Annual Report 2016

SOS International A/S
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CVR No. 17 01 37 18

Contents

PREFACE

Annual Report 2016

2016 was a dynamic year. Nordic travellers both by plane and car have, as always, been in need of assistance on many journeys the past year.

Despite the sale of Trygghetssentralen as of January 1st 2016 SOS International experienced a growth of 3% in net revenue, which both expresses a high level of activity and a high retention rate of costumers.

The financial result of 2016 reflects high competitiveness and SOS International have managed to close 2016 with a satisfactory result of DKK 39.4 million before tax, which is DKK 13.3 million better than 2015.

High customer satisfaction and cost-consciousness are the cornerstones of our assistance services, and we are proud to report that in 2016, SOS International increased customer and end-users satisfaction. New services, operational improvements, organisational adjustments and a constant focus on costumers' demands have been the means to stay competitive and retain our customers.

We can look back on several strategic achievements in 2016. But we can also observe that the demands and expectations of our customers and end-users are continuously changing and increasing. This calls for action. The past year's focus on establishing a solid operational platform has, however, given SOS International a good foundation and starting point.

To meet the increasing demands in 2017, we have revitalised our existing strategy called "Next Generation" to an updated and very ambitious new strategy, which we have named "Connected 2020".

We expect 2017 to be yet another year in which we will improve our ability to create value. We will do this by connecting even more to end-users, customers, partners and employees and leave our mark on a number of new agendas.

I hope you enjoy the report.

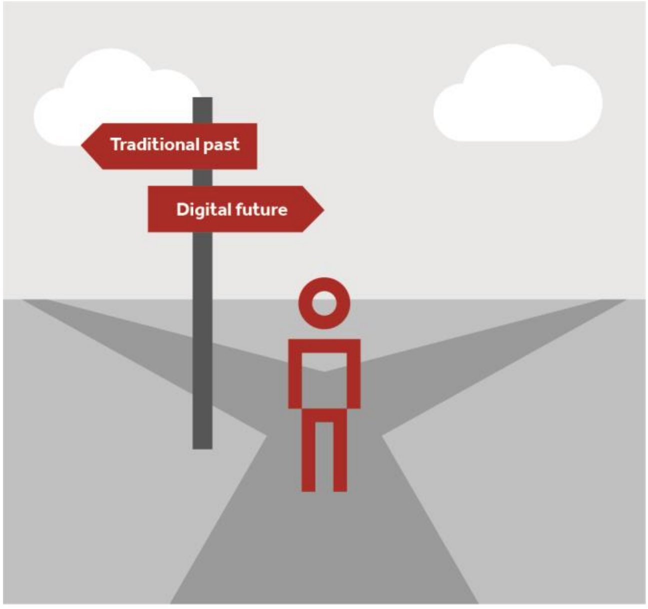
Best regards,

Niels Krag Printz

FOCUS

Assistance at a crossroads

2016 has been an exciting year from the perspective of an assistance company. New trends have started to impact the assistance market. However, 2016 also indicated that old habits die hard, and assistance companies may face years of simultaneously doing assistance in a new and old way.



Digital transformation. The rise of smartphones as the preferred personal platform. Internet of things. Sharing economy. Peer-to-peer communication. These are among the megatrends that have begun to impact the assistance business at different paces. The trends all call for change. Some directly, such as expected deliverables from customers and new generations of end-users, who expect individualisation, availability through social media and apps. Some indirectly, through disruptive changes in closely related industries such as insurance and the automobile industry.

CHANGES UNDERWAY

Both the insurance business and the automobile industry, which accounts for the majority of SOS International's customers, are facing changes which are impacting the operational set-up as well as business models. As an assistance company, SOS International must be ready to meet changes with new products and services and adapted setups in order to continuously be a trusted partner to our customers. At the same time, it is vital to understand the needs and expectations of the end-user in terms of communication channels enabling us to deliver the optimal end-user experience.

CONVENTIONAL ASSISTANCE

Other indicators from 2016 suggest, that the existing business models of assistance will maintain momentum in the coming years. For instance, the sale of conventional cars is rising. That does not only prolong the market transition towards connected cars, it also shows that even though sharing economy is one of the hottest buzzwords right now, it has not yet made a dent in the Nordic car market.

Looking at travel, low-fare airlines on long distance routes has resulted in a rise in shorter trips to distant destinations. Older age groups travel farther as well. The rise in airline travel affects SOS International positively.

