HB-Care A/S

Krogshøjvej 49, 2880 Bagsværd

CVR-nr. 65 86 40 10

Annual report 2021

The Annual report has been presented and adopted at the Company´s

Annual General Meeting on June 17th 2022

As Chairman of the meeting:

....
Uffe Krarup

Content

Statement by the management on the annual report

The Board of Directors and the management have today discussed and approved the annual report of HB-Care A/S for the financial year 1 January – 31 December 2021.

The annual report has been presented in accordance with the International Financial Reporting Standards, as adopted by the EU and additional Danish disclosure requirements according to the Danish Financial Statements Act.

It is our conclusion that the annual report gives a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 as well as of its financial performance and cash flows for the financial year 1 January – 31 December 2021.

It is further our conclusion that the Management's Review provides a true and fair account of the development of the Company's operations and financial matters, of the year's result and of the Company's financial position.

The annual report is recommended for adoption by the Annual General Meeting.

Bagsværd,June 17th 2022

Management:

Carsten Aastrup

Board of Directors

Lars Christian Christiansen	Carsten Aastrup	Uffe Krarup
Charirman		

The independent auditor's declarations

To the shareholder in HB-Care A/S

Opinion

We have audited the financial statements of HB-Care A/S for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

The independent auditor's declarations

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from Terror, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company's internal control.

- 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary

Copenhagen, June 17th 2022

Redmark
Godkendt Revisionspartnerselskab
CVR-nr. 29 44 27 89

Henrik Juul Thomsen
State-authorized public accountant
mne33734

Management’s review

Company details

Name	HB-Care A/S Kroghøjsvej 49
Address, post number, city	2880 Bagsværd
CVR	65 86 40 10
Founded	22 July 1981 Gladsaxe
Municipality Financial Year	1 January – 31 December
Webaddress	www.hb-care.dk
Board of Directors	Lars Christian Christiansen, Chairman
	Carsten Aastrup
	Uffe Krarup
Management	Carsten Aastrup
Company auditors	Redmark Godkendt Revisionspartnerselskab
	Dirch Passers Allé 76
	2000 Frederiksberg

Management’s review

Financial highlights

DKK in thousands	2021	2020	2019[1]	2018[2]	2017[2]
Key figures					
Revenue	325.900	288.988	331.211	291.704	275.632
Gross profit	270.520	250.557	278.793	238.566	213.272
Earnings before interests and taxes	20.384	28.262	6.344	6.954	16.501
Net financial income	-4.862	-2.296	-4.560	-3.359	-2.635
Net profit for the year	12.108	20.252	1.402	2.671	10.815
Non-current assets	174.769	189.995	206.331	203.012	173.054
Current assets	81.692	74.096	41.657	40.620	37.540
Total assets	256.461	264.091	247.988	243.632	210.594
Contributed capital	1.200	1.200	1.200	1.200	1.200
Total Equity	65.623	53.515	33.263	31.862	44.190
Long term liabilities	101.040	118.162	99.020	99.696	84.668
Short term liabilities	89.798	92.414	115.705	112.074	81.736
Cash flow from operating activities	35.604	78.872	26.076	29.875	34.492
Cash flow from investing activities	-1.373	15.881	5.036	-5.633	165
Investment in tangible assets	-1.577	-2.004	-1.173	-316	-199
Cash flow from financing activities	-34.358	-72.044	-31.112	-24.242	-34.657
Total cash flow	-127	22.709	0	0	0
Key figures in %					
Gross margin (%)	83.01 %	86,7 %	84,2 %	81,8 %	78,2 %
EBIT margin (%)	6,25 %	9,8 %	1,9 %	2,4 %	6,0 %
Assets/equity (%)	390,82 %	493,5 %	745,5 %	764,7 %	476,6 %
Solvency ratio (%)	25,59 %	20,3 %	13,4 %	13,1 %	21,0 %
Return on equity (%)	20,32 %	46,7 %	4,3 %	7,0 %	23,9 %
Average number of employees	**483**	**484**	**560**	**484**	**413**

1. The highlights are adapted to the effects of implementation of IFRS 16.
2. The highlights aren’t adapted to the effects of implementation of IFRS 16.

Key figures

The ratios have been complied in compliance with recommendations & ratio 2016 issued by CFA Society Denmark

Gross margin (%) $$\frac{\text{Gross profit / loss} * 100}{\text{Revenue}}$$

EBIT margin (%) $$\frac{\text{EBIT} * 100}{\text{Revenue}}$$

Solvency ratio (%) $$\frac{\text{Total equity} * 100}{\text{Total assets}}$$

Return on equity (%) $$\frac{\text{Net profit /loss of the year} * 100}{\text{Average share of equity}}$$

Management’s review

Primary activity
The company's main activity is the transport of disabled people, the elderly and school children with special needs, mainly in Zealand and in Central and South Jutland.

Expected development
HB-Care's management expects a continued development in the coming financial year, as growth in activities, revenue, and HB-Care's liquidity level are expected. The war in Ukraine will impact the earnings in 2022 as the fuel price has increased.

Management expects an increase on EBIT level between 20 and 30% compared to 2021.

Financial risk and use of financial instruments
HB-Care's most significant operational risk is linked to the ability to recycle and win new tenders as well as ensure efficiency and quality in both planning and execution of runs.

As a result of the company's financial obligations - primarily leasing obligations - the company is partly exposed to changes in interest rates. The company continuously monitors interest rate developments and focuses on concluding fixed-rate contracts.

Credit risks
HB-Care's credit risks are primarily related to financial assets recognized in the balance sheet. HB-Care does not have significant risks regarding individual customers or partners and the company deals primarily with public customers

Environmental, Social and Governance (ESG)
The company’s efforts in environment, climate and society and the general direction are directed from an ESG strategy with a wide range of associated policies. The process of forming an ESG strategy began in 2021.

ESG data is non-financial data which is used for assessing HB-Cares ability to create value and long-term growth opportunities. The ESG work is essential to the way in which HB-Care conducts business and support the image of HB-Care and maintain good relations with internal and external stakeholders.

The ESG strategy is embedded in HB-Cares business strategy and is a fixed part of management meetings. As part of the ESG strategy HB-Care reports on specific efforts in social responsibility in tenders, compliance in regulatory matters such as social dumping, local interests, focus on inclusion projects and conversion from standard fuel to biofuel or HVO fuel.

HB-Cares approach to ESG must secure that the company’s stakeholders can rely on HB-Cares services to be delivered in a way that is secure and of ethically and quality standard. HB-Cares policies contribute to increase efficiency and limit non-financial risks as well as strengthen HB-Cares identity and culture.

Climate print
It is a strategical focus for HB-Care to decrease the company’s total climate footprint and it is a part of UNs global sustainable development goals towards a sustainable growth which is goal 13 and 17. As a part of Moove Group, HB-Care is a part of Global Compact Network Denmark which is a local network for Danish companies and organisations are comitted to work for sustainability. The Danish network is a part of Global Compacts global community.

Management's review

Climate

HB-Care wants to create sustainable growth by leading the industry and showing the way for the transition towards a greener future. HB-Care will proactively support the publics ambition to transition to 70% zero emission transportation before 2030 and 100% in 2050. HB-Care is working with tenderers with the purpose of assisting local and regional climate goals.

It is HB-Cares goal to minimize any climate footprint by limiting CO_2 emissions as much as possible with regards to the nature of the operation. HB-Care is trailing with solar panels on a small group of busses and has been from 2020. HB-Care is focused on idling by minimizing the distance from garage to first pick up. In general, HB-Care ensures this goal by systematically assessing the fleets configuration and update the fleet with regards to environment and climate requirements from authorities and the contracts HB-Care operates.

