HB-Care A/S

Krogshøjvej 49, 2880 Bagsværd

Company reg. no. 65 86 40 10

Annual Report

1 January – 31 December 2022

The Annual Report has been presented and adopted at the Company´s Annual General Meeting on 15 May 2023.

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Uffe Krarup
Chairman of the meeting

Content

Statement by the management on the Annual Report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of HB-Care A/S for the financial year 1 January – 31 December 2022.

The Annual Report is prepared 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.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and the results of the Company operations and cash flows for the financial year 1 January – 31 December 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted by the Annual General Meeting.

Bagsværd, 15 May 2023

Executive Board

Uffe Krarup

Board of Directors

Carsten Aastrup Charirman	Lars Christian Christiansen	Uffe Krarup

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 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, notes and a summary of significant 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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022 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 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.

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's Review
Management is responsible for the Management's Review.

Our opinion on and the Financial Statements does not cover the Management's Review, and we express no assurance opinion thereon.

In connection with our audit of the Financial Statements, it is our responsibility to read the Management's Review and to consider whether the Management's Review is materially inconsistent with the Financial Statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

The independent auditor's declarations

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

Based on the work we have performed, we believe that Management's Review 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 identify any material misstatement in the Management's Review.

Copenhagen, 15 May 2023

Redmark

Godkendt Revisionspartnerselskab
CVR-nr. 29 44 27 89

Henrik Juul Thomsen

State Authorized Public Accountant
mne33734

Company information

Name	HB-Care A/S Kroghøjsvej 49 2880 Bagsværd	
	Company reg.no.	65 86 40 10
	Established:	22 July 1981
	Financal year:	1 January – 31 December
Webaddress	www.hb-care.dk	
Board of Directors	Carsten Aastrup, Chairman Lars Christian Christiansen Uffe Krarup	
Management	Uffe Krarup	
Company auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg	

Financial highlights

DKK in thousands	2022	2021	2020	2019 1)	2018 2)
Key figures					
Revenue	380.755	325.900	288.988	331.211	291.704
Gross profit	274.874	270.520	250.557	278.793	238.566
Earnings before interests and taxes	8.303	20.384	28.262	6.344	6.954
Net financial income	-3.581	-4.862	-2.296	-4.560	-3.359
Net profit for the year	3.683	12.108	20.252	1.402	2.671
Non-current assets	150.403	174.769	189.995	206.331	203.012
Current assets	80.407	81.692	74.096	41.657	40.620
Total assets	230.810	256.461	264.091	247.988	243.632
Contributed capital	1.200	1.200	1.200	1.200	1.200
Total Equity	69.306	65.623	53.515	33.263	31.862
Long term liabilities	77.241	101.040	118.162	99.020	99.696
Short term liabilities	84.263	89.798	92.414	115.705	112.074
Cash flow from operating activities	19.566	35.604	78.872	26.076	29.875
Cash flow from investing activities	-1.640	-1.373	15.881	5.036	-5.633
Investment in tangible assets	-1.876	-1.577	-2.004	-1.173	-316
Cash flow from financing activities	-34.798	-34.358	-72.044	-31.112	-24.242
Total cash flow	-16.872	-127	22.709	0	0
Key figures in %					
Gross margin (%)	72,19 %	83.01 %	86,7 %	84,2 %	81,8 %
EBIT margin (%)	2,18 %	6,25 %	9,8 %	1,9 %	2,4 %
Assets/equity (%)	333,03 %	390,82 %	493,5 %	745,5 %	764,7 %
Solvency ratio (%)	30,03 %	25,59 %	20,3 %	13,4 %	13,1 %
Return on equity (%)	5,46 %	20,32 %	46,7 %	4,3 %	7,0 %
Average number of employees	516	483	484	560	484

1. The highlights are adapted to the effects of implementation of IFRS 16.
2. The highlights are not adapted to the effects of implementation of IFRS 16.

Key figures

The ratios have been complied in compliance with recommendations and 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 primary activity is referred transport services for primarily municipalities and mobility companies in Zealand and Jutland.

Development in activities and financial matters

In 2022, HB-Care has been significantly affected by the war in Ukraine. The war in Ukraine has particularly increased the costs of spare parts and fuel, as well as delayed the delivery of equipment.

