highest amount in taxes on employees. This accounts for 60% of the taxes borne. Taxes on goods and services, primarily due to non-deductible VAT, Goods and Services Tax (GST) and sales tax, and taxes on profits are the second and third largest amounts, corresponding to 26% and 10%, respectively, followed by taxes on the environment and taxes on properties.

Tax footprint amounted to DKK 3,364 million
In 2023, Falck's tax footprint amounted to DKK

Taxes collected mainly consist of taxes on employees, with the remaining amount corresponding to net VAT collected.

outlined in the EU directive on disclosures of income tax information. Falck is committed to being a responsible taxpayer and complying with relevant tax laws. The varying tax legislation and rates in the countries where Falck operates impact the amount of taxes paid.

Country-by-country reporting

Falck's country-by-country reporting for the financial year 2023 adheres to the principles

Country-by-country overview of income taxes borne by Falck in 2023¹

DKK million	Main activity	Revenue	Profit before tax	Corporate income tax paid	Corporate income tax for the year	Accumulated earnings	FTE number
Denmark	Head office, IP ownership, sales, services	3,985	(55)	(70)	14	4,577	4,391
United States	Sales, services	2,736	185	0 ²	166 ²	(116)	2,890
Sweden	Sales, services	1,315	0	9	(3)	650	1,508
Germany	Sales, services	885	6	(4)	(8)	258	1,552
Spain	Sales, services	706	(20)	(2)	(3)	1,011	1,732
Norway	Sales, services	597	(59)	0	15	522	702
Colombia	Sales, services	582	73	(51)	(31)	757	2,968
EMEA other jurisdictions	Sales, services	803	44	(8)	(10)	134	2,231
North and Latin Am. total	Sales, services	307	27	(5)	(8)	605	787
APAC total	Sales, services	80	4	(1)	(3)	(35)	192
Total		11,996	205	(132)	129	8,363	18,953

1. The information in this section is based on the EU directive and includes intercompany transactions. As a result, not all numbers in this section can be reconciled with the financial statements for the Falck Group.
2. Due to utilisation of tax losses from previous years, the US is not paying tax in 2023. In 2023, the remaining tax losses not previously capitalised have been capitalised. Please refer to note 3.5.

Overview of taxes collected and borne by Falck during 2023

DKK million	Taxes on income and profits	Taxes on employees	Taxes on property	Taxes on goods and services	Taxes on the environment	Total
Taxes collected		1,690		444		2,135
Taxes borne	121	741	14	317	34	1,228
Total	121	2,432	14	762	34	3,364

Tax Governance

Falck's tax governance model aims to ensure compliance with tax regulations and effectively manage tax risks. This includes establishing clear roles and responsibilities within the organisation, providing regular training on tax matters, and engaging with external tax advisers when necessary.

Falck has made the decision not to appoint a specific board member responsible for tax affairs. Instead, the company takes the position that the entire Board of Directors is responsible for Falck's tax affairs. This approach ensures that tax matters are overseen collectively by the Board, demonstrating the company's commitment to responsible tax practices and compliance.

The Head of Group Tax provides regular updates to the Audit Committee and to the Board of Directors.

Global minimum tax rules

The Falck Group is not expected to be materially impacted by the OECD's/EU's Pillar Two Model Rules and local implementation hereof, see note 2.6

Tax planning and use of tax incentives

Falck does not engage in setting up artificial tax and legal structures in jurisdictions with zero-tax rates or in non-cooperative jurisdictions. However, Falck may have a presence in low or zero-rate jurisdictions if there is a substantive and commer-

cial reason for operating there. As stated in Falck's Tax Policy, Falck has one holding company and an operating entity in Panama. Falck has decided to wind up the holding company, and the discontinuation process is currently underway.

To maintain competitiveness, Falck makes use of incentives and tax relief measures implemented by governments in jurisdictions where the Group has a substantial commercial presence and the activities are the intended beneficiaries of such incentives and reliefs.

In 2023, Falck has been granted the Colombian Holding Company regime by the Colombian Tax Authorities to eliminate double taxation. Apart from this benefit, no other specific tax incentives have been applied.

Tax inquiries, audits and litigation

Occasionally, Falck undergoes tax audits pertaining to various tax matters such as VAT/GST, corporate income tax and transfer pricing. Currently, Falck is actively engaged in tax inquiries and audits in three countries, covering corporate income taxes, VAT/GST and transfer pricing. These audits are progressing as expected, with constructive communication established with the local tax authorities.



Penneo dokumentnøgle: 443, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

Board of Directors

Board member since
Current term
Considered independent

Nationality
Born

Profession

Competencies

Board positions

Committee memberships

Niels Smedegaard
Chair



2016
2023-2024
Yes

Danish
1962

Professional board member

Global business management and strategic operations and governance, people leadership and change management, technology and digitalisation, risk management, innovation

- ISS A/S (Chair)
- Abacus Medicine (Chair)
- The Bikuben Foundation (Chair)
- Nordic Ferry Infrastructure (Chair)
- DSV A/S
- UK P&I
- TT Club
- Frederiksberg Fonden
- Nikolai og Felix Fonden
- Danish Board Leadership Society

- Remuneration and Nomination Committee (Chair)

Lene Skole
Deputy Chair



2015
2023-2024
No

Danish
1959

CEO of Lundbeckfonden and Lundbeckfond Invest A/S. Directorship in one subsidiary

Global business management and strategic operations and governance, healthcare industry and market access, people leadership and change management, risk management

- ALK-Abelló A/S (Deputy Chair)¹
- H. Lundbeck A/S (Deputy Chair)¹
- Ørsted A/S (Deputy Chair)
- Nordea Bank Abp (Deputy Chair)
- The Committee on Foundation Governance (Deputy Chair)

- Remuneration and Nomination Committee
- Audit Committee

Ingrid Bojner



2023
2023-2024
Yes

Swedish
1973

Professional board member

Global business management and strategic operations and governance, people leadership and change management, technology and digitalisation, digital transformation, innovation

- New Republic PA AB (Chair)
- Carnegie Investment Bank AB & Carnegie Holding AB
- Deezer
- Apoteket AB
- Swema AB & Swema Instrument AB (Chair)

- Audit Committee

1. Board positions included in the position as CEO of the Lundbeck Foundation.

Board member since
Current term
Considered independent

Nationality
Born

Profession

Competencies

Board positions

Committee memberships

Dorthe Mikkelsen



2014
 2023-2024
 Yes

Danish
 1967

Professional board member

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

- Theramex HQ UK Limited
- IMCD N.V.

- Remuneration and Nomination Committee
- Audit Committee

Peter Schütze



2015
 2023-2024
 No

Danish
 1948

Professional board member

Global business management and strategic operations and governance, healthcare industry and market access, technology and digitalisation, risk management

- SimCorp A/S (Chair ended November 2023)
- 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)

- Audit Committee (Chair)

Thomas Schleicher



2020
 2023-2024
 No

Danish
 1973

Chief Investment Officer, KIRKBI A/S

Global business management and strategic operations and governance, healthcare industry and market access, people leadership and change management, risk management, M&A and capital markets

- Ejner Hessel Holding A/S
- Adapture Renewables Inc.
- Topsøe Holding A/S
- KIRKBI Burbo Extension Holding (UK) Limited, a fully owned subsidiary of KIRKBI A/S

Board member since
Current term
Considered independent

Nationality
Born

Profession

Competencies

Board positions

Committee memberships

Stefan Fyhn Gregersen



2021
 2021-2025
 No, elected by the employees

Danish
 1989

Emergency Medical Technician, Falck Danmark A/S

Experience and a broad understanding of how the Company conducts its business, ability to balance employee and commercial interests, in-depth knowledge of the duties, skills and main concerns of the Company's employees, ability to advise on appropriate forms of communication between the Company and its employees.

- Reddernes Landsklub (Chair)

Christian Jesper Engvad Madsen



2022
 2021-2025
 No, elected by the employees

Danish
 1977

Physiotherapist, Employee and Labour Market services (ELM)

Experience and a broad understanding of how the Company conducts its business, ability to balance employee and commercial interests, in-depth knowledge of the duties, skills and main concerns of the Company's employees, ability to advise on appropriate forms of communication between the Company and its employees.

- Falck Healthcare A/S

Vagn Flink Møller Pedersen



2005
 2021-2025
 No, elected by the employees

Danish
 1957

Rescue Officer, Falck Danmark A/S

Experience and a broad understanding of how the Company conducts its business, ability to balance employee and commercial interests, in-depth knowledge of the duties, skills and main concerns of the Company's employees, ability to advise on appropriate forms of communication between the Company and its employees.

Executive Management

Joined Falck
Nationality
Born

Educational background

Career

Board positions



Jakob Riis
President and Group CEO
Member of the Executive Committee

2017
Danish
1966

MSc and PhD, Forestry and Econometrics,
Faculty of Science, University of Copenhagen

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.

- H. Lundbeck A/S
- Subsidiaries of Falck Group



Christian Baltzer
Group CFO
Member of the Executive Committee

2022
Danish
1978

MSc Actuarial Science, University of Copenhagen

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.

- Subsidiaries of Falck Group



Michala Fischer-Hansen
EVP, Consumer
and Technical services

2019
Danish
1974

MSc in International Business,
Copenhagen Business School

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 in the US.