HB-Care monitor the development of fuels with lower CO_2 emission closely. HB-Care operates all school transport In Silkeborg with HVO diesel from its own facilities reducing the total CO_2 emissions with 90% from 650 ton per year to 65 ton per year.

HB-Care is in close dialog with the company's suppliers regarding zero emission busses suitable for referred person transport. It is HB-Cares ambition to be industry leading in zero emissions busses when accessible.

Environment

HB-Care has its own garages in Karlslunde and Århus. Most of HB-Cares reparations are handled in these locations where HB-Care limits the risks of straining the environment from chemical leakage.

HB-Care focuses on continually reduce the environmental impact on HB-Cares operations by focusing on sustainable procurement and optimizing our operations.

Both garages are equipped with oil separators and all waste are sorted as electronics, bus windows, hard plastic, soft plastic, chemicals, cardboard and metal. The sorted waste is contained waste containers and are collected by external suppliers for recycling or destruction. HB-Care busses are washed at our fuel's suppliers certified washing areas.

The effect of the measures taken has not been measured, but based on HB-Care's continued growth, initiatives for future measurement of waste collection for recycling have been initiated.

Employees, safety, and security

It is a significant condition for HB-Cares future operation and success that HB-Care is recognised as a responsible and attractive workplace with proud and talented employees.

HB-Care will match the futures demand and the organisations needs to be scalable. HB-Care has initiated multiple efforts to ensure diversity and inclusion to emphasise a safe and violation free work environment.

HB-Care has a zero-tolerance policy for bullying, sexual harassment and other forms of behavior which violates employees or others.

HB-Care strives to create a healthy and safe working environment for the company's employees and continuously introduces measures to protect employees from work-related risks. This involves regular surveys of the working environment, risk assessment of the positions within the company, as well as systematic training and implementation of risk-reducing measures with a view to reducing work-related injuries. These initiatives together form the framework for creating a strong and common corporate culture

Due to the nature of the HB-Cares primary operations, HB-Care prioritize special preparedness regarding employee safety while driving. Safe driving is achieved by constantly supervising the relevant education and training of the company's drivers in safety and driving technical skills, including concrete coverage of all possible risk zones in the relevant driving areas and addresses.

Management’s review

Employees, safety, and security (continued)
In relation to employee safety, the company has prepared guidelines for responsible and good practice for employees (Code of conduct) as well as specific policies within the areas "Diversity and inclusion" and "Safety and health". A data protection policy has also been implemented. The company conducts relevant training for employees in applicable policies to ensure that the desired behavior is anchored throughout the organization.

HB-Care sees initiatives in the field of human resources as important focus areas that support the UN's world goals number 4 (quality education), number 8 (decent jobs and economic growth) and number 10 (less inequality).

Human rights
HB-Care opposes and does not tolerate any human trafficking or modern-day slavery. The company is opposed to and does not tolerate any kind of child labour.

HB-Care works closely with customers and suppliers as well as other stakeholders to ensure that this policy is complied with. HB-Care also work with relevant suppliers, in relation to hedging any risks related to subcontractors.

HB-Care employees have the right to organize themselves of their choice and to be members of peaceful associations.

Competition
HB-Care works to ensure fair competition and does not accept any form of anti-competitive activity. HB-Care's business principles must always be in full compliance with applicable competition law in the areas in which the company operates. This is a prerequisite for being considered in the bidding rounds, which are HB-Care's revenue base, which is why it is an area in which HB-Care has continued to be continuously updated in 2021 and has now been incorporated into our Code of Conduct in form. of an anti-trust policy.

Corruption
HB-Care employees may not give or receive bribes or unapproved payments for their own or the company's recovery. HB-Care does not tolerate any form of corruption or bribery. Solicitation, acceptance, offer or promise of payment of bribes or other inappropriate payments, including lubrication, is strictly prohibited, whether done directly or through a third party.

Management obligations, composition, and organisation
With the sale of HB-Care in August 2021, there have been changes in the company's composition. With the sale, the ownership of HB-Care passed to Moove Group A / S. The Board of Directors of Moove Group A/S consists of 75% men and 25% women.

The Board of Directors monitors that the management of HB-Care complies with the objectives, strategies and procedures set by the Board of Directors, including operating the company's ESG agenda. The Board of Directors meets according to a fixed schedule at least five times a year.

HB-Care's day-to-day management consists of a management team, with a gender quotient of 71% men and 29% women, selected based on competencies. The goal for HB-Care as a part of Moove Group is 40% of the under-represented gender in the Board of Directors and 30% of the under-represented gender in management with direct reference to the CEO. In future appointments to the management team, women will be represented in the concluding employment interviews.

It is the management's goal to make necessary decisions as close to the task as fast as possible. A strategy meeting has been held where the company's vision, goals and business plan have been determined.

Information from management is distributed systematically at meetings and through ongoing written and oral reporting.

Management's review

Data ethics
HB-Care processes data from costumers regarding the transport of citizens but the data is strictly used for operations, finance, and reporting. HB-Care does not use technologies like artificial intelligence or machine learning in sales, procurement or development of products or services. As a result, HB-Care does not have a specific data ethics policy but have manuals for the department's handling data while the policy is being developed.

Events after balance day
In 2021, HB-Care has been significantly affected by the Corona pandemic, through the restrictions that have affected public transport.

It has been an objective for HB-Care throughout the pandemic that redundancies should be avoided, as it has been important for HB-Care and its customers to be able to retain the employees and the competencies they possess.

Throughout the period, HB-Care has closely followed the authorities' recommendations and rules in relation to reducing the spread of infection. This applies both in relation to the actual passenger transport, but also in relation to the health of our employees. At the same time, there has been a dialogue with the municipal authorities in relation to additional demands that they have wished to derive from the ongoing pandemic.

During the pandemic, HB-Care's operation regionally has been affected by an increase in the number of sick leave among HB-Care's drivers.

As of February 1, 2022, the COVID19 related regulatory requirements ceased, which have affected HB-Care's revenue and operations. However, for the sake of caution, HB-Care continued until 27 February with COVID19 restrictions for drivers.

Otherwise there has not been any significant events after the balance day.

Financial statement 1 January – 31 December

Statement of comprehensive income

Note	TDKK	2021	2020
3	Revenue	325.900	288.988
4	Cost of sales	-55.380	-38.431
	Gross profit	270.520	250.557
	Other external costs	-21.462	-20.366
7	Staff costs	-202.132	-192.672
8	Depreciation, amortization and impairment of non-financial assets	-26.654	-26.110
5	Other operating income	112	16.853
	Earnings before interests and taxes (EBIT)	20.384	28.262
9	Finance income	1	282
10	Finance expense	-4.863	-2.578
	Earnings before taxes	15.522	25.966
11	Tax expense	-3.414	-5.714
	Net profit for the year	12.108	20.252
	Other comprehensive income		
	Other comprehensive income for the year, net of tax	0	0
	Total comprehensive income	12.108	20.252

Financial statement 1 January – 31 December

Balance sheet as at 31 December 2021

Note	TDKK	2021	2020
	Assets		
	Non-current assets		
12	Intangible assets	46.104	46.104
14	Tangible assets	13.755	7.061
15	Leasing assets	113.463	135.499
16	Receivables	1.447	1.331
	Total non-current assets	174.769	189.995
	Current assets		
16	Inventories	366	333
24	Receivables from sales and services	42.548	29.499
	Trade receivables from Group entities	14.275	19.941
17	Prepaid expenses	0	1.416
	Other receivables	1.921	198
23	Cash and cash equivalents	22.582	22.709
	Total current assets	81.692	74.096
	TOTAL ASSETS	256.461	264.091

