Hansen & Klein A/S

Hammerensgade 4, 2, DK-1267 København K

Annual Report for 1 January - 31 December 2021

CVR No 73 42 59 13

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25/05 2022

Vagn Thorup
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hansen & Klein A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

Copenhagen, 25 May 2022

Executive Board

Kenneth Nielsen
CEO

Board of Directors

Vagn Thorup Chairman	Ulrik Krogsaa Evers	Kenneth Nielsen

Independent Auditor's Report

To the Shareholders of Hansen & Klein A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Hansen & Klein A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 25 May 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jesper Otto Edelbo	Casper Larsen
State Authorised Public Accountant	State Authorised Public Accountant
mne10901	mne45855

Company Information

The Company	Hansen & Klein A/S Hammerensgade 4, 2 DK-1267 København K CVR No: 73 42 59 13 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Vagn Thorup, Chairman Ulrik Krogsaa Evers Kenneth Nielsen
Executive Board	Kenneth Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	400,870	305,200	203,638	170,341	122,421
Operating profit/loss	172,777	138,212	61,037	51,780	30,563
Profit/loss before financial income and expenses	173,596	139,375	61,037	51,780	30,563
Net financials	-394	-2,408	-1,204	-463	503
Net profit/loss for the year	135,202	105,081	43,849	39,523	23,905
Balance sheet					
Balance sheet total	1,176,687	767,638	528,827	385,666	235,161
Equity	210,446	164,616	95,503	69,115	52,165
Cash flows					
Cash flows from:					
- operating activities	160,139	106,321	69,541	131,430	30,648
- investing activities	-2,318	-422	-7,320	-14,065	727
including investment in property, plant and equipment	0	-12	34	-11	-105
- financing activities	-82,551	-35,222	-24,044	-28,239	-14,212
Change in cash and cash equivalents for the year	75,269	70,678	38,177	89,126	17,163
Number of employees	127	101	86	72	53
Ratios					
Gross margin	88.4%	90.4%	84.8%	83.4%	81.1%
Profit margin	43.3%	45.7%	30.0%	30.4%	25.0%
Return on assets	14.8%	18.2%	11.5%	13.4%	13.0%
Solvency ratio	17.9%	21.4%	18.1%	17.9%	22.2%
Return on equity	72.1%	80.8%	53.3%	65.2%	47.6%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

Hansen & Klein A/S is a holding company, holding shares in RiskPoint Holding A/S as its only activity.

Development in the year

The income statement of the Group for 2021 shows a profit of DKK 135,201,517, and at 31 December 2021 the balance sheet of the Group shows equity of DKK 210,446,111.

The result is considered to be satisfactory.

The past year and follow-up on development expectations from last year

The result is above budget for 2021 and over prior year result and considered to be satisfactory. The reason for better-than-budgeted result is an increased activity level and revenue within all products and territories and an a better realized loss ratio for certain products line compared to budgeted.

Branch offices

The Group has branch offices, which is included in the Group Annual Report, in the following countries: Germany, UK, Switzerland, Spain, Holland and France.

Foreign exchange risks

Activities abroad cause results and equity to be affected by the exchange and interest rate development of a number of currencies. No hedging of the Company's currency is made since the risk is not assessed to be high.

Targets and expectations for the year ahead

The Management expects an increase in premium volume of approx. 15% and an increased profit of approx. 11% compared with 2021. There is an expectation of increased premium volume across most business areas and territories an underlying loss ratio level in accordance with normal year. Investments will continue to be made expanding existing activities, particulary in the US and Southern Europe. In addition, further investments into our IT platform is also planned. The full effect of the investments is expected to materialize in 2022 and onwards.

External environment

As an insurance agency, our climate footprint is relatively limited. Therefore, RiskPoint has not prepared a defined climate and environmental policy, but finds that a responsible approach to climate and the environment is of course part of running a business and an important element for our customers, business partners and stakeholders.