- Abacus Medicine A/S
- Subsidiaries of Falck Group

Joined Falck
Nationality
Born

Educational background

Career

Board positions



Anette Damgaard
SVP, Employee and Labour
Market services

2018
Danish
1968

Master of Law, University of Copenhagen

Anette joined Falck from a position as Chief Development Officer at Private Hospital Mølholm. Prior to that she was Managing Director at Private Hospital Heart Centre Varde and Head of Health Policy at The Danish Chamber of Commerce. She has also held management positions at the insurance companies Skandia, PFA and Pension Danmark.

- Subsidiaries of Falck Group
- Mariehjemmene Foundation (Chair)



Yann Hedoux
SVP, Falck USA

2011
French
1974

International commercial executive, Fim France

Prior to joining Falck, Yann held directive positions within marketing, organisation, operational excellence and core operations at Carrefour in France and Spain. In 2007, he joined the private equity fund Tribeca to become president of Grupo emi.

- Subsidiaries of Falck Group



Lars Dam Jensen
SVP, Falck Ambulance Western Europe
and Commercial

2021
Danish
1972

Graduate Diploma in Business Administration, Copenhagen Business School. BA, Electronic Engineering, Universidad Politecnica de Valencia, Spain

Lars has +20 years of experience with international leadership, commercial strategy and growth execution from companies like Rockwool, Capgemini and TDC. From 2011 to 2021, Lars was leading commercial execution in ISS both locally in the Danish and US subsidiaries and at global level.

- Subsidiaries of Falck Group



Gorka Vigarra de Otazu
SVP, Falck LATAM

2021
Spanish
1984

Master's degree in mechanical engineering from ICAI, Universidad Pontificia de Comillas in Madrid and an MBA from Hass School of Business, University of California Berkeley

Gorka joined Falck from a position as CEO of Falabella Insurance Colombia. Additionally, he has 7 years of experience from strategy consulting in both Accenture and McKinsey.



Lars Tue Toftild
SVP, Falck Eastern Europe

2017
Danish
1972

BSc International Business (HD-U) at Copenhagen Business School and Executive Master of Business Administration, RSM Erasmus University, Rotterdam

Lars initiated his career at Falck as Managing Director of Falck Rettungsdienst GmbH and in 2020 he transferred into current position. Prior to that he held various leadership positions in AP Moller-Maersk, DFDS and Blue Water Shipping, where a considerable part was spent outside Denmark in Italy, Netherlands, Brazil, Sweden and Belgium.

- Subsidiaries of Falck Group



Henrik Amsinck
VP, CIO

2022
Danish
1961

Master of Science (MSc) Economics, IMD post education

Henrik joined Falck from a position as CIO of the LEGO Group for 15 years and part of LEGO Corporate Management. In addition to this, Henrik has executive experience from the Fast-Moving Consumer Goods (FMCG) industry, telecom and confectionary industries.

- DSB SOV
- ELTRONIC A/S
- Scandinavian Tobacco Group A/S



Camilla Krohn
SVP, Chief of Staff

2018
Danish
1972

Master's degree in Law, Copenhagen University and Executive MBA, Middlesex University

Camilla joined Falck from a similar position in COWI, which she held for 10 years. Prior to this, Camilla, among others, held a position as Head of Division in the Danish IT and Telecom Agency.

- Endpoint ApS

Joined Falck
Nationality
Born

Educational background

Career

Board positions

Consolidated financial statement

Primary statements

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Income statement

1 January - 31 December

DKK million	Note	2023	2022
Revenue	2.1	11,913	12,647
Cost of services	2.2, 2.7, 3.1, 3.3, 3.4	(9,253)	(10,025)
Gross profit		2,660	2,622
Sales and administrative expenses	2.2, 3.1, 3.3, 3.4	(2,230)	(1,974)
Other operating income and expenses, net	2.4	56	69
Operating profit before special items (EBITA)¹		486	717
Special items	2.5	(51)	(21)
Amortisation of acquired intangibles ²	3.1	(47)	(90)
Impairment of goodwill	3.1, 3.2	-	(174)
Gains/losses from divestments of enterprises	4.2	(2)	689
Operating profit (EBIT)		386	1,121
Financial income	5.3	24	44
Financial expenses	5.3	(205)	(118)
Profit before tax		205	1,047
Income taxes	2.6	129	(126)
Profit for the year		334	921
Profit for the year attributable to:			
Shareholders in Falck A/S		334	920
Non-controlling interests		-	1
Profit for the year		334	921

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.

2) Amortisation of acquired intangibles includes amortisation of customer contracts, brand and IT platform acquired in connection with business combinations.

Statement of comprehensive income

1 January - 31 December

DKK million	Note	2023	2022
Profit for the year		334	921
Foreign currency translation adjustment		51	(103)
Fair value adjustment of interest hedging instruments		2	-
Tax on other comprehensive income	2.6	(5)	(10)
Items that will be reclassified to the income statement		48	(113)
Other comprehensive income		48	(113)
Total comprehensive income		382	808
Total comprehensive income attributable to:			
Shareholders in Falck A/S		382	807
Non-controlling interests		-	1
Total comprehensive income		382	808

Statement of cash flows

1 January - 31 December

DKK million	Note	2023	2022
Operating profit (EBIT)		386	1,121
Depreciation and amortisation	3.1, 3.3, 3.4	481	498
Amortisation of customer contracts and brand	3.1	47	90
Impairment of goodwill	3.1	-	174
Change in net working capital	5.6	(40)	(1,057)
Gains/losses on non-current assets and enterprises, net		(9)	(697)
Interests, etc. paid		(203)	(118)
Interests, etc. received		24	44
Income tax paid	2.6	(132)	(168)
Cash flows from operating activities		554	(113)
Purchase of property, plant and equipment	3.3	(200)	(190)
Sale of property, plant and equipment		121	88
Purchase of intangible assets	3.1	(4)	(11)
Acquisition of subsidiaries	4.1	(101)	(3)
Divestment of enterprises	4.2	-	998
Cash flows from investing activities		(184)	882

DKK million	Note	2023	2022
Dividend paid to shareholders	6.2	(254)	(1,750)
Purchase of treasury shares		-	(46)
Sale of treasury shares		11	-
Transactions with non controlling interests		-	(57)
Interest-bearing debt raised	5.2	1,484	403
Repayment of interest-bearing debt, including lease liabilities	5.2	(1,625)	(472)
Cash flows from financing activities		(384)	(1,922)
Total cash flows		(14)	(1,153)
Cash at 1 January		186	1,359
Foreign currency translation adjustment		18	(20)
Total cash flows		(14)	(1,153)
Cash at 31 December	5.5	190	186

Statement of financial position

At 31 December

DKK million	Note	2023	2022
Assets			
Goodwill	3.1, 3.2	5,704	5,603
Other intangible assets	3.1	710	746
Property, plant and equipment	3.3	907	864
Right-of-use assets	3.4	1,052	1,005
Deferred tax assets	3.5	289	120
Other receivables	3.9	54	60
Total non-current assets		8,716	8,398
Inventories		36	41
Contract assets	3.6	408	322
Trade receivables	3.8	1,222	1,181
Income tax receivable		2	25
Other receivables	3.9	223	352
Cash	5.5	190	186
Total current assets		2,081	2,107
Total assets		10,797	10,505

DKK million	Note	2023	2022
Equity and liabilities			
Share capital		136	136
Other reserves		(325)	(373)
Retained earnings		4,234	4,156
Equity attributable to Falck A/S		4,045	3,919
Non-controlling interests		-	-
Total equity	5.1	4,045	3,919
Loans	5.2	2,635	2,286
Lease liabilities	5.2	717	659
Deferred tax liabilities	3.5	185	184
Provisions	3.11	81	119
Contract liabilities	3.7	-	2
Other payables	3.10	19	-
Total non-current liabilities		3,637	3,250
Loans	5.2	13	169
Lease liabilities	5.2	344	280
Trade payables		714	879
Income tax payables		52	142
Provisions	3.11	251	163
Contract liabilities	3.7	669	728
Other payables	3.10	1,072	975
Total current liabilities		3,115	3,336
Total liabilities		6,752	6,586
Total equity and liabilities		10,797	10,505

Statement of changes in equity

1 January - 31 December

2023 DKK million	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2023	136	-	(373)	4,156	3,919	-	3,919
Foreign currency translation adjustment	-	-	51	-	51	-	51
Fair value adjustment of interest hedging instruments	-	2	-	-	2	-	2
Tax on other comprehensive income (relating to intercompany loans)	-	-	(5)	-	(5)	-	(5)
Other comprehensive income	-	2	46	-	48	-	48
Profit for the year	-	-	-	334	334	-	334
Total comprehensive income	-	2	46	334	382	-	382
Dividend paid	-	-	-	(254)	(254)	-	(254)
Sale of treasury shares	-	-	-	11	11	-	11
Repurchase obligation of treasury shares	-	-	-	(13)	(13)	-	(13)
Change in non-controlling interests ownership share	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	(256)	(256)	-	(256)
Total changes in equity in 2023	-	2	46	78	126	-	126
Total equity at 31 December 2023	136	2	(327)	4,234	4,045	-	4,045

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)
Fair value adjustment of interest hedging instruments	-	-	-	-	-	-
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)
Sale of treasury shares	-	-	-	-	-	-
Repurchase obligation of treasury shares	-	-	-	-	-	-
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 rate reserves in 2022 (DKK 12 million) related to divested and liquidated enterprises (income).

Section 1

Basis of reporting

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Note 1.1

Principal 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 2023 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. Furthermore, the accounting policies are consistent with those applied in the Annual Report 2022.

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.

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 as financial income or expenses.

On recognition in the consolidated financial statements of 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.