Financial statement 1 January – 31 December

Balance sheet as at 31 December 2021

Note	TDKK	2021	2020
	Liabilities		
18	**Equity**		
	Share capital	1.200	1.200
	Retained earnings	64.423	52.315
	Total equity	65.623	53.515
	Non-current liabilities		
19, 24	Leasing liabilities	79.270	96.165
11	Deferred tax liability	4.335	3.374
	Other liabilities	17.435	18.623
	Total non-current liabilities	101.040	118.162
	Current liabilities		
19	Loans and borrowings	0	0
19, 24	Leasing liabilities	25.762	29.427
	Trade and other payables	12.044	7.408
	Income tax payable	2.453	5.554
	Other liabilities	49.539	50.025
	Total current liabilities	89.798	92.414
	Liabilities	190.838	210.576
	TOTAL LIABILITIES	256.461	264.091

Financial statement 1 January – 31 December

Cashflow statement

Note	TDKK	2021	2020
	Profit from primary activities	12.108	20.252
8	Depreciations and impairments on tangible assets	26.654	26.110
	Other operating income	-114	-443
9	Financial income	-1	-282
10	Financial expenses	4.863	2.578
11	Received corporate income tax	3.414	5.714
	Cash flows from operations before change in working capital, interest and tax	46.924	53.929
22	Change in working capital	-4.759	25.473
	Cash flows from operations before interest and tax	42.165	79.402
	Interests, received	1	282
	Interest, paid	-1.008	-812
	Received corporate tax	-5.554	0
	Cash flows from ongoing activities	35.604	78.872
14	Purchase of tangible assets	-1.577	-2.004
	Sale of tangible assets	320	17.551
	Change in non-current receivables	-116	334
	Cash flows from investing activities	-1.373	15.881
	Leasing	-34.358	-26.381
	Change in currant loans and borrowings	0	-45.663
	Cash flows from financing activities	-34.358	-72.044
	Cash flow from activities	-127	22.709
23	Cash as per 01.01	22.709	0
23	**Cash as per 31.12**	22.582	22.709

Financial statement 1 January – 31 December

Statement of changes in equity

TDKK	Share capital	Retained earnings	Total equity
Equity as per 01.01.2021	1.200	52.315	53.515
Retained earnings			
Net profit for the year	0	12.108	12.108
Other comprehensive income	0	12.108	12.108
Total comprehensive income	0	12.108	12.108
Equity as per 31.12.2021	1.200	64.423	65.623

TDKK	Share capital	Retained earnings	Total equity
Equity as per 01.01.2020	1.200	32.063	33.263
Retained earnings			
Net profit for the year	0	20.252	20.252
Other comprehensive income	0	20.252	20.252
Total comprehensive income	0	20.252	20.252
Equity as per 31.12.2020	1.200	52.315	53.515

Financial statement 1 January – 31 December

Notes

Financial statement 1 January – 31 December

Notes

1 **Accounting policies**

HB-Care A/S is a public limited company domiciled in Denmark.

The annual report of HB-Care A/S for 2021 is presented in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting Class C (large) enterprises cf. the IFRS order issued in accordance with the Danish Financial Statements Act.

In the annual report for 2020 the Covid-19 government aid package for payroll was presented under staff costs. In the annual report for 2021 the aid packages have been reclassified and presented the amount under other operating income.

The annual report is presented in Danish kroner being the functional currency of the company rounded to the nearest 1.000 DKK.

Declaration on going concern

In connection with the financial reporting, the board of directors and the executive board have made an assessment as to whether or not it is tenable to base their decision on the assumption of going concern. The board of directors and the executive board have concluded that, at the time of the financial reporting, no factors indicate doubt as to whether the company could and should continue as a going concern, at least until the next balance sheet date. These findings were made on the basis of their knowledge of the company, its estimated future prospects, and the associated uncertainties and risks identified (mentioned in the management commentary and in notes 19 and 24), and following a review of the budgets, including expectations to liquidity developments and developments in the capital base, etc. existing credit facilities with related contractual and expected maturity periods, and other terms. It therefore seems reasonable, objective, and tenable to base the financial reporting on the going concern assumption.

Changes in accounting policies

No new accounting standards, amended standards or interpretations of relevance for the company has been identified for the year commencing 1 January 2021.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Description of accounting policies

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statement from the time of acquiring or establishing such enterprises. The purchase method is applied in the acquisition of new enterprises, under which identifiable assets, liabilities, and contingent liabilities of these enterprises are measured at fair value at the acquisition date. Allowance is made for the tax effect of the restatements.

Time of acquisition is the date on which control of the enterprise is actually achieved.

Positive differentials (goodwill) between cost of the enterprise acquired and the fair value of the assets, liabilities, and contingent liabilities acquired are recognised as an asset under intangible assets. Goodwill is not written down but tested for impairment at least once a year. The first impairment test is performed before the end of the year of acquisition.

On acquisition, goodwill is attributed to cash-flow generating units, which subsequently form the basis for the impairment test.

Negative differentials (negative goodwill) are recognised as income in the income statement at the time of acquisition.

The acquisition consideration for an enterprise comprises the fair value of the agreed consideration in the form of transferred assets, assumed liabilities, and equity instruments issued. If parts of the acquisition consideration are contingent on future events or the fulfilment of agreed terms, such parts are recognised at fair value at the time of acquisition.

Costs related to group consolidation are recognised directly in the profit for the year when paid.

If, at the time of acquisition, there is any uncertainty concerning the identification or measurement of acquired assets, liabilities, or contingent liabilities, or the determination of the acquisition consideration, the initial recognition is made on the basis of preliminary imputed values. If it later turns out that the identification or measurement of the acquisition consideration, acquired assets, liabilities, or contingent liabilities was wrong at the initial recognition, the determination is adjusted retrospectively, including goodwill, until twelve months after the acquisition and the comparative figures are adjusted. After this, goodwill will not be adjusted. Changes in estimated acquisition considerations are recognised in the net profit or loss for the year.

Revenue

The enterprise's turnover comprises transport of disabled people, senior citizens, and schoolchildren with special needs.

The company's sales contracts are split into individually identifiable performance obligations, which are included and measured at fair value. If a sales contract includes several supply obligations, the total sales value of the sales contract is allocated proportionally to the individual delivery obligations in the agreement.

Revenue is included when the control over the individual identifiable delivery obligation is transferred to the client.

The revenue included is measured at fair value of the agreed remuneration exclusive of VAT and charges, which are charged by a third party. All kinds of discounts are included in the revenue.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Sale of services

Sale of services comprises passenger conveyance. Services typically comprise a supply obligation, recognised on a straight-line basis in the turnover over the period the services were performed. The company's primary activity consists of short-term conveyance of passengers recognised at the time of transport. Thus, there are no accruals on the balance sheet date relative to this.

Payment terms in the company's sales agreements

Payment terms in the company's sales agreements with clients is partly dependent on the underlying supply obligation and partly on the specific client relationship.

For sale of services subject to an on-going transfer of control, payment terms will typically be current month plus one to three months.

Cost of sales
Cost of sales comprises expenses for acquired services in the form of conveyances by a third party plus purchased supplies for the year, to which are added changes in inventories incurred to realise revenue.

The cost of sales is calculated net of discounts.

Other external costs
Other external costs comprise costs incurred during the year concerning the company's primary activity, including costs related to sale, advertising, administration, premises, bad debt, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday money and pensions and other social security costs for the company's employees. Reimbursements received from public authorities are deducted from staff costs.

Income from public support packages (wage compensation) as a result of the COVID-19 pandemic is recognised under other operating income. Public grants are recognised when it is highly probable that the grant will be received and the terms related to the receipt are met. If specific terms are related to the receipt of public grants, the recognition will occur once such terms are met. Grants received are accrued until the criteria for recognition are met.