The revenue for the company for the year totals T.DKK 380,755 against DKK 325,900 last year. Net profit for the year totals DKK 3,683 against DKK 12,108 last year. Based on the expectations for 2022 and the above mentioned impact the management consider the result for 2022 satisfactory.

Expected development

HB-Care's management expects a positive development in the coming fiscal year, as growth in revenue, earnings, and HB-Care's liquidity are expected in 2023.

Management expects an increase on EBIT level at 100% compared to 2022.

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 the run.

As a result of the company's financial liabilities - primarily leasing liabilities - the company is 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 as HB-Care deals primarily with public customers.

Management's review

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.

ESG data is non-financial data 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.

Our approach to ESG must secure that our 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 footprint

It is a focus for HB-Care to decrease our total climate footprint and it is a part of UNs global sustainable development goals towards a sustainable growth which is goal 13 and 17. HB-Care is furthermore a part of Global Compact Network Denmark which is a local network for Danish companies and organisations which commits itself to work for sustainability. The Danish network is a part of Global Compacts global community.

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 region climate goals.

It is HB-Cares goal to minimize any climate footprint by limiting CO2 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 focussed 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.

Management's review

HB-Care monitor the development of fuels with lower CO2 emission closely. HB-Care operates all school transport in Silkeborg with HVO diesel from its own facilities which reduces the CO2 emissions with 90% from 650 ton per year to 65 ton per year.

HB-Care is in close dialog with our 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 and are establishing a garage and workshop in Tinglev. HB-Care handles most of its maintenance in our own garages as HB-Care can limit 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.

The existing garages are equipped with oil separators and waste from maintenance are sorted as electronics, bus windows, hard plastic, soft plastic, chemicals, cardboard, and metal. The sorted waste is contained in waste containers and are collected by external suppliers for recycling or destruction. HB-Care busses are washed at our fuel 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, health, and safety

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 behaviour 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.

Management's review

Due to the nature of the HB-Cares primary operations, HB-Care prioritize special preparedness regarding employee safety while driving. We are stepping up competence development in HB-Care with a wide range of professional courses. The focus in 2022 has been on tachograph training and on upgrading truck drivers for HB-Care driving. HB-Care also teach injury-reducing driving and energy efficient driving. In addition to the fact that both these elements have an economic and environmental benefit, we can see that the measures also promote well-being and retention among employees.

Since the war in Ukraine began in February 2022, Denmark has taken in a large group of refugees, of which the majority are women. We believe one of the best ways to integrate refugees into society is through employment. We would like to support this, and Moove Group has therefore initiated the Basic Integration Training Programme, known by the Danish acronym IGU. IGU is specifically aimed at refugees or their family members and enables them to obtain employment via a combination of classroom-based learning and a practical work placement. We use IGU to recruit drivers for HB-Care in collaboration with educational institutions that provide teaching in the Danish language and driving. After successfully completing the training programme, the IGU driver is employed by HB-Care on an equal footing with our other drivers. Right now, 14 Ukrainian refugees (12 women and two men) are training to be drivers in central Jutland.

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". The company conducts relevant training for employees in applicable policies to ensure that the desired behaviour 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 opposes and does not tolerate any kind of child labour.

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

Management's review

Our 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 tenders, which are HB-Care's revenue base, and it is 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 responsibilities, composition, and organization

Moove Group A/S owns HB-Care and Board of Directors of Moove Group oversees the operations of HB-Care. The Board of Directors of Moove Group A/S consists of 83% men and 17% women.

The Board of Directors monitors that 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 team reporting to the CEO consist of 5 persons with a gender quotient of 60% men and 40% women, selected based on competencies. In appointments to the management team, women are represented in the concluding employment interviews.

The Company's diversity target for 2025 is for the underrepresented gender on our Board to make up 40%. In our middle management group, the underrepresented gender should make up 30%. A target of 40% women in our Management Group is being maintained.

It is the management's goal to make necessary decisions as close to the task 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. This reporting includes the development of the market and the group as well as the group's profitability and financial position.

Data ethics

Moove Group works actively on managing information security with the aim of ensuring the availability, integrity, and confidentiality of the Company's information assets, systems, and data. The Company's data and IT security policy describes how Moove Group uses a risk-based approach where the level of protection and the associated costs must be based on a business risk and impact analysis conducted at least annually. Moove Group complies with relevant GDPR legislation and concludes data processing agreements with external parties. The Company's work with a data ethics policy will continue in 2023.