Note 1.1**Principal accounting policies** (continued)**Non-controlling interests**

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

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

Acquisition and divestment of non-controlling interests

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

Note 1.2

Significant accounting estimates and management judgements

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

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

Note	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	Intangible assets	In connection with capitalisation of intangible assets, determining the carrying amounts requires judgement and estimates.	Estimate/ judgement	●●○○
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
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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 2023. The implementation of these new or amended standards and interpretations have had no material impact on the annual report 2023.

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 2023. 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	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% (2022: 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 acquired intangibles 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% (2022: 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

1 January - 31 December

DKK million	2023	2022
Revenue	11,913	12,647
Cost of services	(9,279)	(10,025)
Gross profit	2,634	2,622
Sales and administrative expenses	(2,302)	(2,259)
Other operating income and expenses	56	69
Operating profit before special items (EBITA)	388	432
Special items	-	-
Amortisation of acquired intangibles	-	-
Impairment of goodwill	-	-
Gains/losses from divestments of enterprises	(2)	689
Operating profit (EBIT)	386	1,121
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	(27)	-
Sales and administrative expenses	(72)	(285)
Total	(99)	(285)

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	2023	2022
Revenue		11,913	12,647
Other operating income and expenses, net		56	69
Cost of sales and external assistance		(700)	(833)
Other external costs		(2,556)	(2,651)
Staff costs		(7,746)	(8,017)
EBITDA		967	1,215
Depreciation and amortisation		(481)	(498)
Operating profit before special items (EBITA)		486	717
Staff costs under special items		(49)	(9)
Other special items		(2)	(12)
Amortisation of acquired intangibles		(47)	(90)
Impairment of goodwill		-	(174)
Gains/losses from divestments of enterprises		(2)	689
Operating profit (EBIT)		386	1,121

Section 2

Operating profit and tax

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Note 2.1 Segment and revenue information

Segments	Emergency Health and Safety					Healthcare					Unallocated	Divestments	Eliminations	Falck Group
	Business Areas	AMB EU + RoW	Of which test ¹	AMB US	Fire	Total EHS	ELM	CTS	CHS	Eliminations				
2023														
Income statement														
Revenue	3,508	-	2,691	1,365	7,564	1,683	1,875	872	(76)	4,354	-	-	(5)	11,913
Operating profit before special items, etc. (EBITA)	62	-	284	41	387	41	356	155	-	552	(453)	-	-	486
Key ratio														
EBITA margin (%)	1.8	-	10.6	3.0	5.1	2.4	19.0	17.8	-	12.7	-	-	-	4.1
2022														
Income statement														
Revenue	4,270	617	2,412	1,313	7,995	1,777	1,845	786	(61)	4,347	-	321	(16)	12,647
Operating profit before special items, etc. (EBITA)	304	200	139	67	510	(3)	391	138	-	526	(333)	14	-	717
Key ratio														
EBITA margin (%)	7.1	32.4	5.8	5.1	6.4	(0.1)	21.1	17.6	-	12.1	-	4.5	-	5.7

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 56% 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 and 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 long-term contracts with fixed price and subscriptions, revenue is recognised on a straight-line basis over the contract period. For pay-on-use contracts, revenue is recognised in connection with the actual delivery of the individual service.

Services related to long-term contracts with fixed price and subscriptions are usually prepaid by the customers (prepayment usually occurs between one and twelve months before the start of the service period). For pay-on-use contracts, the payment term is usually between one and three months after the service has been delivered.

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

At the end of 2022, Falck decided to re-categorise Falck Global Assistance as part of the core business. Thus, effective at 1 January 2023, the business unit was transferred out of the Portfolio and into Consumer and Technical services under Healthcare.

Portfolio has been renamed Divestments and now only contains discontinued operations, while Ambulance entities in Australia and Poland have been reclassified from Portfolio to Ambulance Europe & Rest of the world.

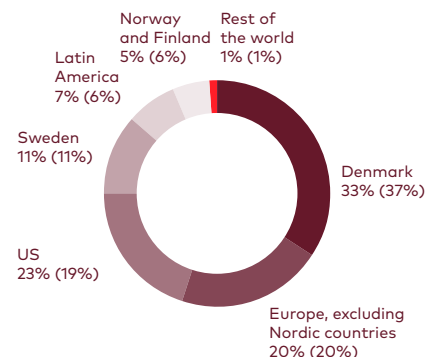
Comparable figures have been restated accordingly for the changes to the business segments.

The segments reflect the structure in the internal management reporting.

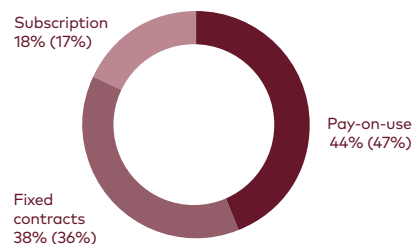
Transactions between segments or entities are made on an arm’s length basis. Unallocated mainly consists of Group costs not allocated to the business areas.

Falck’s business segments are based on the monthly reporting presented to the 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.

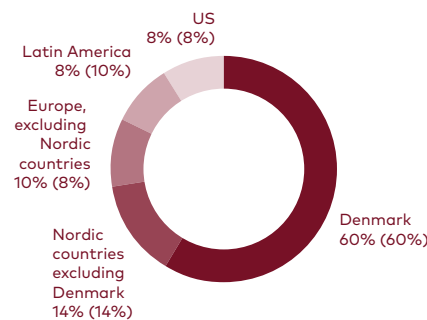
Revenue by geography
2023 (2022)



Revenue by contract type
2023 (2022)



Non-current assets excluding deferred tax assets
2023 (2022)



Note 2.2
Staff costs

DKK million	2023	2022
Wages, salaries and remuneration	(6,280)	(6,511)
Defined contribution pension plans	(325)	(331)
Other social security costs	(817)	(828)
Other staff costs	(373)	(356)
Total staff costs	(7,795)	(8,026)
Number of employees at 31 December	25,380	24,984
Average full-time equivalents (FTEs)	18,953	19,988

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

	2023	2022
Cost of services	(6,555)	(6,858)
Sales and administrative expenses	(1,191)	(1,159)
Special items	(49)	(9)
Total staff costs	(7,795)	(8,026)

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.

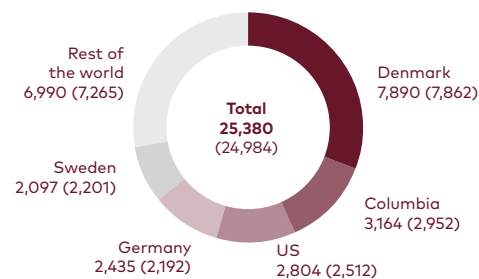
Number of employees

The total number of employees at 31 December has increased by 396 due to the addition of staff within US Ambulance and Falck Global Assistance in Consumer and Technical services. However, the average full-time equivalents have decreased by 1,035, primarily due to a significant number of public testing activities in Q1 2022 that impacted the annual average.

Number of employees end of year

2023 (2022)

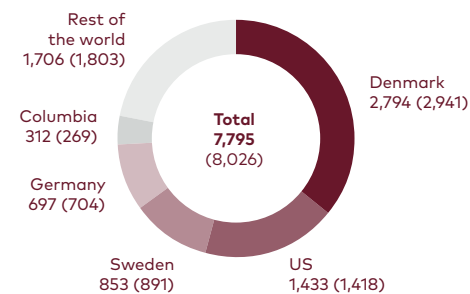
No. of employees



Staff costs

2023 (2022)

DKK million



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	
	2023	2022	2023	2022	2023	2022	2023	2022
Salaries	14,716	14,030	23,320	21,041	5,200	5,200	43,237	40,271
Pension	-	90	1,848	1,747	-	-	1,848	1,837
Short-term incentive plan ³	8,960	4,482	7,887	5,159	-	-	16,847	9,641
Long-term incentive plan ⁴	(659)	(2,486)	(1,163)	223	-	-	(1,822)	(2,263)
Social security	30	25	493	339	-	-	522	364
Severance payment/one off payments	-	-	-	-	-	-	-	-
Total remuneration	23,047	16,141	32,385	28,509	5,200	5,200	60,632	49,850

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), 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 Gorka Vigara de Otazu (appointed 1 November 2021). Elisabeth Milton (appointed 19 August 2019) left Falck in January 2024. Henrik Amsinck has been appointed to the Executive Management 16 January 2024.

3) The value of the short-term programme is accrued based on 2023 performance.

4) The value of the long-term programme is based on the best estimate of the earned 2023 programme and includes adjustments of the 2021 and 2022 programmes, which include reversals.

DKK '000	Jakob Riis		Christian Baltzer		Tor Magne Lønnum		Maarit Pokkinen	
	2023	2022	2023	2022	2023	2022	2023	2022
Salaries	8,746	8,476	5,970	2,911	-	1,869	-	774
Pension	-	-	-	-	-	-	-	90
Short-term incentive plan	6,180	3,533	2,780	799	-	-	-	150
Long-term incentive plan	(1,286)	40	627	-	-	(2,594)	-	68
Social security	16	15	14	6	-	1	-	3
Total remuneration	13,656	12,064	9,391	3,716	-	(724)	-	1,085

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.