Other operating revenue and -costs
Other operating revenue and -costs comprise items of a secondary nature relative to the company's activities, including profit and loss of current sale and replacement of intangible assets and property, plant, and equipment. Profit and loss on the sale of intangible assets and property, plant, and equipment are calculated as the selling price less sales costs and the carrying value at the time of sale.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and interest expenses as well as foreign exchange gains and losses on foreign currency transactions. Furthermore, this also includes amortisation of financial assets and liabilities, including financial leasing commitments and charges and reimbursements under the tax prepayment scheme.

Borrowing costs derived from general loans or loans directly attributable to the purchase, construction, or development of qualified assets are attributed to the cost of such assets.

Income tax

Tax for the year

HB-Care A/S is subject to the Danish rules on compulsory joint taxation of the CC Explorer Invest Group's Danish group companies in the period 1 January – 19 August 2021. After 19 August HB-Care A/S is on compulsory joint taxation of the Greenfleet Holding A/S group's Danish group companies. The actual Danish income tax is allocated between the jointly taxed companies relative to their taxable incomes (full costing). The jointly taxed companies are part of the tax prepayment scheme.

CC Explorer Invest ApS acts as administration company for the joint taxation and will thus settle all payments of Danish income tax with the tax authorities.

Tax for the year, comprising the joint taxation contributions for the year and changes in deferred tax are recognised in the net profit or loss for the year, in other comprehensive income, or directly in the equity.

Receivables and joint taxation contributions owed are recognised in the statement of financial position under receivables and payables, respectively, to group enterprises.

Taxes payable and deferred tax

Deferred tax is measured according to the balance-sheet liability method of all temporary differentials between the carrying value and tax base of assets and liabilities. However, deferred tax of temporary differentials for tax purposes concerning non-amortisable goodwill and office properties plus other items is not recognised when temporary differentials – apart from acquisitions – have arisen at the time of acquisition without any effect on profit or taxable income.

In cases when the calculation of the tax base can be done according to different taxation rules, deferred tax is measured on the basis of management's planned application of the asset or settlement of the obligation, respectively.

Deferred tax assets, including the tax base of losses allowed for carryforward, are recognised under other long-term assets with the value for which they are expected to be applied, either by tax elimination of future earnings or by offsetting deferred tax liabilities within the same judicial tax entity and jurisdiction.

Deferred tax assets are assessed on an annual basis and are only recognised to the extent that they are likely to be exploited.

Deferred tax is measured on the basis of the tax rules and tax rates which will apply, according to the legal requirements for balance sheet dates, when the deferred tax is expected to become current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the total income for the year.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Intangible assets

Goodwill

Goodwill is initially recognised in the statement of financial income at cost as outlined under business combinations. Goodwill is subsequently measured at cost less accumulated amortisations. Goodwill is not amortised.

When goodwill is recognised, the goodwill amount is allocated to the activities generating separate payments (cash-generating units). Determination of cash-generating units complies with the management structure and internal financial management and reporting in the group.

Other intangible assets

Other intangible assets, comprising licenses, are measured at cost less accumulated amortisations and write-downs. The amortisation period is usually between three and five years.

Tangible assets

Plant and machines, other plant, fixtures and operating equipment, and leasehold improvements are measured at cost less accumulated amortisations and write-downs.

Cost comprises the purchase price and costs directly associated with the purchase until the time when the asset is ready for use. To the cost is added the present value of estimated liabilities associated with dismantling and removal of the asset and re-establishing the location where the asset was deployed.

Subsequent costs, e.g. when replacing component parts of property, plant, and equipment, are recognised in the carrying value of the asset in question when it is probable that the incurred cost will result in future financial benefits. Replaced component parts cease to be recognised in the statement of financial position and the carrying value is transferred to the income statement. All other costs for ordinary repair and maintenance are recognised in the income statement when incurred.

The cost of an aggregate asset is divided into separate components which are amortised separately if the useful life of the component parts is different. Property, plant, and equipment are depreciated on a straight-line basis over the estimated useful life of the assets/components, comprising:

Plant (buses) and machines	2–10 years
Other plant, operating plant, and fixtures	2–5 years
Leasehold improvements	2–5 years

The depreciable amount is calculated in due consideration of the scrap value of the asset and is reduced by write-downs, if applicable. The amortisation period and the scrap value are determined at the time of purchase and reassessed annually. If the scrap value exceeds the carrying value of the asset, the amortisation ceases.

For changes in the amortisation period or scrap value, the effect on amortisations will, in future, be recognised as a change in the accounting estimate.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Leases valid from 1 January 2019

A lease is an agreement that gives the company the right to take control of an identifiable asset for a period of time against payment of a sum as consideration. Leases are recognised in the statement of financial position when, according to a signed lease concerning a specific identifiable asset, the leased asset is made available to the company during the lease term and when the company obtains the right to virtually all the financial benefits derived from using the identified asset as well as the right to decide on the use of the identified asset.

Leasing commitments are measured when initially recognised at the present value of the future lease payments discounted at an alternative borrowing rate. The following lease payments are recognised as part of the lease commitment:

- Fixed payments
- Variable payments changing in tandem with changes in an index or interest rate when based on the index or interest rate in question
- Payments due under a residual value guarantee
- The exercise price for call options which management will, in all probability, exploit
- Payments subject to an extension option which the company will, in all probability, exploit
- Penalties related to a terminal option unless the company, in all probability, does not expect to exploit this option.

The lease commitment is measured at amortised cost under the effective interest method. The lease commitment is recalculated when there are changes in the underlying contractual cash flows derived from changes in an index or interest rate if the company's estimate of residual value guarantee changes, or if the company changes its assessment of whether it is more likely than not that a call-, extension-, or termination option will be exploited.

The leased asset is initially recognised at cost, corresponding to the value of the lease commitment adjusted for prepaid lease payments, to which are added directly related costs and estimated costs for dismantling, refurbishment, or similar, less discounts or other types of incentive payments from lessor.

The asset is subsequently measured at cost less accumulated amortisations and write-downs. The leased asset is amortised over the leasing period or the leased assets' useful life, whichever is the shorter. The amortisations are recognised on a straight-line basis in the income statement.

The leased asset is adjusted for changes in the lease commitment resulting from changes to the terms of the lease or the cash flow of the lease in tandem with indexable or interest-rate changes.

Leased assets are amortised on a straight-line basis over the expected lease term, comprising:

Other plant and operating equipment	5–10 years
Plant and machinery	10 years
Sales- and administration property	4–6 years

The company will present the leased asset and the lease commitment separately in the statement of financial position.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

The company has decided to omit recognising leased assets of low value and short-term leases in the statement of financial position. Instead, lease payments concerning such leases are recognised on a straight-line basis in the income statement.

Write-down of long-term assets

Goodwill

Goodwill is tested for impairment on an annual basis, initially before the end of the year of acquisition.

The carrying value of goodwill is tested for impairment along with the other long-term assets in the cash-flow generating entity or group of cash-flow generating entities to which the goodwill is allocated, and written down to its recoverable amount via the income statement if the carrying value is higher. As a rule, the recoverable value is calculated as the present value or the expected future net cash flows from the enterprise or activity (cash-flow generating entity) to which the goodwill is allocated.

Other long-term assets

The carrying value of other long-term assets are assessed annually to decide whether there are indications of impairment. If so, the recoverable value of the asset is calculated. The recoverable value is the highest fair value of the asset less expected disposal costs or value in use.

The value in use is calculated as the present value of expected future cash flows from the asset or the cash-flow generating entity of which the asset is part.

Recognition of losses derived from impairment in the income statement

Write-down is recognised when the carrying value of an asset or a cash-flow generating entity exceeds the recoverable value of the asset or cash-flow generating entity. Write-down is recognised in a separate line in the income statement.

Write-down of goodwill is non-reversable. Write-down of other assets is reversed to the extent that changes occur in the assumptions and estimates that led to the impairment. Write-downs are only reversed to the extent that the new carrying value of the asset does not exceed the carrying value the asset would have had after write-downs, had the asset not been written down.