Events after the balance day

There have not been any material events after the balance day.

Statement of comprehensive income

Note	TDKK	2022	2021
3	Revenue	380.755	325.900
4	Cost of sales	-105.881	-55.380
	Gross profit	**274.874**	**270.520**
	Other external costs	-18.568	-21.462
7	Staff costs	-221.750	-202.132
8	Depreciation, amortization and impairment of non-financial assets	-26.202	-26.654
5	Other operating income	0	112
5	Other operating expense	-51	0
	Earnings before interests and taxes (EBIT)	**8.303**	**20.384**
9	Other financial income	0	1
9	Other financial income from group enterprises	189	0
10	Other financial expenses	-3.770	-4.863
	Earnings before taxes	**4.722**	**15.522**
11	Tax expense	-1.039	-3.414
	Net profit for the year	**3.683**	**12.108**
	Other comprehensive income		
	Other comprehensive income for the year, net of tax	0	0
	Total comprehensive income	**3.683**	**12.108**

Balance sheet as of 31 December

Note	TDKK	2022	2021
	Assets		
	Non-current assets		
12	Intangible assets	46.104	46.104
14	Tangible assets	13.684	13.755
15	Leasing assets	89.215	113.463
	Receivables	1.400	1.447
	Total non-current assets	**150.403**	**174.769**
	Current assets		
16	Inventories	433	366
24	Receivables from sales and services	40.452	42.548
	Trade receivables from group entities	28.426	14.275
	Other receivables	5.386	1.921
23	Cash and cash equivalents	5.710	22.582
	Total current assets	**80.407**	**81.692**
	TOTAL ASSETS	**230.810**	**256.461**

Balance sheet as of 31 December

Note	TDKK	2022	2021
	Liabilities		
18	**Equity**		
	Share capital	1.200	1.200
	Retained earnings	68.106	64.423
	Total equity	**69.306**	**65.623**
	Non-current liabilities		
15, 24	Leasing liabilities	55.392	79.270
11	Deferred tax liability	4.572	4.335
	Other liabilities	17.277	17.435
	Total non-current liabilities	**77.241**	**101.040**
	Current liabilities		
15, 24	Leasing liabilities	25.344	25.762
	Trade and other payables	21.200	12.044
	Payables to group enterprises	6.545	0
	Income tax payable	802	2.453
	Other liabilities	30.372	49.539
	Total current liabilities	**84.263**	**89.798**
	Liabilities	**161.504**	**190.838**
	TOTAL LIABILITIES	**230.810**	**256.461**

Cashflow statement

Note	TDKK	2022	2021
	Profit from primary activities	**3.683**	**12.108**
8	Depreciations and impairments on tangible assets	25.967	26.654
	Other operating income	0	-114
	Other operating expenses	51	0
9	Financial income	-189	-1
10	Financial expenses	3.770	4.863
11	Corporate income tax	1.039	3.414
	Cash flows from operations before change in working capital, interest and tax	**34.321**	**46.924**
22	Change in working capital	-12.303	-4.759
	Cash flows from operations before interest and tax	22.018	42.165
	Interests, received	189	1
	Interest, paid	-698	-1.008
	Corporate tax	-1.943	-5.554
	Cash flows from ongoing activities	**19.566**	**35.604**
14	Purchase of tangible assets	-1.876	-1.577
	Sale of tangible assets	189	320
	Change in non-current receivables	47	-116
	Cash flows from investing activities	**-1.640**	**-1.373**
	Leasing	-27.381	-34.358
	Change in currant loans and borrowings, group	-7.417	0
	Cash flows from financing activities	**-34.798**	**-34.358**
	Cash flow from activities	**-16.872**	**-127**
23	Cash as per 1 January	22.582	22.709
23	**Cash as per 31 December**	**5.710**	**22.582**

The Company’s cash in Nykredit is part of the cash pool of the group and is presented as receivables from group entities.