Note 2.3 Remuneration of the Board of Directors and the Executive Management (continued)

DKK '000	2023	2022
Niels Smedegaard	1,219	1,219
Lene Skole	934	934
Ingrid Bojner ¹	416	-
Lars Frederiksen ²	72	488
Dorthe Mikkelsen	609	609
Peter Schütze	650	650
Thomas Lau Schleicher	325	325
Stefan Fyhn Gregersen	325	325
Christian Jesper Engvad Madsen	325	203
Vagn Flink Møller Pedersen	325	325
Jacob Bonne Guldberg ³	-	122
Total remuneration	5,200	5,200

- Ingrid Bojner was appointed as an independent member of the Board of Directors at the 2023 Annual General Meeting, replacing Lars Frederiksen.
- Lars Frederiksen completed his term as a member of the Board of Directors at the 2023 Annual General Meeting.
- Jacob Bonne Guldberg completed his term as a member of the Board of Directors at the 2023 Annual General Meeting.

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.

Both in 2023 and 2022, total fees to the Board of Directors amounted to DKK 5,200.

Note 2.4 Other operating income and expenses, net

DKK million	2023	2022
Gain from sale of assets	14	15
Other operating income	53	69
Loss from sale of assets	(3)	(7)
Other operating expenses	(8)	(8)
Other operating income and expenses, net	56	69

Comments

In both 2023 and 2022, other operating income consisted of income from the sub-leasing of premises and other non-primary income.

Note 2.5 Special items

DKK million	2023	2022
Transaction costs related to acquisitions and divestments	(1)	(21)
Redundancy and restructuring costs, etc.	(44)	(9)
Other special items	(6)	9
Special items	(51)	(21)

In 2023, special items mainly related to restructuring of the business area Employee and Labour Market services. In 2022, special items mainly related to the disposal of UK ambulance and the Roadside Assistance business area.

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	2023	2022
Current tax	(44)	(134)
Change in deferred tax for the year excl. reassessments	(14)	(20)
Prior year adjustments	1	70
Reassessment of deferred tax and other	186	(42)
Total income taxes	129	(126)
Tax on comprehensive income	(5)	(10)
Total tax	124	(136)
Income tax paid during the year	(132)	(168)
Explanation of total tax expense		
Total income taxes	129	(126)
Profit/loss before tax	205	1,047

	2023		2022	
	Tax	Effective tax rate	Tax	Effective tax rate
Danish tax rate	45	22.0%	230	22.0%
Differences in foreign tax rates relative to Danish rate	22	10.7%	(12)	(1.2%)
Non-deductible costs	15	7.4%	5	0.5%
Non-deductible goodwill impairment	-	0.0%	49	4.7%
Tax effect of gains/losses from divestments of enterprises - non-taxable	-	0.0%	(123)	(11.8%)
Reassessment of tax assets	(204)	(99.3%)	50	4.8%
Other including payroll tax	(6)	(2.9%)	(3)	(0.3%)
Prior year adjustments	(1)	(0.6%)	(70)	(6.7%)
Total tax for the year and effective tax rate	(129)	(62.7%)	126	12.0%

DKK million	2023	2022
Tax on other comprehensive income		
Tax on foreign currency translation adjustments	(5)	(10)
Total tax on other comprehensive income	(5)	(10)

Comments

The reassessment of tax assets in 2023 is mainly related to the US. The tax effect of gains/losses from divestment of business in 2022 was mainly related to selling the Nordic Roadside business.

Excluding the impacts mentioned above, the effective tax rate (ETR) would have been 36.6% in 2023 and 36.2% in 2022.

The Falck group is not expected to be materially impacted by OECD's / EU's Pillar Two Model Rules and local implementation hereof. The Pillar Two Model Rules are designed to ensure that large multinational enterprises pay a minimum level of 15% tax on the income arising in each country. The rules are effective from 2024.

The Falck group is within scope of the rules. The rules are complex, and for Falck, the rules are mainly regarded as a compliance burden rather than additional tax expenses.

The preliminary calculations show that all countries in which Falck operates are expected to fall within the "safe harbour" rules. This means that a high level calculation, based on Falck group accounts, demonstrates sufficient taxation above 15%. Therefore, no deferred tax impact is recognised in 2023.

Accounting policies

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

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

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

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

Note 2.7**Government grants****Comments**

Falck has not received any significant amounts to reimburse or compensate for costs in 2023 and 2022.

As an incentive to invest in environmental-friendly assets, Falck has received grants of DKK 0.5 million in 2023 related to acquisition of electric vehicles in the Fire services business in Romania.

Accounting policy

Government grants related to reimbursement and compensation of costs and negative effects from lost revenue 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 related to incentives to acquire environmental-friendly assets are recognised in the balance sheet as a reduction in the cost price for the asset.

Government grants are recognised when there is reasonable assurance that Falck will comply with the conditions attached to them.

Section 3

Net operating assets

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Note 3.1
Intangible assets

2023 DKK million	Goodwill	Customer contracts	Brands	Software and other intangible assets	Total intangible assets
Cost at 1 January 2023	8,823	250	514	574	10,161
Foreign currency translation adjustment	23	(17)	-	1	7
Additions	-	-	-	4	4
Additions from acquisitions	71	-	-	40	111
Disposals and reclassifications	(22)	-	-	(12)	(34)
Cost at 31 December 2023	8,895	233	514	607	10,249
Impairment and amortisation at 1 January 2023	(3,220)	(59)	-	(533)	(3,812)
Foreign currency translation adjustment	7	4	-	(1)	10
Disposals and reclassifications	22	-	-	11	33
Amortisation	-	(47)	-	(19)	(66)
Impairment and amortisation at 31 December 2023	(3,191)	(102)	-	(542)	(3,835)
Carrying amount at 31 December 2023	5,704	131	514	65	6,414

Comments

Additions from acquisitions in 2023 are related to the acquisition of MedConnect A/S. Please refer to note 4.1 for further guidance on this. The acquisitions of goodwill, customer contracts, software, and other intangible assets have primarily been made to achieve synergies with existing business units, to further develop existing markets and to establish a presence on new markets.

Brands only consists of the value of the Falck brand. The brand value related to Frisk Gruppen was fully amortised in 2022 as the business was rebranded to Falck in 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 Employee and Labour Market services.
- Dispatch, planning and vehicle maintenance systems in Ambulance Europe and Ambulance US.
- The digital platform in MedConnect A/S.

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.

Note 3.1
Intangible assets (continued)

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

Impairment and amortisation are included in the following line items in the income statement	2023	2022
Cost of services	(1)	(3)
Sales and administrative expenses	(18)	(32)
Amortisation of acquired intangibles	(47)	(90)
Impairment of goodwill	-	(174)
Total impairment and amortisation	(66)	(299)

Accounting policies
Intangible assets

In the statement of financial position, goodwill is initially recognised at cost. This cost represents the amount by which the purchase price for a business combination exceeds the recognised value of the identifiable assets and liabilities acquired. Goodwill is subsequently measured at cost, less accumulated impairment losses.

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.

Brands are initially recognised at cost based on the "Relief from Royalty" method and subsequently at cost, less accumulated impairment losses.

Software and other intangible assets are measured at cost, less accumulated amortisation and impairment losses. If the assets are acquired in connection with a business combination, the assets are recognised at fair value at the date of acquisition and subsequently at cost, less accumulated amortisation and impairment losses. The expected economic life is estimated to be 3-5 years for software and 3-10 years for other intangible assets.

Development costs of intangible assets, such as software, are recognised as an asset if the costs are expected to generate future economic benefits, are identifiable, and meet the recognition criteria.

Cost 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 or 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 2023 did not result in recognition of any impairment losses on goodwill. The impairment test for 2022 identified a need for impairment of goodwill of DKK 174 million related to Ambulance US. During 2023, both revenue and earnings for Ambulance US have developed positively.

Based on sensitivity analyses related to the impairment test for 2023, it is Management's opinion, that no probable change in any key assumptions would result in impairment losses.

Falck's cash-generating units (CGUs)

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

Impairment tests are carried out on the business segments Ambulance Europe, Ambulance US, Fire services, Employee and Labour Market services, Consumer and Technical services and Community Health services.

Goodwill and earnings related to MedConnect A/S acquired in October 2023 are not included in the impairment test for 2023. From 2024, the business will be included in the impairment test for Employee Labour Market services.

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.

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
- Net working capital

Revenue growth

Revenue growth projections in the financial forecast for 2024-2028 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 the current contract portfolio in the Swedish market, but growth is expected from other geographical areas and from pursuing new business opportunities.

For Ambulance US, revenue growth is expected due to change in contract models and extension of contracts.

Employee and Labour Market services are expecting an increase in the revenue through organic growth and launch of new products from 2024 to 2028.

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 also expects overall growth in the forecasting period.

EBITA margin and net working capital

When estimating the CGUs EBITA margin in the financial forecast for 2024-2028, 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 still negatively impacted by labour market conditions, but still expected to be relatively stable in the forecasting period due to revenue cycle management and other operational efficiency initiatives.

The EBITA margin for Consumer and Technical services is also expected to be stable in the forecasting period.

Employee and Labor Market services, Community Health services and Fire services expect improvement in the EBITA margin during the forecast period due to continuous operational efficiency improvements.

Net working capital is based on historical experience for each CGU and thus increases on a linear basis as the level of activity increases.

Discount rates and terminal growth

The discount rates for 2023 impairment testing purposes are based on calculation of weighted average cost of capital (WACC).

Note 3.2

Impairment tests (continued)

The cost of equity is calculated using Capital Asset Pricing Model (CAPM). The beta applied at year-end 2023 is obtained from comparable peers. Market risk premiums have been added based on observed market data.

The cost of debt is based on Falck's debt margin 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 2028.