Inventories

Inventories are measured at cost and calculated according to the FIFO method or to the net realisable value if this is lower.

The cost of goods for resale and raw materials and supplies comprises cost to which are added delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to facilitate sale and determined in due consideration of negotiability, obsolescence, and expected developments in selling price.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables
Receivables are measured at amortised cost. Write-downs to counter losses are made according to the simplified expected credit-loss model, according to which the accumulated loss is recognised in the income statement at the same time as the receivable is recognised in the statement of financial position on the basis of the expected loss in the overall useful life of the receivable.

Revenue recognition of interest on written-down receivables is calculated on the basis of the written-down value with the effective interest rate for each specific receivable or portfolio.

For financial assets concerning trade receivables, the simplified expected credit-loss model is used where the expected loss over the useful life of the financial asset is recognised immediately in the income statement. The financial asset is monitored on a current basis in accordance with the company's risk management until realisation. Write-down is calculated on the basis of expected loss percentage, accumulated for the risk profile of the financial assets. The loss percentage is calculated on the basis of historical data adjusted for estimates on the effect of expected changes in relevant parameters, such as economic developments.

Prepaid costs
Prepaid costs are measured at cost.

Equity
Group contribution

Group contributions are viewed as a transaction with the owner made as part of procuring capital and is recognised directly in equity.

Dividend

Dividend is recognised as an obligation at the time of being adopted at the ordinary general meeting (time of declaration). Dividend proposed as an annual distribution is shown as a separate item under equity until adopted by the general meeting.

Obligations to employees
Pension obligations and similar long-term obligations

The company has entered into contribution-based pension agreements and similar agreements with the major part of the company's employees.

Obligations concerning contribution-based pension schemes where the company pays fixed pension contributions on a regular basis to independent pension providers are recognised in the income statement for the period during which they are accrued, and the amounts payable are recognised in the statement of financial position under 'other debt'.

The company has not entered into any defined benefit schemes.

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial liabilities
Payables to credit institutions, etc. are recognised by borrowing at fair value less deductions of transaction costs incurred. Subsequently, the financial liabilities are recognised at amortised cost by using the 'effective interest method', so that the differential between the proceeds and the nominal value is recognised in the income statement under financial costs over the term of the loan.

Further, the capitalised residual lease commitment on financial leases is recognised as financial liabilities, measured at amortised cost.

Other financial liabilities are measured at amortised cost.

Fair value measurement
The company applies the fair-value concept connected to certain disclosure requirements and for recognising financial instruments. The fair value is defined as the price obtainable by selling an asset, or the price payable to transfer a liability in an ordinary transaction between market participants (exit price).

The fair value is a market-based and not a company-specific measurement. The company applies the assumptions utilised by the market participants when pricing the asset or liability based on existing market conditions, including assumptions concerning risks. When calculating the fair value, no special consideration is given to the company's purpose with owning the asset, nor to settling the liability.

Fair value measurement is based on the primary market. If no primary market exists, the most advantageous market will be used, which is the market that would maximise the price of the asset or liability less transaction and transport costs.

All assets and liabilities measured at fair value or, where the fair value is known, categorised according to the fair-value hierarchy outlined below:

- Level 1: The value is based on the market value of similar assets/liabilities on a well-functioning market
- Level 2: The value is based on recognised measurement methods on the basis of observable market information
- Level 3: The value is based on recognised measurement methods and reasonable estimations (non-observable market information).

Financial statement 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows cash flows from operating, investing, and financing activities as well as the company's cash and cash equivalents at the beginning and the end of the financial year.

The cash flow effect of sale and acquisition of enterprises is shown separately under cash flows from investment activities. The cash flows of acquired enterprises are recognised in the cash-flow calculation form the date of acquisition and the cash flows of sold enterprises are recognised up to the time of sale.

The cash flow statement of the company is presented using the indirect method based on post-tax profit or loss adjusted for non-cash operating posts, changes in working capital, interest received and paid, and paid income tax.

Cash flows from investment activities comprise payments connected to sale and acquisition of enterprises and activities, the sale and purchase of intangible assets, property, plant, and equipment, and other long-term assets.

Cash flows from financing activities comprise changes in the size or make-up of share capital and costs associated with this, as well as borrowing, repayment on interest-bearing debt, sale and purchase of own shares, and distribution of dividend to shareholders.

Cash flows concerning financially leased assets are recognised under financing activities as repayment of debt.

Cash and cash equivalents comprise operating cash and deposits with banks.

2 Material accounting estimates, assumptions and uncertainties

Material estimated uncertainties and assumptions

The calculation of the carrying value of certain assets and liabilities requires assessment, estimates, and assumptions relative to future events.

The estimates and assumptions made are e.g. based on historical experience and other factors which management estimates to be justifiable in the circumstances but which, ipso facto, are uncertain and unpredictable. Assumptions can be incomplete or inaccurate and unexpected events or circumstances may arise. As a consequence of the risks and uncertainties which the company is subject to, factual issues may deviate from the estimates made.

It might be necessary to change estimates made earlier as a result of changes in the conditions on which these estimates were based or because of new knowledge gained or subsequent events.

Estimates that are material to the financial reporting are e.g. made by testing goodwill for impairment and recovery of deferred tax assets.

Impairment test for goodwill

At the annual goodwill impairment test, or when there is an indication of a need for write-down, an estimate will be made as to whether the enterprise will be able to generate sufficiently positive net cash flows in the future to underpin the value of goodwill and other net assets.

The impairment test, the particularly sensitive conditions connected to this, and the sensitivity analysis are described in more detail in note 13.

Financial statement 1 January – 31 December

Notes

2 Material accounting estimates, assumptions and uncertainties (continued)

Recoverable amount of deferred tax assets
Deferred tax assets are recognised to that extent that, where likely in a reasonable future, tax profits will be realised, from which the tax deficit can be deducted. Calculation of the amount of the deferred tax asset is based on an estimate of the timing and the amount of the future profits.

Determination of the lease term in leases
Lease terms comprise the non-cancellable period of the lease, periods subject to an extension option, which the group, more likely than not, expects to exploit and, periods subject to a termination option, which the group, more likely than not, does not expect to exploit.

A share of the company's leases of properties contains options which entitles the company to extend the lease for a further lease term. When the leased asset is first recognised, the company makes an assessment as to whether, more likely than not, it expects to exploit the extension option. The company will reassess this estimate in case of material events or material changes in circumstances having occurred that are within the company's control.

When calculating the fair value of lease payments, an alternative rate of interest of 5 % is applied.

	TDKK	2021	2020
3	**Revenue**		
	Revenue from contracts with clients:		
	Passenger transportation (sale of services)	325.900	288.988
	Time of recognition:		
	Recognition of revenue over time	325.900	288.988

The company only has one segment, transportation of persons.

The company does not have other markets than the Danish. Accordingly, the revenue has not been specificized on geographic segments.

4	**Cost of sales**		
	Cost of sales	55.380	38.431

There is no depreciation of the company's stock as of 31. December 2020 and as of 31. December 2021.