Statement of changes in equity

TDKK	Share capital	Retained earnings	Total equity
Equity as per 1 January 2022	1.200	64.423	65.623
Retained earnings			
Net profit for the year	0	3.683	3.683
Other comprehensive income	0	3.683	3.683
Total comprehensive income	0	3.683	3.683
Equity as per 31 December 2022	1.200	68.106	69.306

TDKK	Share capital	Retained earnings	Total equity
Equity as per 1 January 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 December 2021	1.200	64.423	65.623

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 2022 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 compensation for payroll was presented under staff costs. In the Annual Report for 2021 the payroll compensation was reclassified and presented under other operating income further detailed in note concerning special items. There has been no Covid-19 government compensation in 2022.

The Annual Report is presented in Danish kroner being the functional currency of the Company rounded to the nearest 1.000 DKK (TDKK).

Statement on going concern

In connection with the financial reporting, the board of directors and the executive board have assessed the assumption of going concern for preparing the Financial Statements. 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. This conclusion is based on 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 cash flow 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 financial year commencing 1 January 2022.

Description of accounting policies

Business combinations

Newly acquired or newly established enterprises are recognised in the Financial Statements 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.

The acquisition date is the date on which control of the enterprise is achieved.

Positive residuals (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 amortised, but tested for impairment at least annually. The first impairment test is performed before the end of the year of acquisition.

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

Negative residuals (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, those are recognised at fair value at the time of acquisition.

Costs related to acquisitions are recognised directly in the income statement.

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 a provisional basis. A subsequent change to the identification or measurement of the acquisition consideration, acquired assets, liabilities, or contingent liabilities is adjusted retrospectively, including goodwill, until twelve months after the acquisition and the comparative figures are adjusted. After this, goodwill is not adjusted. Changes in estimated acquisition considerations are recognised in the net profit or loss for the year.

Revenue

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

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

Revenue is included when the individual identifiable performance obligation is satisfied.

The revenue included is measured at fair value of the agreed transaction price exclusive of VAT and charges, which are charged by a third party. Revenue is recognized net of related discounts.

Sale of services

Sale of services comprises passenger conveyance. Services typically consist of a performance obligation, recognised on a straight-line basis in the turnover over the period the services are 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 performance obligation and partly on the specific client relationship.

For sale of services subject to an on-going performance, 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 recognised net of related 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 pay and pensions and other social security costs for the Company's employees. Reimbursements received from public authorities are deducted from staff costs.

Income from governmental aid 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 recognised as the selling price less sales costs and the carrying value at the time of sale.

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 2021 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.

Greenfleet Holding A/S acts as administration Company for the joint taxation and does 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 using the balance-sheet liability method in respect of temporary differences between the carrying value and tax base of assets and liabilities. However, deferred tax of temporary differences for tax purposes concerning non-amortisable goodwill and office properties plus other items is not recognised when temporary differences – apart from acquisitions – have arisen at the time of acquisition without any effect on profit or taxable income.

In cases when tax base can be calculated in accordance with the applicable tax rules, deferred tax is measured on the basis of management's intended use 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 that will be effective under the legislation at the balance sheet date, 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.

Intangible assets

Goodwill

Goodwill is initially recognised at cost as detailed under business combinations. Goodwill is subsequently measured at cost less accumulated write down of impairment adjustments. Goodwill is not amortised.

When goodwill is recognised, the goodwill amount is allocated to the groups of assets generating separate cash inflows (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 in use.

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 expensed 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, for future periods, be recognised as a change in the accounting estimate.

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.

The Company has decided not to recognise leased assets of low value and short-term leases in the balance sheet. 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 the lower of cost calculated based on the FIFO method and net realisable value.

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 marketability, obsolescence, and expected developments in selling price.

Receivables

Receivables are measured at amortised cost. Write-downs to net realisable value 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 balance sheet 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, 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 considered 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 balance sheet under 'other debt'.

The Company has not entered into any defined benefit schemes.

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', whereby the difference 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 used 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 in 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 estimates (non-observable market information).

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 recognized in the cash-flow calculation from the date of acquisition and the cash flows of sold enterprises are recognized 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 recognized under financing activities as repayment of debt.

Cash and cash equivalents comprise operating cash and deposits with banks. The Company's cash in Nykredit is part of the cash pool of the group and is presented as receivables from group entities.

2 Material accounting estimates, assumptions and uncertainties

Material estimation 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.

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	2022	2021
3 Revenue		
Revenue from contracts with clients:		
Passenger transportation (sale of services)	380.755	325.900
Time of recognition:		
Recognition of revenue over time	380.755	325.900

The Company only has one segment, transportation of persons.