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 for each CGU:

2023 DKK million	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
Ambulance Europe	480	-	480	2.4%	2.8%	2.0%	4.3%	7.2%	8.9%
Ambulance US	363	-	363	1.5%	7.4%	2.1%	8.8%	8.5%	10.8%
Fire services	570	-	570	2.5%	5.9%	2.0%	7.1%	7.7%	9.4%
Employee and Labour Market services	1,000	131	1,131	11.0%	5.2%	2.0%	6.7%	7.3%	8.6%
Consumer and Technical services	2,654	-	2,654	6.6%	19.6%	2.0%	21.7%	7.1%	8.3%
Community Health services	637	-	637	12.3%	18.4%	3.5%	18.0%	11.9%	15.7%
Total	5,704	131	5,835						

1) The goodwill of Portfolio business has been reallocated due to the changes to the business segments. Therefore, the carrying amounts and the key assumptions are not directly comparable with 2022.

2022 DKK million	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
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						

Note 3.3

Property, plant and equipment

2023 DKK million	Land and buildings	Leasehold improvements	Fixtures, fittings, tools and equipment	Total property, plant and equipment
Cost at 1 January 2023	984	187	1,473	2,644
Foreign currency translation adjustment	-	1	9	10
Additions	4	17	179	200
Disposals	(30)	(8)	(165)	(203)
Transfer from Right-of-use assets	61	3	14	78
Cost at 31 December 2023	1,019	200	1,510	2,729
Impairment and depreciation at 1 January 2023	(441)	(142)	(1,197)	(1,780)
Foreign currency translation adjustment	-	-	(6)	(6)
Disposals and reclassifications	28	7	57	92
Depreciation	(26)	(15)	(66)	(107)
Transfer from Right-of-use assets	(11)	-	(10)	(21)
Impairment and depreciation at 31 December 2023	(450)	(150)	(1,222)	(1,822)
Carrying amount at 31 December 2023	569	50	288	907
Hereof assets under construction	2	-	60	62

Comments

Both in 2023 and 2022, additions to Fixtures, fittings, tools and equipment mainly related to purchase of chassis for Ambulances while disposals, which were not part of divestments, mainly related to the sale and leaseback of ambulances which Falck has assembled.

Accounting policies

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)

2022 DKK million	Land and buildings	Leasehold improvements	Fixtures, fittings, tools and equipment	Total property, plant and equipment
Cost at 1 January 2022	895	217	1,752	2,864
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	(6)	(22)	(317)	(345)
Transfer from Right-of-use assets	85	-	11	96
Cost at 31 December 2022	984	187	1,473	2,644
Impairment and depreciation at 1 January 2022	(410)	(158)	(1,491)	(2,059)
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	(441)	(142)	(1,197)	(1,780)
Carrying amount at 31 December 2022	543	45	276	864
Hereof assets under construction	8	-	90	98

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

	2023	2022
Cost of services	(99)	(99)
Sales and administrative expenses	(8)	(11)
Total depreciation	(107)	(110)

Note 3.4
Right-of-use assets

2023 DKK million	Land and buildings	Fixtures, fittings, tools and equipment	Total right-of-use assets
Cost at 1 January 2023	1,269	917	2,186
Foreign currency translation adjustment	(14)	(15)	(29)
Additions	166	231	397
Additions from acquisitions	2	-	2
Re-measurement of lease obligation	71	7	78
Disposals and reclassifications	(118)	(23)	(141)
Transfer to Property, plant and equipment	(61)	(17)	(78)
Cost at 31 December 2023	1,315	1,100	2,415
Impairment and depreciation at 1 January 2023	(661)	(520)	(1,181)
Foreign currency translation adjustment	2	10	12
Disposals and reclassifications	118	22	140
Depreciation	(191)	(164)	(355)
Transfer to Property, plant, and equipment	11	10	21
Impairment and depreciation at 31 December 2023	(721)	(642)	(1,363)
Carrying amount at 31 December 2023	594	458	1,052

Note 3.4

Right-of-use assets (continued)

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
Depreciation	(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

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

DKK million	2023	2022
Cost of services	(315)	(323)
Sales and administrative expenses	(40)	(30)
Total depreciation	(355)	(353)

Lease expenses recognised in the income statement.

DKK million	2023	2022
Interest expenses related to lease liabilities	(31)	(34)
Expenses related to short-term leases (12 months or less)	(34)	(42)
Expenses related to low-value leases	(41)	(44)
Total lease expenses	(106)	(120)

Comments

In 2023, additions to land and buildings mainly related to Employee Labour Market services in Sweden and Norway and Ambulance in Germany. Additions to fixtures, fittings, tools and equipment mainly relate to leasing of new ambulances and heavy assistance vehicles in Denmark. In 2022, the additions related to leasing new ambulances in Denmark, Spain and the US. Disposals and reclassifications in 2023 related to buildings in Ambulance Germany and Employee Labour Market services in Sweden and Norway.

Accounting policies

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.

The lease payments are discounted using the interest rate implicit in the lease contract. If the implicit interest rate cannot be determined, Falck's incremental

borrowing rate is used. Payments relating to services are not included in the lease liabilities.

Subsequently, the right-of-use assets are depreciated on a straight-line basis over the lease term. If it is reasonably certain that an extension or a purchase option will be exercised at the end of the lease term, this will be reflected 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	2-18
Vehicles	3-6

Payments related to leases with a contract period of 12 months or less or low-value assets are recognised in the income statement as an expense 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	2023	2022
Deferred tax (assets)/ liabilities at 1 January	64	67
Foreign currency translation adjustment	(2)	(6)
Net addition on acquisitions and divestments	9	8
Change in deferred tax for the year	14	20
Change in deferred tax for prior years	10	(70)
Revaluation of deferred tax and other	(199)	45
Deferred tax (assets)/liabilities at 31 December	(104)	64
Deferred tax assets	(289)	(120)
Deferred tax liabilities	185	184
Net deferred tax (assets)/liabilities at 31 December	(104)	64

2023 DKK million	Deferred tax 1 January	Exchange difference	Acquisitions/Divestments	Changes during the year	Prior year adjustments	Change in revaluation and other	Deferred tax 31 December
Intangible assets	152	(3)	9	(12)	-	-	146
Property, plant and equipment	(5)	-	-	15	1	-	11
Current assets	30	-	-	(1)	-	-	29
Non-current liabilities and provisions	(17)	-	1	(9)	3	-	(22)
Current liabilities	(14)	-	-	(12)	8	-	(18)
Tax losses carried forward	(82)	1	(1)	33	(2)	(199)	(250)
Net deferred tax	64	(2)	9	14	10	(199)	(104)

2022 DKK million	Deferred tax 1 January	Exchange difference	Acquisitions/Divestments	Changes during the year	Prior year adjustments	Change in revaluation and other	Deferred tax 31 December
Intangible assets	207	(3)	-	(23)	(28)	(1)	152
Property, plant and equipment	27	(1)	(1)	(20)	(10)	-	(5)
Current assets	32	-	2	(1)	(3)	-	30
Non-current liabilities and provisions	(32)	1	(2)	18	(2)	-	(17)
Current liabilities	(28)	-	4	27	(17)	-	(14)
Tax losses carried forward	(139)	(3)	5	19	(10)	46	(82)
Net deferred tax	67	(6)	8	20	(70)	45	64

Comments

At 31 December 2023, Falck recognised net deferred tax assets of DKK 104 million (2022: Deferred tax liability of DKK 64 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 42 million (deferred tax assets of DKK 264 million).

The main reason for the increase in net deferred tax assets and the decrease in unrecognised deferred tax assets from tax losses is recognition of deferred tax assets in the US of DKK 208 million, whereof DKK 49 million has been utilised in 2023. The additional recognition of deferred tax assets in the US is due to a positive development in revenue and earnings in Ambulance 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.

Note 3.5
Deferred tax (continued)

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 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	2023	2022
Contract assets (not invoiced)	410	326
Impairment of contract assets	(2)	(4)
Total contract assets	408	322
Expected loss rate	1%	1%

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 contract asset. The expected credit losses are calculated according to the portfolio of contract assets 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	2023	2022
Stepped-pricing contracts	1	18
Prepayments	668	712
Total contract liabilities	669	730
Classification of contract liabilities by expected maturity		
Within 1 year	669	728
More than 1 year	-	2
Total contract liabilities	669	730
Revenue recognised in the year from amounts included in contract liabilities at the beginning of the year (prepayments from prior year)	712	1,112
Revenue recognised in the year from performance obligations satisfied in previous years (accrued price reductions regarding stepped-pricing contracts)	(17)	(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

2023 DKK million	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Ambulance Europe	5%	188	(11)	177
Ambulance US	31%	571	(180)	391
Fire services	1%	184	(2)	182
Employee and Labour Market services	1%	242	(2)	240
Consumer and Technical services	2%	155	(3)	152
Community Health services	8%	87	(7)	80
Total	14%	1,427	(205)	1,222

2022 DKK million	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Ambulance Europe	5%	189	(9)	180
Ambulance US	30%	473	(142)	331
Fire Services	1%	181	(1)	180
Employee and Labour Market services	1%	296	(2)	294
Consumer and Technical services	2%	130	(3)	127
Community Health services	5%	73	(4)	69
Total	12%	1,342	(161)	1,181

DKK million	2023			
	Expected loss rate %	Gross carrying amount	Loss allowance	Net carrying amount
Not due	1%	610	(5)	605
Overdue 1 to 30 days	11%	359	(39)	320
Overdue 31 to 90 days	25%	302	(75)	227
Overdue 91 to 180 days	55%	108	(59)	49
Overdue more than 181 days	57%	48	(27)	21
Total trade receivables	14%	1,427	(205)	1,222

DKK million	2022			
	Expected loss rate %	Gross carrying amount	Loss allowance	Net carrying amount
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	2023	2022
Impairments (expected loss) at 1 January	161	124
Foreign currency translation adjustments	(5)	5
Divestments	-	(7)
Impairments recognised	203	146
Impairments realised	(153)	(107)
Reversal of unused impairments	(1)	-
Total impairments (expected loss) at 31 December	205	161

Note 3.8
Trade receivables (continued)

Comments

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

Factoring is used to optimise cash collection. The drawn amount of trade receivables sold in non-re-course factoring schemes has not exceeded DKK 150 million during 2023.