Management's Review

Unusual events

The financial position at 31 December 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2021 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group 2021 DKK	Group 2020 DKK	Parent Company 2021 DKK	Parent Company 2020 DKK
Revenue		**400,870,002**	**305,199,598**	**0**	**0**
Other operating income		819,457	1,163,109	0	0
Other external expenses		-47,392,993	-30,598,673	-103,800	-64,425
Gross profit/loss		**354,296,466**	**275,764,034**	**-103,800**	**-64,425**
Staff expenses	1	-178,189,433	-126,351,010	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-2,510,783	-10,037,708	0	0
Profit/loss before financial income and expenses		**173,596,250**	**139,375,316**	**-103,800**	**-64,425**
Income from investments in subsidiaries		0	0	97,048,845	78,332,037
Financial income	3	3,629,332	1,944,743	166,000	29,798
Financial expenses	4	-4,023,745	-4,352,775	-177,732	-34,133
Profit/loss before tax		**173,201,837**	**136,967,284**	**96,933,313**	**78,263,277**
Tax on profit/loss for the year	5	-38,000,320	-31,886,323	118,674	49,626
Net profit/loss for the year		**135,201,517**	**105,080,961**	**97,051,987**	**78,312,903**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Goodwill		2,756,039	5,176,421	0	0
Intangible assets under construction		3,172,403	1,250,000	0	0
Intangible assets	6	**5,928,442**	**6,426,421**	**0**	**0**
Other fixtures and fittings, tools and equipment		2,364	92,765	0	0
Property, plant and equipment	7	**2,364**	**92,765**	**0**	**0**
Investments in subsidiaries	8	0	0	149,497,754	122,549,113
Deposits	9	2,564,223	2,304,478	0	0
Fixed asset investments		**2,564,223**	**2,304,478**	**149,497,754**	**122,549,113**
Fixed assets		**8,495,029**	**8,823,664**	**149,497,754**	**122,549,113**
Trade receivables	10	801,069,593	476,187,641	0	0
Other receivables		10,601,244	2,126,919	9,614,766	1,828,775
Corporation tax receivable from group enterprises		23,563	0	23,563	0
Prepayments	11	4,460,930	3,732,197	0	0
Receivables		**816,155,330**	**482,046,757**	**9,638,329**	**1,828,775**
Cash at bank and in hand		**352,036,701**	**276,767,292**	**0**	**0**
Currents assets		**1,168,192,031**	**758,814,049**	**9,638,329**	**1,828,775**
Assets		**1,176,687,060**	**767,637,713**	**159,136,083**	**124,377,888**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent Company	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Share capital	12	780,000	780,000	780,000	780,000
Reserve for net revaluation under the equity method		0	0	58,303,987	87,628,746
Retained earnings		90,030,964	90,542,456	34,705,287	3,102,145
Proposed dividend for the year		55,900,000	31,150,000	55,900,000	31,150,000
Equity attributable to shareholders of the Parent Company		**146,710,964**	**122,472,456**	**149,689,274**	**122,660,891**
Minority interests		63,735,147	42,143,390	0	0
Equity		**210,446,111**	**164,615,846**	**149,689,274**	**122,660,891**
Provision for deferred tax	14	597,683	486,769	0	0
Provisions		**597,683**	**486,769**	**0**	**0**
Trade payables		6,192,544	7,034,612	0	0
Other payables		0	5,498,328	0	0
Long-term debt	15	**6,192,544**	**12,532,940**	**0**	**0**
Credit institutions		9,337,201	1,572,817	9,337,061	1,572,639
Trade payables	15	868,692,894	522,709,330	109,748	64,374
Corporation tax		23,186,062	19,710,875	0	79,984
Other payables	15	58,234,565	46,009,136	0	0
Short-term debt		**959,450,722**	**590,002,158**	**9,446,809**	**1,716,997**
Debt		**965,643,266**	**602,535,098**	**9,446,809**	**1,716,997**
Liabilities and equity		**1,176,687,060**	**767,637,713**	**159,136,083**	**124,377,888**
Distribution of profit	13				
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Statement of Changes in Equity

Group

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	780,000	0	90,542,456	31,150,000	122,472,456	42,143,390	164,615,846
Exchange adjustments	0	0	658,147	0	658,147	286,049	944,196
Ordinary dividend paid	0	0	0	-31,150,000	-31,150,000	0	-31,150,000
Extraordinary dividend paid	0	0	-57,046,734	0	-57,046,734	0	-57,046,734
Other equity movements	0	0	17,534,599	0	17,534,599	-19,653,313	-2,118,714
Net profit/loss for the year	0	0	38,342,496	55,900,000	94,242,496	40,959,021	135,201,517
Equity at 31 December	**780,000**	**0**	**90,030,964**	**55,900,000**	**146,710,964**	**63,735,147**	**210,446,111**

Parent Company

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	780,000	87,628,746	3,102,145	31,150,000	122,660,891	0	122,660,891
Ordinary dividend paid	0	0	0	-31,150,000	-31,150,000	0	-31,150,000
Extraordinary dividend paid	0	0	-57,046,734	0	-57,046,734	0	-57,046,734
Other equity movements	0	-38,873,604	57,046,734	0	18,173,130	0	18,173,130
Net profit/loss for the year	0	9,548,845	31,603,142	55,900,000	97,051,987	0	97,051,987
Equity at 31 December	**780,000**	**58,303,987**	**34,705,287**	**55,900,000**	**149,689,274**	**0**	**149,689,274**