The Company does not have other markets than Denmark. Accordingly, the revenue has not been specified on geographic segments.

4 Cost of sales		
Cost of sales	105.881	55.380

There is no depreciation of the Company's stock as of 31 December 2021 and as of 31 December 2022.

5 Other operating income and costs		
Other operating income		
Other operating income	0	112
	0	112
Other operating costs		
Other operating costs	52	0
	52	0

6 Fees to auditors appointed by the General Assembly		
Fee regarding statutory Audit	268	120
Assurance engagements	0	0
Tax and VAT advice	0	15
Other services	183	35
	451	170

	TDKK	2022	2021
7	**Staff costs**		
	Salaries and wages	198.628	179.036
	Pensions	16.039	16.845
	Other costs related to social security	4.078	3.832
	Other personnel cost	3.005	2.419
	Total staff costs	221.750	202.132
	Average number of employees	516	483

Staff costs executive board and board of directors

		2022			2021	
TDKK	**Board of directors**	**Executive board**	**Other members of management**	**Board of directors**	**Executive board**	**Other members of management**
Salaries and wages	0	0	3.772	1.615	8.463	3.148
Pensions	0	0	184	0	73	134
	0	0	3.956	1.615	8.536	3.282

The executive board and other senior employees are 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		2022	2021
8	**Depreciation, amortization and impairment**		
	Amortization, intangible assets	0	0
	Depreciation, tangible assets	6.835	5.336
	Depreciation, leased assets	19.367	21.318
		26.202	**26.654**
9	**Financial income**		
	Interests from intra-group companies	189	0
	Other financial income	0	1
		189	1
10	**Financial expenses**		
	Interests from debt etc.	171	286
	Interest from debt on leasing	3.072	3.855
	Other financial expenses	527	722
		3.770	4.863
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	802	2.453
	Deferred tax	237	961
		1.039	3.414

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

	2022	2022	2021	2021
	t.kr.	%	t.kr.	%
Calculated 22 % tax on profit for the year	1.039	22,0	3.414	22,0
Taxation impact of:				
Non-deductible costs	0	0	0	0
Non-taxable income	0	0	0	0
Tax from previous years	0	0	0	0
	1.039	22 %	3.414	22 %
Actual taxation percentage	22 %		22 %	

Deferred tax

TDKK	2022	2021
Deferred tax assets as per 1 January	-4.335	-3.374
Changes during the year	-237	-961
Deferred tax asset as per 31 December	-4.572	-4.335
Deferred tax is thus recognized in the balance sheet:		
Deferred tax assets	0	0
Deferred tax liability	-4.572	-4.335
Deferred tax as per 31 December, net	-4.572	-4.335
Deferred tax consists of:		
Intangible assets	119	277
Tangible assets	1.289	1.622
Lease assets	-6.232	-6.234
Current liabilities	252	0
Non-current assets	0	0
Tax deficit	0	0
	-4.572	-4.335

Change in temporary differences in the year

TDKK	2022 1 January	Recognised in profit for the year	Recognised in other total income	31 December
Intangible assets	277	-158	0	119
Tangible assets	1.622	-333	0	1.289
Lease assets	-6.234	3	0	-6.232
Non-current assets	0	0	0	0
Tax deficit	0	0	0	0
	-4.335	-488	0	-4.824

Change in temporary differences in the year

TDKK	2021 1 January	Recognised in profit for the year	Recognised in other total income	31 December
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

12 **Intangible assets**

TDKK	Goodwill	Other Intangible assets	Total
Cost 1 January 2022	46.104	5.013	51.117
Additions during the year	0	0	0
Cost 31 December 2022	46.104	5.013	51.117
Amortisation and writedown 1 January 2022	0	5.013	5.013
Amortisation for the year	0	0	0
Amortisation and writedown 31 December 2022	0	5.013	5.013
Carrying amount 31 December 2022	46.104	0	46.104
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 amount 31 December 2021	46.104	0	46.104

Other intangible assets consist of licenses. All intangible assets except from goodwill has a limited time of usage.

13 **Impairment test**

Goodwill

Managements has performed the annual impairment test on goodwill for 2022. For 2020 - 2022 the test is based on one CGU.