5	**Other operating income and costs**		
	Other operating income		
	Covid-19 aid packages	0	16.410
	Other operating income	112	443
		112	16.853
	Other operating costs		
	Other operating costs	0	0
		0	0

Financial statement 1 January – 31 December

Notes

	TDKK	2021	2020
6	**Fees to auditors appointed by the General Assembly**		
	Total fee to Redmark and EY	170	1.880
	Fee regarding statutory Audit	120	268
	Assurance engagements	0	31
	Tax and VAT advice	15	0
	Other services	35	1.581
		170	1.880
7	**Staff costs**		
	Salaries and wages	179.036	172.403
	Pensions	16.845	13.437
	Other costs related to social security	3.832	4.698
	Other personnel cost	2.419	2.134
	Total staff costs	202.132	192.672
	Average number of employees	483	484

Staff costs executive board and boards of directors

	2021			2020		
TDKK	**Board of directors**	**Manage-ment**	**Other members of manage-ment**	**Board of directors**	**Manage-ment**	**Other members of manage-ment**
Salaries and wages	1.615	8.463	3.148	0	4.746	1.105
Pensions	0	73	134	0	69	104
	1.615	8.536	3.282	0	4.815	1.209

The executive board and other senior employees is part of a bonus scheme that is dependent on the annual result of the company.

The company has not made special agreements regarding severance pay to any members of the executive board that is dependent on a potential sale of the company.

	TDKK	2021	2020
8	**Depreciation, amortization and impairment**		
	Amortization, intangible assets	0	0
	Depreciation, tangible assets	5.336	3.667
	Depreciation, leased assets	21.318	22.443
		26.654	26.110

Financial statement 1 January – 31 December

Notes

	TDKK	**2021**	**2020**
9	**Financial income**		
	Interests from intra-group companies	0	280
	Other financial income	1	2
		1	282
10	**Financial expenses**		
	Interests from debt etc.	286	501
	Interest from debt on leasing	3.855	1.766
	Other financial expenses	722	311
		4.863	2.578

11 Tax on profit for the year

Tax in the income statement

Tax on profit for the year is:		
Tax on taxable income for the year	2.453	5.554
Deferred tax	961	160
	3.414	5.714

Tax on the profit for the year can be explained as follows:

	2021	**2021**	**2020**	**2020**
	t.kr.	**%**	**t.kr.**	**%**
Calculated 22 % (22 % in 2020) tax on profit for the year	3.414	22,0	5.713	22,0
Taxation impact of:				
Non-deductible costs	0	0	1	0
Non-taxable income	0	0	0	0
Tax from previous years	0	0	0	0
	3.414	22 %	5.714	22 %
Actual taxation percentage	22 %		22 %	

Deferred tax

TDKK	**2021**	**2020**
Deferred tax assets as per 01.01	-3.374	-3.214
Changes during the year	-961	-160
Deferred tax asset as per 31.12	-4.335	-3.374
Deferred tax is thus recognized in the balance sheet:		
Deferred tax assets	0	0
Deferred tax liability	-4.335	-3.374
Deferred tax as per 31. December, net	-4.335	-3.374

Financial statement 1 January - 31 December

Notes

11 **Tax on profit for the year (continued)**

TDKK	**2021**	**2020**
Deferred tax consists of:		
Intangible assets	277	493
Tangible assets	1.622	2.213
Lease assets	-6.234	-6.080
Non-current assets	0	0
Tax deficit	0	0
	-4.335	-3.374

Change in temporary differences in the year

		2021		
TDKK	**January 1**	**Recognised in profit for the year**	**Recognised in other total income**	**December 31**
Intangible assets	493	-216	0	277
Tangible assets	2.213	-591	0	1.622
Lease assets	-6.080	-154	0	-6.234
Non-current assets	0	0	0	0
Tax deficit	0	0	0	0
	-3.374	-961	0	-4.335

		2020		
TDKK	**January 1**	**Recognised in profit for the year**	**Recognised in other total income**	**December 31**
Intangible assets	771	-278	0	493
Tangible assets	2.956	-743	0	2.213
Lease assets	-7.176	1.096	0	-6.080
Non-current assets	67	-67	0	0
Tax deficit	168	-168	0	0
	-3.214	-160	0	-3.374

Financial statement 1 January – 31 December

Notes

12 Intangible assets

TDKK	Goodwill	Other Intangible assets	Total
Cost 1 January 2021	46.104	5.013	51.117
Additions during the year	0	0	0
Cost 31 December 2021	46.104	5.013	51.117
Amortisation and writedown 1 January 2021	0	5.013	5.013
Amortisation for the year	0	0	0
Amortisation and writedown 31 December 2021	0	5.013	5.013
Carrying ammount 31 December 2021	46.104	0	46.104
Cost 1 January 2020	46.104	5.013	51.117
Additions during the year	0	0	0
Cost 31 December 2020	46.104	5.013	51.117
Amortisation and writedown 1 January 2020	0	5.013	5.013
Amortisation for the year	0	0	0
Amortisation and writedown 31 December 2020	0	5.013	5.013
Carrying ammount 31 December 2020	46.104	0	46.104

Other intangible assets consist of licenses.

All intangible assets except from goodwill has a limited time om usage.

13 Impairment test

Goodwill

The managements test whether goodwill had suffered any impairment on an annual basis. For the 2021 and 2020 reporting period, the test is based on one CGU.

The test is based on the company's business plan including budgets for 2022-2026. The test is based on the assumption that the costs will be reduced due to synergies within the Group. Cost synergies expect to be realised with 2.6 - 6.6% of the revenue over the following 5 years. The cash flow in the terminal period has an increase of 1%.

The calculation is based on a discount rate of 8.2 % before tax. The calculation of the discount rate is based on a cost of equity of 16%, which is based on a risk free interest of 1% and Beta value of 1.

The impairment test did not show any write down needs.

Other tangible assets

The management hasn't identified any factors, that could indicate a need for impairment of the tangible assets.

Financial statement 1 January - 31 December

Notes

14 Tangible assets

TDKK	Production plants and machines	Other fixtures and fittings, tools and equipment	Furnishing of rented premises	Total
Cost 1 January 2021	16.107	3.951	5.111	25.169
Additions during the year	800	1.269	307	2.376
Transferred from lease assets	32.068	0	0	32.068
Disposals	-4.166	-2.450	-3.251	-9.867
Cost 31 December 2021	44.809	2.770	2.167	49.746
Depreciation and writedown 1 January 2021	11.256	3.319	3.533	18.108
Depreciations for the year	4.012	655	669	5.336
Transferred from lease assets	20.661	0	0	20.661
Reversal of depreciation, amortisation and writedown, assets disposed of	-2.413	-2.450	-3.251	-8.114
Amortisation and writedown 31 December 2021	33.516	1.524	951	35.991
Carrying amount, 31 December 2021	11.293	1.246	1.216	13.755

TDKK	Production plants and machines	Other fixtures and fittings, tools and equipment	Furnishing of rented premises	Total
Cost 1 January 2020	20.354	3.740	3.318	27.412
Additions during the year	0	211	1.793	2.004
Transferred from lease assets	3.538	0	0	3.538
Disposals	-7.785	0	0	-7.785
Cost 31 December 2020	16.107	3.951	5.111	25.169
Depreciation and writedown 1 January 2020	13.267	2.851	3.255	19.373
Depreciations for the year	2.921	468	278	3.667
Transferred from lease assets	2.381	0	0	2.381
Reversal of depreciation, amortisation and writedown, assets disposed of	-7.313	0	0	-7.313
Amortisation and Writedown 31 December 2020	11.256	3.319	3.533	18.108
Carrying amount, 31 December 2020	4.851	632	1.578	7.061

The company has not signed any contracts regarding purchases of tangible assets in 2021 or 2020.