Cash Flow Statement 1 January - 31 December

	Note	Group 2021	Group 2020
		DKK	DKK
Net profit/loss for the year		135,201,517	105,080,961
Adjustments	16	41,839,583	43,650,397
Change in working capital	17	17,783,588	-22,129,287
Cash flows from operating activities before financial income and expenses		**194,824,688**	**126,602,071**
Financial income		3,629,332	1,944,743
Financial expenses		-4,023,744	-4,352,779
Cash flows from ordinary activities		**194,430,276**	**124,194,035**
Corporation tax paid		-34,291,698	-17,872,795
Cash flows from operating activities		**160,138,578**	**106,321,240**
Purchase of intangible assets		-2,058,360	0
Purchase of property, plant and equipment		0	-12,141
Fixed asset investments made etc		-259,745	-409,888
Cash flows from investing activities		**-2,318,105**	**-422,029**
Repayment of loans from credit institutions		7,764,384	64,938
Purchase of treasury shares		-12,486,836	-22,081,261
Sale of treasury shares		12,486,836	6,036,359
Other equity movements		-2,118,714	-5,441,663
Dividend paid		-88,196,734	-13,800,000
Cash flows from financing activities		**-82,551,064**	**-35,221,627**
Change in cash and cash equivalents		**75,269,409**	**70,677,584**
Cash and cash equivalents at 1 January		276,767,292	206,089,708
Cash and cash equivalents at 31 December		**352,036,701**	**276,767,292**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		352,036,701	276,767,292
Cash and cash equivalents at 31 December		**352,036,701**	**276,767,292**

Notes to the Financial Statements

		Group		Parent Company	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
1	**Staff expenses**				
	Wages and salaries	150,704,709	105,127,740	0	0
	Pensions	6,515,284	4,837,761	0	0
	Other social security expenses	20,570,255	15,823,433	0	0
	Other staff expenses	399,185	562,076	0	0
		178,189,433	**126,351,010**	**0**	**0**
	Average number of employees	**127**	**101**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	2,420,382	9,683,965	0	0
	Depreciation of property, plant and equipment	90,401	353,743	0	0
		2,510,783	**10,037,708**	**0**	**0**
3	**Financial income**				
	Other financial income	2,693,330	103,116	161,300	29,798
	Exchange gains	936,002	1,841,627	4,700	0
		3,629,332	**1,944,743**	**166,000**	**29,798**
4	**Financial expenses**				
	Other financial expenses	2,404,331	2,048,547	177,732	27,952
	Exchange loss	1,619,414	2,304,228	0	6,181
		4,023,745	**4,352,775**	**177,732**	**34,133**

Notes to the Financial Statements

5 Tax on profit/loss for the year

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Current tax for the year	37,559,184	31,791,526	-23,563	-15,127
Deferred tax for the year	111,994	211,760	0	0
Adjustment of tax concerning previous years	329,142	-116,963	-95,111	-34,499
	38,000,320	**31,886,323**	**-118,674**	**-49,626**

6 Intangible assets

Group

	Goodwill	Intangible assets under construction
	DKK	DKK
Cost at 1 January	17,105,486	7,337,807
Additions for the year	0	1,922,403
Cost at 31 December	17,105,486	9,260,210
Impairment losses and amortisation at 1 January	11,929,065	6,087,807
Amortisation for the year	2,420,382	0
Impairment losses and amortisation at 31 December	14,349,447	6,087,807
Carrying amount at 31 December	**2,756,039**	**3,172,403**

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	6,522,843
Cost at 31 December	6,522,843
Impairment losses and depreciation at 1 January	6,430,078
Depreciation for the year	90,401
Impairment losses and depreciation at 31 December	6,520,479
Carrying amount at 31 December	**2,364**

8 Investments in subsidiaries

	Parent Company	
	2021	2020
	DKK	DKK
Cost at 1 January	3,851,233	3,851,233
Cost at 31 December	3,851,233	3,851,233
Value adjustments at 1 January	118,697,880	66,800,971
Net profit/loss for the year	97,048,845	78,332,037
Dividend to the Parent Company	-31,226,600	-13,878,489
Other adjustments	-38,873,604	-12,556,639
Value adjustments at 31 December	145,646,521	118,697,880
Carrying amount at 31 December	**149,497,754**	**122,549,113**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
RiskPoint Holding A/S	Denmark	DKK 671.955	69%	214,473,599	139,228,948