The test is based on the Company’s business plan including budgets for 2023-2026. 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 3-4.4% 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 10.4 % before tax. The calculation of the discount rate is based on a cost of equity of 17.5%, which is based on a risk free interest of 2.5% and Beta value of 1.

The impairment test did not result in any write down requirements.

Other tangible assets

Management has identified no factors, that could indicate a need for impairment of the tangible assets.

14 Tangible assets

TDKK	Production plants and machines	Other fixtures and fittings, tools and equipment	Furnishing of rented premises	Total
Cost 1 January 2022	44.809	2.770	2.167	49.746
Additions during the year	0	502	15	517
Transferred from lease assets	16.253	0	0	16.253
Disposals	-3.024	0	0	-3.024
Cost 31 December 2022	58.038	3.272	2.182	63.492
Depreciation and writedown 1 January 2022	33.516	1.524	951	35.991
Depreciations for the year	5.120	1.015	701	6.836
Transferred from lease assets	10.180	-415	0	9.765
Reversal of depreciation, amortisation and writedown, assets disposed of	-2.784	0	0	-2.784
Amortisation and writedown 31 December 2022	46.032	2.124	1.652	49.808
Carrying amount, 31 December 2022	**12.006**	**1.148**	**530**	**13.684**

	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

The Company has not entered into any contracts regarding purchases of tangible assets in 2022 or 2021.

15 Lease assets

TDKK	Production plants and machines	Property	Other fixtures and fittings, tools and equipment	Total
Balance 1 January 2022	101.564	9.516	2.383	113.463
Additions	0	672	687	1.359
Disposals	0	0	0	0
Transferred to tangible assets	-6.073	0	-415	-6.488
Reassessment of lease liability	0	13	0	13
Depreciation for the year	-15.450	-2.522	-1.160	-19.132
Balance 31 December 2022	80.041	7.679	1.495	89.215

	Production plants and machines	Property	Other fixtures and fittings, tools and equipment	Total
TDKK				
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

Refer to note 2 for a description of:

- The scope of the Company’s lease contracts.
- Exposure to potential cash flows.

Lease liabilities

TDKK	2022	2021
Due date of leasing obligations		
Under 1 year	24.897	26.423
Due date between 1 to 3 years	36.564	43.248
Due date between 3 to 5 years	20.583	34.215
Over 5 years	1.769	5.196
Total non-discounted lease liability 31 December	83.813	109.082
Lease liability	80.736	105.032
Current portion of long-term payables	25.344	25.762
Long term payables	55.392	79.270

Amounts recognized in the income statement

TDKK	2022	2021
Interests on lease liabilities	3.072	3.878

In 2022 the Company paid 28.974 TDKK regarding leased assets, of that the interest payments on lease liabilities amount to 3.072 TDKK, and installments amount to 25.902 TDKK.

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

16 Inventories

Inventories consists of spare parts etc, which have not been subject to writedowns as of 31 December 2022 or 31 December 2021.

TDKK	2022	2021
17 Prepaid expenses		
Other	0	0
	0	0

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 2022, the companies interest baring debt comes to 80.736 TDKK and 105.032 TDKK in 2021, 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	2022	2021	2020	2019	2018
Balance January 1st	1.200	1.200	1.200	1.200	1.200
Balance December 31st	1.200	1.200	1.200	1.200	1.200

19 Bank – and lease liabilities

TDKK	2022	2021
Long term lease liability	55.392	79.270
Short term bank liabilities	0	0
Short term lease liability	25.344	25.762
Book value	80.736	105.032
Nominal value	80.736	105.032

2022	**Average coupon rate**	**Average effective rate of interest**	**Currency**	**Fixed-interest period**	**Booked value**
Lease liabilities					
Floating-rate loans	3,5%	3,5%	DKK	Floating-rate	80.736
Lease liabilities in total					80.736
In total					80.736

1) The Company has a positive Bank balance as of 31 December 2022, of 23.092 TDKK.

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

20 Liabilities from financing activities

2022 TDKK	1 January	Cash flow	Non cash changes Company purchases	 Other	31 December
Long term liabilities	17.435	-158	0	0	17.277
Short term liabilities	0	0	0	0	0
Lease liabilities	105.032	-25.655	1.359	0	80.736
Liabilities from financing activities in total	122.467	-25.813	1.359	0	98.013

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

21 Contingencies

Contingent assets
The Company does not have 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 15.822.