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 in 2023 amounted to DKK 153 million, corresponding to 1.3% of consolidated revenue. In 2022, impairment losses amounted to DKK 107 million, or 0.8%.

Accounting policies

Trade receivables include invoiced revenue where the performance obligation has been fulfilled, but payment from the customer has not been received yet. Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost. Due to the short term nature of the trade receivables, amortised cost is equal to the invoiced amount less expected credit losses.

Trade receivables subject to factoring agreements are derecognised once the criteria for derecognition have been met (when payment has been received and all substantial risk and rewards transferred). Falck does not have any continuing involvement once the receivables have been derecognised.

Trade receivables in Ambulance US are derecognised after 12 months.

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	2023	2022
Prepaid expenses	156	231
Rent deposits	38	36
Receivables from divestment of companies	3	5
Employee-related receivables	10	10
Reimbursement costs	12	6
Other	58	124
Total other receivables	277	412
Classification of other receivables by expected maturity		
Within 1 year	223	352
More than 1 year	54	60
Total other receivables	277	412

Comments

Other receivables decreased by DKK 135 million from DKK 412 million at 31 December 2022. This was primarily due to decrease in prepayments related to group insurance and the settlement of a VAT case.

Note 3.10
Other payables

DKK million	2023	2022
Holiday pay, wages, etc.	556	581
Employee taxes, etc.	215	144
VAT and other sales taxes	76	44
Deposits from customers	156	126
Other	88	80
Total other payables	1,091	975
Classification of other payables by expected maturity		
Within 1 year	1,072	975
More than 1 year	19	-
Total other payables	1,091	975

Comments

Other payables increased by DKK 116 million from DKK 975 million at 31 December 2022. The main reason was extended deadline for payment of withheld employee-related taxes in Denmark.

Note 3.11
Provisions

2023 DKK million	Provision for outstanding considerations and earn-outs	Property related provisions	Provision for disputes and legal cases	Occupational injuries	Pension obligations	Other provisions	Total provisions
Provisions at 1 January 2023	-	83	17	34	12	136	282
Foreign currency translation adjustment	-	(1)	-	-	-	(3)	(4)
Provisions added	6	2	49	-	-	49	106
Provisions used	-	-	(2)	-	(1)	(18)	(21)
Unused provisions, reversed	-	(22)	(5)	-	-	(35)	(62)
Reclassified to and from other balance accounts	-	-	31	24	-	(24)	31
Provisions at 31 December 2023	6	62	90	58	11	105	332
Classification of provisions by expected maturity							
Within 1 year	-	17	88	51	-	94	250
Between 1 and 5 years	6	11	2	7	2	9	37
More than 5 years	-	34	-	-	9	2	45
Provisions at 31 December 2023	6	62	90	58	11	105	332

Comments

Provisions increased by DKK 50 million from DKK 282 million to 332 DKK million at 31 December 2023. This was primarily due to increase in provision for occupational injuries and provision for legal cases in the US.

Property related provisions mainly consist of obligations to restore leased property. Other provisions mainly consist of provision for retained risks related to injuries in connection with automobile accidents and provision for restructuring.

Accounting policies

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.

2022 DKK million	Property related provisions	Provision for disputes and legal cases	Occupational injuries	Pension obligations	Other provisions	Total provisions
Provisions at 1 January 2022	-	-	30	5	343	379
Foreign currency translation adjustment	-	-	2	-	3	5
Additions from acquisitions	-	-	-	2	-	2
Divestments	-	-	-	8	(12)	(4)
Provisions added	1	1	30	-	34	66
Provisions used	(10)	(9)	(20)	(3)	(35)	(78)
Unused provisions, reversed	-	-	(8)	-	(80)	(88)
Reclassified to and from other balance accounts	92	25	-	-	(118)	-
Provisions at 31 December 2022	83	17	34	12	136	282
Classification of provisions by expected maturity						
Within 1 year	19	17	27	-	100	163
Between 1 and 5 years	-	-	7	2	-	9
More than 5 years	64	-	-	10	36	110
Provisions at 31 December 2022	83	17	34	12	136	282

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

Factors taken into account when estimating provision for disputes and legal cases are development of the case, judgements and recommendations of legal or other advisors, experience from similar cases and Management's decision on how Falck will react to the litigation or claim.

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

4.1	Acquisitions	104
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Note 4.1 Acquisitions

Investment in enterprises

DKK million	2023	2022
Assets		
Intangible assets	40	-
Property, plant and equipment	-	1
Right-of-use assets	2	-
Trade receivables	2	2
Cash	7	5
Liabilities		
Lease liabilities	(2)	-
Deferred tax liabilities	(9)	-
Other payables	(2)	(2)
Trade payables	(1)	-
Provisions	-	(2)
Acquired net assets	37	4
Goodwill	71	4
Purchase price	108	8
Hereof cash	(7)	(5)
Cash consideration for acquisitions	101	3
Revenue of acquired enterprises after date of acquisition	6	12
Profit of acquired enterprises after date of acquisition	1	-
Full-year revenue including acquisitions	11,941	12,651
Full-year profit including acquisitions	337	921

Note 4.1**Acquisitions** (continued)**Comments**

In October 2023, Falck signed an agreement to acquire all shares in MedConnect A/S. The acquisition was completed by payment of agreed consideration on 31 October 2023 and from this point in time Falck assumed control of MedConnect A/S.

Additional contingent and deferred consideration has been agreed for payment 18 months after the closing date.

MedConnect A/S is a leading company within online medical consultations in Denmark via the digital platform Hejdoktor which connects users with doctors and healthcare specialists. Hejdoktor has around 1.7 million users. The acquisition is in line with the strategy to strengthen the digital healthcare solutions.

MedConnect A/S is included in the business unit Employee and Labour Market services from the date of the acquisition.

The consideration paid on the closing date amounted to DKK 108 million. Adjusted for cash of DKK 7 million, the net consideration amounted to DKK 101 million.

The additional contingent and deferred consideration, which the sellers are entitled to under certain conditions according to the Share Purchase Agreement amounts to up to DKK 51 million.

The contingent and deferred consideration depends on the receivers' continued employment in Falck, which means that this part of the consideration will be recognised as salary costs in special items on a straight line basis over the 18 months after the closing date.

Transaction costs related to the acquisition amounted to DKK 1 million and have been included in special items.

Besides the value of the digital platform amounting to DKK 40 million, no assets or liabilities have been identified which were not recognised in the company acquired on the date of acquisition. Goodwill of DKK 71 million has been calculated. The recognised goodwill is not tax deductible. Goodwill mainly represents the value of operational synergies from the integration of MedConnect A/S into Falck Group and the experienced and knowledgeable MedConnect A/S workforce.

Net assets, goodwill, contingent assets and liabilities recognised at the reporting date are to some extent still provisional. Adjustments can be made for a period of 12 months from the acquisition date.

Valuation of intangible assets

An assessment was made of the value of the digital platform in MedConnect A/S. 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 earnings generated from the acquired digital platform and the discounting rate.

It has been assessed that the value of the customer agreements and the brand Hejdoktor cannot be separated from the value of the digital platform.

Acquired assets included receivables from sales at fair value of DKK 2 million. The contractual gross receivable was DKK 2 million of which DKK 0 was deemed to be unrecoverable as of the date of takeover.

Acquisitions in 2022

In March 2022, Falck signed an agreement to acquire all shares in the Norwegian company Ringvoll Bedriftshelsetjeneste AS. The acquisition was completed by payment of the full consideration in March 2022, from which point control was gained. 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 were no contingent or deferred consideration arrangements and indemnifications and there were no transaction costs related to the acquisition.

No net assets were identified which were not recognised in the company acquired on the date of acquisition. Goodwill of DKK 4 million was calculated. The recognised goodwill was not tax deductible. Goodwill represented the strategic strengthening of the market presence in Østfold to secure an important nationwide presence in Norway. During 2023, the provisional purchase Price Allocations has been completed. No adjustments were applied to the provisional amounts.

Note 4.2

Divestments

Gains/losses from divestments of enterprises

DKK million	2023	2022
Assets		
Goodwill	-	(293)
Right-of-use assets	-	(23)
Property, plant and equipment	-	(24)
Other assets	-	(234)
Cash	-	(86)
Liabilities		
Lease liabilities	-	47
Other payables	-	49
Provisions	-	4
Other liabilities	-	153
Net assets divested	-	(407)
Recirculation of exchange rate adjustments from divestments	-	12
Sales price	-	1,074
Adjustments related to prior years divestments	(2)	10
Gains/losses from divestments of enterprises	(2)	689

Cash flow from divestments of enterprises

DKK million	2023	2022
Sales price	-	1,074
Hereof cash	-	(86)
Adjustments related to prior years divestments	-	10
Transaction costs	-	0
Cash flow from divestment of enterprises	-	998

Comments

In 2022, Falck divested the Roadside Assistance business in Sweden, Norway, Finland, Estonia and Lithuania. Falck also divested the 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.