Financial statement 1 January – 31 December

Notes

15 Lease assets

TDKK	Production plants and machines	Property	Other fixtures and fittings, tools and equipment	Total
Balance 1 January 2021	121.976	9.236	4.287	135.499
Additions	5.994	942	2.770	9.706
Disposals	0	0	0	0
Transferred to tangible assets	-11.407	0	0	-11.407
Reassessment of lease liability	1.936	1.742	-2.694	984
Depreciation for the year	-16.935	-2.404	-1.980	-21.318
Balance 31 December 2021	101.564	9.516	2.383	113.463

TDKK	Production plants and machines	Property	Other fixtures and fittings, tools and equipment	Total
Balance 1 January 2020	144.937	2.310	3.276	150.523
Additions	14.202	9.416	1.595	25.213
Disposals	-17.126	0	0	-17.126
Transferred to tangible assets	-1.157	0	0	-1.157
Reassessment of lease liability	0	0	488	488
Depreciation for the year	-18.880	-2.490	-1.072	-22.442
Balance 31 December 2020	121.976	9.236	4.287	135.499

Refer to note 2 for a description of:

- The scope of the company's lease contracts
- Exposure to potential cash flows

Lease liabilities

TDKK	2021	2020
Due date of leasing obligations		
Under 1 year	26.423	31.875
Due date between 1 to 3 years	43.248	51.240
Due date between 3 to 5 years	34.215	33.573
Over 5 years	5.196	20.506
Total non-discounted lease liability 31 December	109.082	137.194
Lease liability	105.032	125.592
Current portion of long-term payables	25.762	29.427
Long term payables	79.270	96.165

Financial statement 1 January – 31 December

Notes

15 Lease assets (continued)

Amounts recognized in the income statement

TDKK	2021	2020
Interests on lease liabilities	3.878	1.766

In 2021 the company has paid 34.358 TDKK regarding leased, of that the interest payments on lease liabilities amount to 3.878 TDKK, and installments amount to 30.480 TDKK.

In 2020 the company has paid 26.381 TDKK regarding leased items, of that the interest payments on lease liabilities amount to 1.766 TDKK, and installments amount to 24.615 TDKK.

16 Inventories

Inventories consists of spare parts etc, which have not been subject to writedowns as of 31 December 2021 or 31 December 2020.

	TDKK	2021	2020
17	**Pre paid expenses**		
	Other	0	1.416
		0	1.416

18 Equity

Capital management
The management asses the company's capital structure on a regular basis, the board of directors does the same. The board of directors also assess whether the capital structure is in compliance with the company and its stakeholder's interest. The overall goal is to secure a capital structure that aligns with the wish for long term profitable growth.

As of 31 December 2021, the companies interest baring debt comes to 105.032 TDKK and 125.592 TDKK in 2020, which is considered to be a reasonable level in relation to the current need for financial flexibility. It is the management's assessment that the current capital structure gives the necessary flexibility to accommodate the company's strategy.

Share capital
The share capital consists of 1.200.000 shares of nominal 1 DKK, which has been paid in full. No shares has additional rights.

The share capitals development over the last 5 years:

TDKK	2021	2020	2019	2018	2017
Balance 1 January	1.200	1.200	1.200	1.200	1.200
Balance 31 December	1.200	1.200	1.200	1.200	1.200

Financial statement 1 January - 31 December

Notes

19 Bank – and lease liabilities

TDKK	2021	2020
Long term lease liability	79.270	96.165
Short term bank liabilities	0	0
Short term lease liability	25.762	29.427
Book value	105.032	125.592
Nominal value	105.032	125.592

2021	Average coupon rate	Average effective rate of interest	Currency	Fixed-interest period	Booked value
Lease liabilities					
Floating-rate loans	2,5 %	2,5%	DKK	Floating-rate	105.032
Lease liabilities in total					105.032
In total					105.032

1) The Company has a positive Bank balance as of 31 December 2020, of 22.550 TDKK.

2020	Average coupon rate	Average effective rate of interest	Currency	Fixed-interest period	Booked value
Bank loans					
Floating-rate loans	3.0%	3.0%	DKK	3 months.	0
					0
Lease liabilities					
Floating-rate loans	2.5 %	2.5 %	DKK	Floating-ratel	125.592
Lease liabilities in total					125.592
I alt					125.592

Financial statement 1 January – 31 December

Notes

20 Liabilities from financing activities

2021	January 1	Cash flow	Non cash changes		December 31
TDKK			Company purchases	Other	
Long term liabilities	18.623	-1.188	0		17.435
Short term liabilities	0	0	0		0
Lease liabilities	125.592	-21.914	1.354		105.032
Liabilities from financing activities in total	144.215	-23.102	0	1.354	122.467

2020	January 1	Cash flow	Non cash changes		December 31
			Company purchases	Other	
TDKK					
Long term liabilities	7.144	0	0	11.479	18.623
Short term liabilities	45.663	-45.663	0	0	0
Lease liabilities	124.994	-26.381	0	26.979	125.592
Liabilities from financing activities in total	177.801	-72.044	0	38.458	144.215

Financial statement 1 January – 31 December

Notes

21 Contingencies

Contingent assets
The company doesn’t have any contingent assets.

Contingent liabilities
HB-Care has a dispute originating from the acquisition of HB-Care Group. HB-Care and their lawyer are of the opinion that the claim isn’t valid, and in case the dispute is lost, HB-Care will be compensated by the seller.

Joint taxation

As part of the sale of the HB-Care group in 2021 the company has changed their joint taxation. Until 19. August 2021 the company was part of the joint taxation with the Danish companies in the CC Explorer invest group. The sale was finalized on 19 August 2021. After the sale the company is part of the joint taxation with the companies in the Greenfleet Group as described below.

With Greenfleet Holding A/S, company reg. no 39926474 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax. The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends. Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Charges and security
The company has issued payment guarantee to costumers for TDKK 12.966.

As collateral for mortgage loans, with a value of TDKK 38 the bank has registered a security of TDKK 15.000. The security covers all the company’s assets amounting to a value of TDKK 256.462.

The company’s bank has issued a mortgage ban that means that the company can not issue security in the company’s assets.

Financial statement 1 January – 31 December

Notes

	TDKK	2021	2020
22	**Change in working capital**		
	Change in inventory	-33	106
	Change in receivables and pre-paid expenses	-7.689	-9.836
	Change in trade creditors and other liabilities	2.963	35.203
	Change in working capital in total	-4.759	25.473
23	**Cash pool**		
	Cash pool as per 31. 12 consist of:		
	Cash	22.582	22.709
	Cash 31 December in the cashflow statement	22.582	22.709

24 Financial risks and financial instruments

Policy on management of currency risks and financial

The Board of Directors assesses the risk which management presents yearly in connection with the preparation of the company's strategy and budget. Hereafter the risk situation is continuously monitored by the Board of Directors and management has continuous dialog regarding important topics including the risks that affects the company significantly.

Management regularly assesses if the company has sufficient capital structure as well as the Board of Directors continuously assesses if the capital structure is in compliance with the company's and its stakeholders' interest. The overall goal is to secure a capital structure which supports a long-term profitable growth.

The company's price risk is limited as both variable cost and contracts are regulated against the same indexes. The general risk on interest is mitigated by the contracts regulated against the obligation interest average. The company is not affected by currency risks because all transactions are in Danish kroners.

There have been no changes in the company's risk exposure or risk management compared to 2020.

Management continuously supervises the company's risk concentration.

The company does not actively speculate in financial risk. The company's financial strategy only aim is at managing and reducing the financial risk which is directly affecting the operations, investments, and financing.

The company is through its operations, investments and financing limited in exposure regarding changes on currency and interest.

Financial statement 1 January – 31 December

Notes

24 Financial risks and financial instruments (continued)

Market Risks
Risk Management
The company's loans are taken out in Danish kroner.

Revenue and all material cost are recorded in Danish kroners.

Impact
The company is not affected directly by currency fluctuations.

Interest risks
Risk Management

It is the policy to uncover interest risk when it is assessed that interest payment can be secured on a sufficient level.

Impact
The company is by its investments and financing activities exposed to fluctuations in the interest levels in Denmark. The primary interest exposure is related to fluctuations in CIBOR.

The company's risk on interest developments is mitigated by the revenues indexing against the average obligation interest.