Notes to the Financial Statements

9 Other fixed asset investments

	Group
	Deposits
	DKK
Cost at 1 January	2,304,478
Additions for the year	259,745
Cost at 31 December	2,564,223
Carrying amount at 31 December	**2,564,223**

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
10 Trade receivables				
The following receivables fall due for payment more than 1 year after year end	103,962,757	65,965,147	0	0

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

12 Equity

The share capital consists of 780,000 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK

13 Distribution of profit

Extraordinary dividend paid	57,046,734	0	57,046,734	0
Proposed dividend for the year	55,900,000	31,150,000	55,900,000	31,150,000
Reserve for net revaluation under the equity method	0	0	9,548,845	47,262,903
Minority interests' share of net profit/loss of subsidiaries	40,959,021	26,937,588	0	0
Retained earnings	-18,704,238	46,993,373	-25,443,592	-100,000
	135,201,517	**105,080,961**	**97,051,987**	**78,312,903**

14 Provision for deferred tax

Provision for deferred tax at 1 January	486,769	275,009	0	0
Amounts recognised in the income statement for the year	109,539	211,760	0	0
Effect from merger and acquistions	1,375	0	0	0
Provision for deferred tax at 31 December	**597,683**	**486,769**	**0**	**0**

Notes to the Financial Statements

15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Trade payables				
Between 1 and 5 years	6,192,544	7,034,612	0	0
Long-term part	6,192,544	7,034,612	0	0
Within 1 year	5,088,730	5,662,198	0	0
Other short-tem trade payables	863,604,164	517,047,132	109,748	64,374
Short-term part	868,692,894	522,709,330	109,748	64,374
	874,885,438	**529,743,942**	**109,748**	**64,374**
Other payables				
Between 1 and 5 years	0	5,498,328	0	0
Long-term part	0	5,498,328	0	0
Other short-term payables	58,234,565	46,009,136	0	0
	58,234,565	**51,507,464**	**0**	**0**

16 Cash flow statement - adjustments

	Group	
	2021	2020
	DKK	DKK
Financial income	-3,629,332	-1,944,743
Financial expenses	4,023,745	4,352,775
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,510,783	10,037,708
Tax on profit/loss for the year	38,000,320	31,886,323
Exchange adjustments	934,067	-681,666
	41,839,583	**43,650,397**

Notes to the Financial Statements

	Group 2021	Group 2020
	DKK	DKK
17 Cash flow statement - change in working capital		
Change in receivables	-334,085,014	-180,364,102
Change in trade payables, etc	351,868,602	158,234,815
	17,783,588	**-22,129,287**

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
	DKK	DKK	DKK	DKK
18 Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	10,801,042	4,986,753	0	0
Between 1 and 5 years	13,689,170	6,413,856	0	0
	24,490,212	**11,400,609**	**0**	**0**
RiskPoint A/S has issued a security to Danske Bank for intercompany balances with its Parent Company RiskPoint Holding A/S	15,000,000	4,000,000	0	0

The subsidiaries of RiskPoint Holding A/S has provided an unlimited guarantee to the Parent Company RiskPoint Holding A/S under which the guarantor assumes joint and several liability.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Hansen & Klein A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability

Notes to the Financial Statements

19 Related parties

	Basis
Other related parties	
RiskPoint Holding A/S	Subsidiary
RiskPoint A/S	Affiliated Company
RiskPoint AB	Affiliated Company
RiskPoint AS	Affiliated Company
RiskPoint OY	Affiliated Company
RP Underwriting Inc.	Affiliated Company
Caplloyd A/S - Forsikringsagentur	Affiliated Company
Executive board and Board of directors	Key management personnel

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

20 Subsequent events

No events materially affecting the assesesment of the Annual Report have occured after the balance sheet date.

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Hansen & Klein A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Hansen & Klein A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

21 Accounting Policies (continued)

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.

Notes to the Financial Statements

21 Accounting Policies (continued)

- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.

- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.

- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.

- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

21 Accounting Policies (continued)

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

The Entity's commissions-based income is recognised at the invoicing of the insurance premium taken out via the Entity's carrier.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

21 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Notes to the Financial Statements

21 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

21 Accounting Policies (continued)

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Trade receivables comprise premiums collected with policyholders on behalf of the Company's car-riers. When recognising these receivables, the amount owed to the carrier net of sales comission is recognised as well.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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 crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

21 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Trade payables comprise premium payables to the Company's carriers. When collecting premiums, the amount owed to the carrier, equivalent to the premium collected net of commission, is recognised.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Current asset investments”. ”Current asset investments” consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

Notes to the Financial Statements

21 Accounting Policies (continued)

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$