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

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**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 at 1 January 2023 had been acquired in connection with the purchase of shares from former employees/minority

shareholders. In 2023, Falck A/S sold the total portfolio of treasury shares to Executive Management members; see note 6.2 Related parties.

Capital management

As at 31 December 2023, Falck was mainly funded by equity totalling DKK 4,045 million (DKK 3,919 million) and syndicated loan of DKK 2,298 million (DKK 1,935 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 2022.

Distribution to the Company's shareholders

Given the material investments in digitalisation and the acquisition of MedConnect A/S, it is proposed to suspend ordinary dividend payment for 2023. In 2022 the ordinary dividend payment was DKK 255 million. An additional extraordinary dividend of DKK 748 million was paid out to the shareholders in June 2022. The total dividend per share was DKK 7.33 in 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.

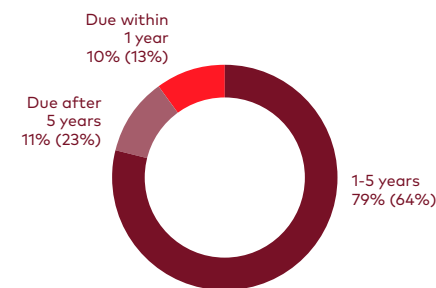
In addition, pay-out of extraordinary dividend may be used as a means to adjust the capital structure in case the leverage ratio is lower than targeted, subject to sufficient free reserves being available for dividend.

	Number of shares		Nominal value DKK thousand		% of share capital	
	2023	2022	2023	2022	2023	2022
Treasury shares						
Treasury shares at 1 January	413,115	81,141	413	81	0.303	0.059
Additions	-	331,974	-	332	-	0.244
Disposals	(413,115)	-	(413)	-	(0.303)	-
Treasury shares at 31 December	-	413,115	-	413	-	0.303

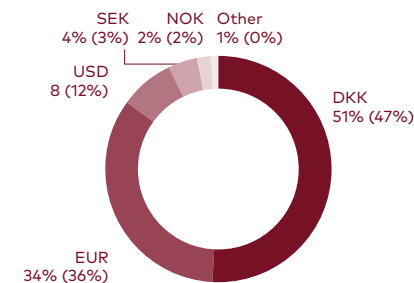
**Note 5.2
Loans**

DKK million	2023	2022
Non-current liabilities		
Syndicated loan	2,298	1,935
Mortgage loans	336	348
Lease liabilities	717	659
Other non-current loans	1	3
Total	3,352	2,945
Current liabilities		
Mortgage loans	10	10
Lease liabilities	344	280
Other current loans	3	159
Total	357	449
Total loans	3,709	3,394
Interest reset periods		
Within 3 months	1,403	2,104
Between 3 and 12 months	1,434	388
After 12 months	872	902
Total	3,709	3,394

Breakdown by maturity
2023 (2022)



Breakdown by currency
2023 (2022)



Comments

Falck's primary debt financing is a syndicated Revolving Credit Facility of EUR 350 million (DKK 2,610 million) expiring January 2029. The syndicated bank loan facility is linked to three ESG KPIs; CO2 emissions, employee engagement and Lost Time Injury Rate (see ESG key figures).

**Accounting policies
Loans**

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

Lease liabilities

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

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

Note 5.2 Loans (continued)

Breakdown of liabilities from financing activities

DKK million	2022	Non-cash changes				2023
		Cash flows	New leases and re-measurement	Foreign exchange movement	Other transactions	
Long-term borrowings	2,286	354	-	-	(5)	2,635
Short-term borrowings	169	(156)	-	-	-	13
Lease liabilities	939	(339)	477	(16)	-	1,061
Total liabilities from financing activities	3,394	(141)	477	(16)	(5)	3,709

Breakdown of liabilities from financing activities

DKK million	2021	Non-cash changes				2022
		Cash flows	New leases and re-measurement	Foreign exchange movement	Other transactions	
Long-term borrowings	2,083	229	-	-	(26)	2,286
Short-term borrowings	19	149	-	-	1	169
Lease liabilities	1,176	(447)	245	12	(47)	939
Total liabilities from financing activities	3,278	(69)	245	12	(72)	3,394

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.

Lease liabilities

In 2023, Falck paid DKK 339 million for lease agreements of which interest expenses amounted to DKK 31 million.

Financing activities

Excess cash has been used continuously throughout 2023 and 2022 to pay dividends and repay debt. In 2023, ESG-linked syndicate financing agreement was extended by one year to January 2029.

Note 5.3 Financial income and expenses

DKK million	2023	2022
Financial income		
Interest on deposits measured at amortised cost	18	22
Foreign exchange gains	3	21
Other financial income	3	1
Total financial income	24	44
Financial expenses		
Interest on loans measured at amortised cost	(119)	(61)
Interest element on discounted liabilities	(31)	(34)
Foreign exchange losses	(39)	(3)
Other financial expenses	(16)	(20)
Total financial expenses	(205)	(118)

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 sufficient 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 gains/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.

The sensitivity overview below shows the 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	
		2023	2022	2023	2022
USD	5%	15	19	15	19

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, Falck does not consider exposures in EUR as a risk

Interest rate risk

Falck's interest rate risk is composed of interest on Falck's corporate debt. Falck's debt portfolio consists of both floating and fixed interest rate debt. Falck is 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.

A change in relevant interest rates of 1 percentage point will, all other things being equal, increase interest expenses by DKK 30 million (DKK 23 million), calculated as 1% of net interest-bearing debt with floating interest rates.

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 satisfactory credit rating. The Group's maximum credit risks, including both commercial and financial contracts, amounted to DKK 1,907 million at 31 December 2023 (DKK 1,915 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)

2023 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	161	665	2,597	3,423	2,647	2,638
Lease liabilities	366	661	96	1,123	1,061	1,061
Trade payables	714	-	-	714	714	714
Other payables	1,072	19	-	1,091	1,091	1,091
Financial liabilities measured at amortised cost	2,313	1,345	2,693	6,351	5,513	5,504
Total financial liabilities	2,313	1,345	2,693	6,351	5,513	5,504

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

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

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.

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	2023	2022
Cash can be specified as follows:		
Cash, available	190	186
Cash at 31 December	190	186

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 enterprises 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 enterprises, non-controlling interests and operations, together with the purchase and sale of intangible assets, property, plant and equipment and other non-current assets.

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	2023	2022
Change in inventories	5	29
Change in contract assets	(85)	(23)
Change in trade receivables	(46)	(47)
Change in other receivables	131	(24)
Change in provisions	48	(100)
Change in contract liabilities	(59)	(223)
Change in trade payables	(154)	(360)
Change in other payables	120	(309)
Change in net working capital	(40)	(1,057)

Comments

In 2022, change in net working capital was heavily impacted by payments of invoices, VAT etc. related to the ended contracts with the Danish regions on antigen testing.

Section 6

Other disclosures

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Note 6.1 Contingent liabilities and collateral securities

DKK million	2023	2022
Collateral security		
Carrying amount of Falck's properties that have been mortgaged in security of loans	333	338
Mortgages issued and used as collateral for credits	345	358

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. For further information, see note 3.11 Provisions.

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

Falck has not issued any guarantees for third parties (non-consolidated entities).

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.

Note 6.2 Related parties

The following investors have reported holdings of more than 5% of Falck A/S' share capital	2023	2022
Lundbeckfond Invest A/S, Copenhagen	57.7%	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	(51)	(88)
Dividend paid to Lundbeckfond Invest A/S	(147)	(1,011)
Dividend paid to KIRKBI Invest A/S	(71)	(489)
Dividend paid to TryghedsGruppen smba	(36)	(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 57.7% 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.

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.

Following the Annual General Meeting of Falck A/S the Executive Management members of Falck were offered the opportunity to purchase shares in Falck A/S at fair market value, based on a defined peer group multiple. Several Executive Management members purchased shares corresponding to 0.35% of the total share capital of Falck A/S. In this connection, Falck A/S sold 413,115 shares and at a pro rata basis, 68,480 shares were sold by Lundbeckfond Invest A/S, KIRKBI Invest A/S, and TryghedsGruppen s.m.b.a. to Executive Manage-

Note 6.2
Related parties (continued)

ment members. The agreed terms for holding the shares in Falck A/S are standard for investments of this nature, which include that Falck A/S holds a call option, which can be exercised in a leaver event, and that the Executive Management members hold a put option to sell the shares back to Falck A/S. Falck A/S's obligation to repurchase shares is included as a liability under other payables in the balance sheet.

Apart from the remuneration paid to the key management personnel, dividends paid to shareholders, and Executive Management members' purchase of shares in Falck A/S, 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	2023	2022
Statutory audit	(8)	(7)
Other assurance engagements	-	(1)
Tax advisory service	-	-
Other services	-	(1)
Total fees to PwC	(8)	(9)

Comments

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

Note 6.4
Events after the reporting date

No events have occurred after the reporting date affecting Falck's financial position at 31 December 2023.