Sensitivity analysis
An increase in the company's variable interest rated cash and liabilities by 1% point would impact the balance sheet day actual interest hypothetically negatively impact this year's result and equity 1.047 TDKK. (2020: 1.256 TDKK.). An equivalently lower interest level would have equivalently positive impact.

Prerequisites for the sensitivity analysis

- The specified sensitivities are calculated based on the recorded financial assets and liabilities per 31. December 2021. Installments, borrowing and equal has not been similar has not been part of the calculations.
- The applied changes in the interest levels is considered likely based on the current market situation and expectations to the market growth in interest levels.

Liquidity risks
Risk Management
It is the company's policy in connection with borrowing to ensure best possible flexibility through diversity in borrowing at due date or renegotiation and diversity in counterparties with regards to pricing. It is the company's goal to have sufficient liquidity contingency to be able to dispose appropriately in case of unforeseen fluctuations in the liquidity.

Impact
The company is exposed to liquidity risks because the company depend on always having sufficient liquidity. The company's liquidity consists of cash at hand and unused facilities.

The management perceives that the company has sufficient liquidity contingency to fulfill liabilities as they become due.

Financial statement 1 January – 31 December

Notes

24 Financial risks and financial instruments (continued)

Maturity analysis

The company's liabilities are due as follows:

2021 (TDKK)	**Contractual Cashflow**	**Within 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Banks	0	0	0	0	0
Lease liabilities	104.062	25.762	41.300	32.799	4.201
Other long-term liabilities	17.435	0	0	0	17.435
Trade payables	12.044	12.044	0	0	0
Other current liabilities	49.539	49.539	0	0	0
31 December 2021	183.080	87.345	41.300	32.799	21.636

2020 (TDKK)	**Contractual Cashflow**	**Within 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Banks	0	0	0	0	0
Lease liabilities	137.194	31.875	51.240	33.573	20.506
Other long-term liabilities	18.623	0	0	0	18.623
Trade payables	7.408	7.408	0	0	0
Other current liabilities	50.025	50.025	0	0	0
31 December 2020	213.250	89.308	51.240	33.573	39.129

Prerequisites for maturity analysis

- The maturity analysis is based on all undiscounted cash flows incl. estimated interest payments. Interest payments are estimated based on current market conditions.
- The company has contracted for the purchase of property, plant and equipment for DKK 0 thousand, which is not included in the overview note 14.

Based on the company's expectations of future operations and the current liquidity contingency there has not been identified other material liquidity risks.

Financing risks
Risk Management
The company seeks to diversify financing by investments to insure against dependency on single financing sources.

The average term for the gross debt is 4-8 years.

Impact
The company's bank facilities end of 2021 are totaling 0 TDKK.

The management perceives that the company has sufficient liquidity contingency and future profitability are sufficient to ensure the completion of the company's long-term strategy.

Financial statement 1 January – 31 December

Notes

24 Financial risks and financial instruments (continued)

Financing risks
Financial counterparts
The company's financial counterparts are Sydbank and counterparties on financial leasing contracts are:

- Sydbank
- Nykredit Leasing
- Alm. Brand Leasing
- De Lage Landen Finans Danmark

We refer to note 19 for a specification of debt to credit institutions and leasing debt.

Credit risks
Risk Management
The company generally does not credit assesses costumers and counterparts as they are al materially are municipalities, traffic company's and other public institutions which are assessed to have no credit risks.

Impact
Receivables at Danish municipalities, traffic company's and other public institutions make up 99% of total accounts receivables per 31 December 2021 (99% per 31/12 2020).

Accounts receivables
Per 31 December 2021 the payment terms are overdue at 8% (2020: 2%) of the company's receivables. Account receivables due over 90 days are not material.

The max credit risks on financial assets are reflected in the financial values recorded in the balance sheet.

Credit risks linked to single receivables are considered to be of high quality and low risk.

TDKK	2021	2020
Accounts receiveble from sales, that was overdue on December 31, but wasn't subject to a writedown, can bes specified as follows:		
Maturity period:		
Up to 30 days	0	0
Between 30 and 90 days	516	373
Over 90 days	836	121
	1.352	494

The company has recorded loss on accounts receivables per 31 December 2021 totaling 98 TDKK. (2020: 98 TDKK)

Financial statement 1 January – 31 December

Notes

24 Financial risks and financial instruments (continued)

Categories of financial instruments

	2021		2020	
TDKK	**Book value**	**Fair value**	**Book value**	**Fair value**
Accounts receivebles	42.548	42.548	29.499	29.499
Receivables from Group companies	14.275	14.275	19.941	19.941
Other receivables	1.921	1.921	198	198
Cash at hand and in bank	22.582	22.582	22.709	22.709
Financial assets at cost value	81.326	81.326	72.347	72.347
Credit institutions	0	0	0	0
Lease liabilities	105.032	105.032	125.992	125.992
Trade payables	12.044	12.044	7.408	7.408
Other liabilities	49.539	49.539	50.025	50.025
Financial liabilities at cost value	166.615	166.615	183.425	183.425

Bank loans, financial leasing liabilities and other liabilities
The financial value of bank loans, financial leasing liabilities and other liabilities are recorded at nominal value as there is no financing cost which are to be amortized over the liability's duration.

Bank loans, financial leasing liabilities and other liabilities are variably rated, and the recorded financial value is considered to be the fair value. Equally are the recorded financial value of other liabilities which are fixed rated considered to be fair value.

Account receivables etc., cash at hand and in bank and trade payables

Account receivables etc., cash at hand and in bank and trade payables etc. with low credit periods are considered to have a fair value equal to the recorded value.

There are no financial assets or liabilities per 31 December 2020 or 31 December 2021 which are recorded at fair value in the balance sheet.

25 Related parties

Controlling interest

Dale LuxCo SARL, Rue Albert Borschette 2C, L-1246 Luxembourg	Legal owners
HB-Care Holding A/S, Krogshøjvej 49, 2880 Bagsværd Denmark	Majority shareholder

Greenfleet Holding ApS, Moove Group A/S, CC Explorer Invest ApS, HB-Care Holding A/S, HB-Care Leasing A/S and HB-Care Leasing 1 A/S and other entreprises in the group, are all other related parties.

HB-Care A/S related parties with controlling interest are HB-Care Holding A/S, CC explorer invest ApS and the companies above these companies in the Greenfleet Group and other enterprises in the Group.

The companies in the Greenfleet Group are all part of the Danish joint taxation. The effect of the joint taxation is that the company together with all other companies in the joint taxation all are liable for the combined tax of the companies.

Financial statement 1 January – 31 December

Notes

25 Related parties (continued)

The company's related parties with significant influence consist of the board of directors, the management and other leading employees and their family members. They also included company's where the above mentioned has influence.

HB-Care A/S lease busses from HB-Care Leasing A/S and HB-Care Leasing 1 A/S. In 2020 busses were sold between the companies, that hasn't been the case in 2021.

The managements salaries etc. are listed in note 7.

Other than the above there hasn't been any transactions between related parties.

Transactions

The company has had the following transactions with related parties

TDKK	2021	2020
Intercompany sale of buses	0	15.601
Intercompany interests	1.096	484
Intercompany lease payments	4.807	1.774
Intercompany leased assets	19.467	23.178
Intercompany receivables	14.275	19.941
Intercompany lease liabilities	20.114	18.640

26 Events after the reporting date

As of February 1, 2022, the COVID19 related regulatory requirements ceased, which have affected HB-Care's revenue and operations. However, for the sake of caution, HB-Care continued until 27 February with COVID19 restrictions for drivers.

27 New and revised standards as well as interpretative aid not yet in operation

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the 2021 financial statements. HB-Care A/S expects to implement these standards when they take effect. None of the new standards issued are currently expected to have any significant impact on the financial statements when implemented.