As collateral for any mortgage loans the bank has registered a security of TDKK 15.000. The security covers all the Company's assets amounting to a value of TDKK 230.810.

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

	TDKK	2022	2021
22	**Change in working capital**		
	Change in inventory	-67	-33
	Change in receivables and pre-paid expenses	-1.369	-7.689
	Change in trade creditors and other liabilities	-10.867	2.963
	Change in working capital in total	-12.303	-4.759
23	**Cash and cash equivalents**		
	Cash pool as per 31 December consist of:		
	Cash	5.710	22.582
	Cash 31 December in the cashflow statement	5.710	22.582

The Company's cash in Nykredit is part of the cash pool of the group and is presented as receivables from group entities.

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 2022.

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.

Market Risks

Risk Management

The Company's loans are nominated in Danish kroner. Revenue and all material cost are nominated in Danish kroners.

Impact

The Company is not affected directly by currency fluctuations.

Interest risks

Risk Management

It is the Company's 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% would impact the balance sheet day actual interest hypothetically negatively impact this years result and equity 878 TDKK (2021: 1.047). An equivalently lower interest 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 2022. Installment, borrowing and equal has not been a part of the calculations.

- The applied changes in the interest levels are 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 cash risks because the Company depends on the availability of ongoing sufficient cash. The Company's cash consists of cash at hand and unused facilities.

The management perceives that the Company has sufficient cash available to settle liabilities as and when they become due.

Maturity analysis

The Company's liabilities are due as follows:

2022 (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	80.736	25.344	34.570	19.388	1.434
Other long-term liabilities	17.277	0	0	0	17.277
Trade payables	21.200	21.200	0	0	0
Other current liabilities	30.372	30.372	0	0	0
31 December 2022	149.585	76.916	34.570	19.388	18.711

2021 (TDKK)	**Contractual Cashflow**	**Within1 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

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 cash resources there has not been identified other material cash 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 2022 are totaling 0 TDKK.

The management perceives that the Company has sufficient cash resources and future profitability are sufficient to ensure the completion of the Company's long-term strategy.

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 mainly municipalities, traffic companies and other public institutions which are assessed to have no credit risks.

Impact

Receivables at Danish municipalities, traffic companies and other public institutions make up 99% of total accounts receivables per 31 December 2022 (99% per 31/12 2020).

Accounts receivables

Per 31 December 2022 the payment terms are overdue at 2% (2021: 8%) 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	**2022**	**2021**
Accounts receiveble from sales, that was overdue on 31 December, but not subject to a writedown, can be specified as follows:		
Maturity period:		
Up to 30 days	0	0
Between 30 and 90 days	437	516
Over 90 days	478	836
	915	1.352

The Company has recorded bad debt reserves on accounts receivables per 31 December 2022 totaling 0 TDKK. (2021: 98 TDKK)

Categories of financial instruments

TDKK	2022 Book value	2022 Fair value	2021 Book value	2021 Fair value
Accounts receivebles	40.452	40.452	42.548	42.548
Receivables from Group companies	28.426	28.426	14.275	14.275
Other receivables	5.387	5.387	1.921	1.921
Cash at hand and in bank	5.710	5.710	22.582	22.582
Financial assets at cost value	79.975	79.975	81.326	81.326
Credit institutions			0	0
Lease liabilities	80.736	80.736	105.032	105.032
Trade payables	21.200	21.200	12.044	12.044
Payments to Group companies	6.545	6.545	0	0
Other liabilities	30.372	30.372	49.539	49.539
Financial liabilities at cost value	138.853	138.853	166.615	166.615

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 2022 or 31 December 2021 which are recorded at fair value in the balance sheet.

25 Related parties

Controlling interest

Legal owners

Dale LuxCo SARL, Rue Albert Borschette 2C, L-1246 Luxembourg

Majority shareholder

HB-Care Holding A/S, Krogshøjvej 49, 2880 Bagsværd Denmark

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.

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 traded between the companies, that has not been the case in 2022.

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	2022	2021
InterCompany sale of buses	0	0
InterCompany interests	929	1.096
InterCompany lease payments	4.369	4.807
InterCompany leased assets	15.754	19.467
InterCompany receivables	11.044	14.275
InterCompany lease liabilities	16.675	20.114

26 Events after the reporting date

There have not been any material events after the balance day.

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 2022 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.