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 Digital Technology Denmark A/S	Denmark	100%	Falck Global Assistance Spain S.L.	Spain	100%
Falck Global Assistance A/S	Denmark	100%	Falck SCI, S.A.	Spain	100%
Falck Healthcare A/S	Denmark	100%	Falck Servicios Sanitarios, S.L.	Spain	100%
MedConnect A/S	Denmark	100%	Falck Sverige AB	Sweden	100%
EMI Ecuador S.A.- Emergencia Medica Integral	Ecuador	100%	Alviva AB	Sweden	100%
EMI El Salvador S.A. de C.V.	El Salvador	100%	Falck Ambulans AB	Sweden	100%
Falck Global Assistance Oy	Finland	100%	Falck Global Assistance AB	Sweden	100%
Falck France SAS	France	100%	Falck Healthcare AB	Sweden	100%
Falck Arbeitsgemeinschaft Rettungsdienst Plauen GmbH & Co. oHG	Germany	100%	Falck Hjälsopartner AB	Sweden	100%
Falck Fire Services DE GmbH	Germany	100%	Falck Räddningstjänst AB	Sweden	100%
Falck Notfallrettung und Katastrophenschutz gGmbH	Germany	100%	Falck Global Assistance (Thailand) Ltd.	Thailand	49%
Falck Notfallrettung und Krankentransport Dortmund GmbH	Germany	100%	Falck Global Assistance Ltd.	Thailand	49%
Falck Notfallrettung und Krankentransport GmbH	Germany	100%	Falck Eurasia B.V.	The Netherlands	100%
Falck Notfallrettung und Krankentransport Spree-Neiße GmbH	Germany	100%	Falck Holding B.V.	The Netherlands	100%
Falck Operations Services DE GmbH	Germany	100%	Falck Sağlık AŞ	Turkey	100%
Falck Rettungsdienst GmbH	Germany	100%	Falck Fire Services UK Limited	UK	100%
Falck Rettungsdienst Hanse GmbH	Germany	100%	Luvtel S.A.	Uruguay	100%
Falck Rettungsdienst Holding GmbH	Germany	100%	Portovenus S.A.	Uruguay	15.5%
Falck Rettungsdienst Nord GmbH	Germany	100%	UCM Uruguay S.A.	Uruguay	100%
Falck India Pvt. Ltd. (India)	India	100%	Falck Global Assistance, LLC	USA	100%
Falck Servizi Industriali di Emergenza S.r.l.	Italy	100%	Falck Healthcare Institute*	USA	-
Falck Brann og Redningstjeneste AS	Norway	100%	Falck HealthNet, Inc.	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%

*Non-profit entity established by Falck in 2023. The entity is not included in the consolidated financial statements for the Falck Group.

Parent company financial statement

Primary statements

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Income statement

1 January - 31 December

DKK million	Note	2023	2022
Other operating income	1	5	5
Other external costs	2	(7)	(3)
Staff costs	3	(28)	-
Operating profit		(30)	2
Special items		(1)	-
Dividend from Group companies		7	-
Financial income	4	846	10
Financial expenses	5	(98)	(1,044)
Profit/loss before tax		724	(1,032)
Income taxes	6	17	11
Profit/loss for the year	9	741	(1,021)

Statement of financial position

At 31 December

DKK million	Note	2023	2022
Assets			
Investments in subsidiaries	7	7,634	6,489
Receivables from Group companies		1,732	2,039
Deferred tax assets	8	1	2
Total non-current assets		9,367	8,530
Income tax receivables		23	29
Prepayments		7	10
Total current assets		30	39
Total assets		9,397	8,569
Equity and liabilities			
Share capital	9	136	136
Proposed dividend		-	255
Retained earnings		6,938	6,197
Total equity		7,074	6,588
Loans	10	2,298	1,935
Other payables		1	-
Total non-current liabilities		2,299	1,935
Cash pool		-	24
Trade payables		1	1
Other payables		23	21
Total current liabilities		24	46
Total equity and liabilities		9,397	8,569

Statement of changes in equity

1 January - 31 December

2023 DKK million	Share capital	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2023	136	255	6,197	6,588
Changes in equity in 2023				
Dividend paid	-	(254)	-	(254)
Dividend treasury shares	-	(1)	1	-
Profit/loss for the year	-	-	741	741
Sale of treasury shares	-	-	11	11
Repurchase obligation of treasury shares	-	-	(13)	(13)
Total changes in equity in 2023	-	(255)	740	485
Total equity at 31 December 2023	136	-	6,937	7,073

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)
Acquisition of treasury shares	-	-	(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

Note 1 Other operating income

DKK million	2023	2022
Management fee from Group companies	5	5
Total other operating income	5	5

Note 2 Fees to auditors

Please refer to note 6.3 in the consolidated financial statements.

Note 3 Staff Costs

DKK million	2023	2022
Wages, salaries and remuneration	(28)	-
Total staff costs	(28)	-
Remuneration to the Executive Committee	(15)	(16)
Reversal of incentive programme bonus prior year	3	21
Global incentive programme bonus	(11)	-
Remuneration to the Board of Directors	(5)	(5)
Other staff costs	-	-
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.

Incentive programme bonuses for all Executive Management members were accrued and expensed in Falck A/S prior to 2022. In 2022, the bonuses for Executive Management members not employed in Falck A/S were transferred to the relevant subsidiaries.

Other staff costs comprise special payroll tax, travel, meetings and other costs which are not remuneration.

Note 4 Financial income

DKK million	2023	2022
Interest from Group companies	51	10
Reversal of impairment of investments in subsidiaries	795	-
Total financial income	846	10

Comments

Impairment of investments in subsidiaries has partly been reversed, see Note 7.

Note 5 Financial expenses

DKK million	2023	2022
Interest on loans	(95)	(47)
Interest to Group companies	-	(7)
Impairment of investments in subsidiaries	-	(990)
Other financial expenses	(3)	-
Total financial expenses	(98)	(1,044)

Note 6 Income taxes

DKK million	2023	2022
Current tax	16	16
Change in deferred tax for the year	(1)	(7)
Prior year taxes	2	2
Total tax	17	11

Explanation of total tax

Total income taxes	17	11
Profit/loss before tax	724	(1,032)

Danish tax rate	22.0%	22.0%
Non-deductible costs and tax-exempt income	(24.1%)	(21.1%)
Other adjustments including adjustments relating to prior years	(0.3%)	0.2%
Effective tax rate	(2.4%)	1.1%

Note 7 Investments in subsidiaries

DKK million	2023	2022
Cost at 1 January	7,479	7,479
Additions	350	-
Cost at 31 December	7,829	7,479
Value adjustments at 1 January	(990)	-
Reversal of impairment losses	795	-
Impairment on subsidiaries	-	(990)
Value adjustments at 31 December	(195)	(990)
Carrying amount at 31 December	7,634	6,489

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.

The impairment test for 2023 shows headroom for reversal of the impairments from 2022. The impairment related to the investment in Falck Danmark A/S has been full reversed and the impairment related to Falck Healthcare A/S has been partly reversed.

The remaining impairment of DKK 159 million relates to the investment in Falck Healthcare A/S.

Note 8 Deferred tax

DKK million	2023	2022
Deferred tax assets at 1 January	2	11
Prior year taxes	-	(2)
Change in deferred tax	(1)	(7)
Deferred tax assets at 31 December	1	2
Breakdown of deferred tax		
Non-current liabilities and provisions	1	2
Deferred tax assets at 31 December	1	2

Note 9 Equity

Profit distribution

DKK million	2023	2022
Retained earnings	741	(1,276)
Proposed dividend	-	255
Profit for the year	741	(1,021)

Comments

The share capital is divided into 136,480,060 shares (136,480,060 shares) with a nominal value of DKK 1.00 each.

Note 10 Loans

DKK million	2023	2022
Non-current loans	2,298	1,935
Total loans	2,298	1,935

Note 11
Contingent liabilities, lease obligations and collateral security

Comments

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

Joint taxation

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

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

Note 12
Related parties

DKK million	2023	2022
Transactions with other Group companies were as follows:		
Dividend received	8	-
Paid extraordinary dividend 2022	-	(748)
Paid dividend from 2021	-	(999)
Paid dividend from 2022	(254)	-
Management fee received	5	5
Interest paid	-	(7)
Interest received	51	10
Received tax from subsidiaries	81	80
Paid tax to Lundbeckfond Invest A/S	(51)	(88)

Following the Annual General Meeting of Falck A/S the Executive Management members of Falck were offered the opportunity to purchase shares in Falck A/S at fair market value, based on a defined peer group multiple. Several Executive Management members purchased shares corresponding to 0.35% of the total share capital of Falck A/S. In this connection, Falck A/S sold 413,115 shares and at a pro rata basis, 68,480 shares were sold by Lundbeckfond Invest A/S, KIRKBI Invest A/S, and TryghedsGruppen s.m.b.a. to Executive Management members. The agreed terms for holding the shares in Falck A/S are standard for investments of this nature, which include that Falck A/S holds a call option, which can be exercised in a leaver event, and that the Executive Management members hold a put option to sell the shares back to Falck A/S. Falck A/S's obligation to repurchase shares is included as

a liability under other payables in the balance sheet. Apart from the remuneration paid to the key management personnel, dividends paid to shareholders, and Executive Management members' purchase of shares in Falck A/S, Falck had no transactions with the Executive Committee and Executive Management, Board of Directors, major shareholders or other 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.

Note 13
Events after the reporting date

No events have occurred after the reporting date affecting Falck A/S' financial position at 31 December 2023.

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 2023.

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 2023, and of the

results of the Group's and the Parent Company's operations, and the Group's cash flows for the financial period 1 January - 31 December 2023.

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, 24 January 2024

Executive Committee



Jakob Riis
President and CEO



Christian Baltzer
CFO

Board of Directors



Niels Smedegaard
Chair



Lene Skole
Deputy Chair



Ingrid Bojner



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 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting 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 2023 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2023 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 2023 which comprise income statement, statement of financial position, statement of changes in equity and notes, including material accounting policy information 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 Financial 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 IFRS Accounting 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, 24 January 2024

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

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"By my signature I confirm all dates and content in this document."

Miguel Buxo Fita

Chair of the annual general meeting

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