A MARKET SPLIT

These opposite trends point towards an assistance market that will split in two. One part of the market will call for conventional services supported by business models as we know them today. The other part will be the beginning of a new paradigm driven by the emerging, indicative trends, which call for a more connected approach to assistance.

The shift between the old and the new assistance is difficult to extrapolate and the transition could be prolonged with conventional and connected business models coexisting for a long time.

Indications of a changing assistance business in 2016

- Communication with end-users through apps, social media and self-service portals
- Full digital integration of the business value chain
- Globalisation of competition
- Remote tracking and monitoring, including connected cars and healthcare devices and wearable's
- Business intelligence reporting and analysis to improve performance and develop new services
- Transparency in prices and cost structures
- Changing travel patterns, e.g. short holidays at distant destinations via online self-booking of low-fare airline tickets, hotels or Airbnb.

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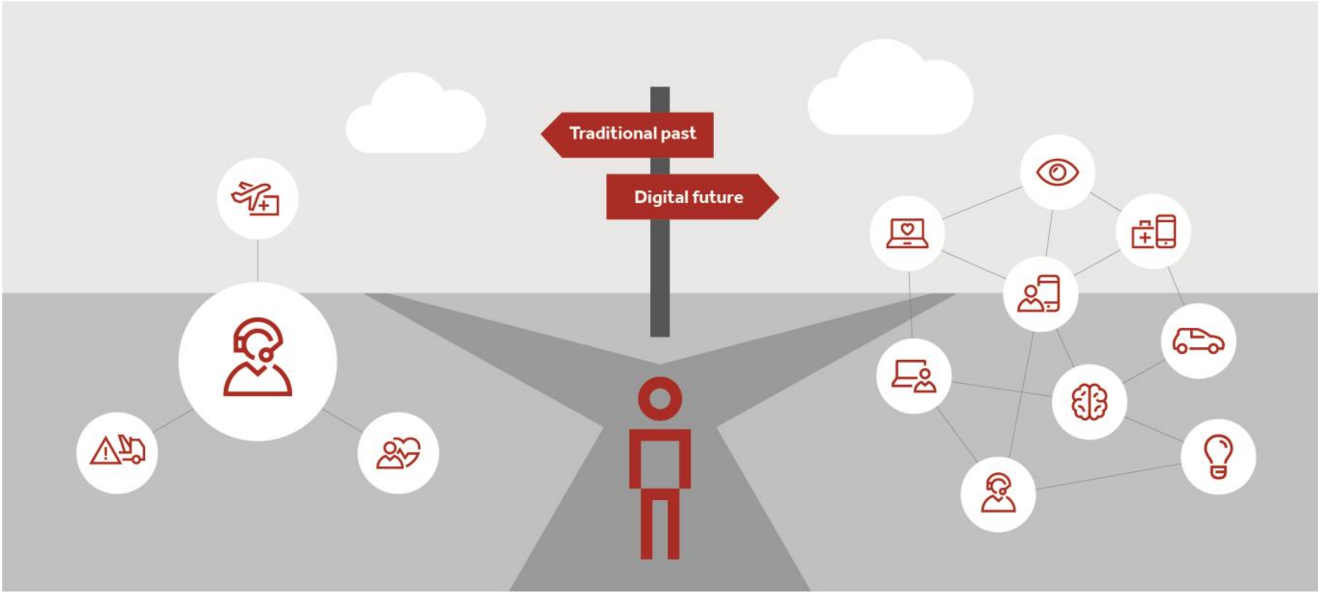
Connected 2020



As a consequence of a very fast changing assistance market, SOS International has defined a new strategy going towards 2020 named "Connected 2020".

The strategy is reflecting the split of the market within assistance, where SOS International needs to continue improving existing conventional assistance, while at the same time implementing new and more "connected services".

AMBITIONS FOR 2020

In 2020 we are a solid company connected to our customers, end-users, partners and employees providing dedicated advice and help as the preferred Nordic partner.

The success criteria of the strategy is to continuously stay relevant to all our stakeholders, reflected in high satisfaction, quality and efficiency as well as launching new value creating services. This is creating the basis for the future growth with focus on the Nordic market and on being a strong white label partner within assistance services. To achieve this, SOS International regards the following six points as key elements:

- Strong market position through growth in core markets and proactive customer advisor role
- Optimised value chain and strong global network balancing superior end-users experience and total cost optimisation
- New revenue streams through strong product development and new digital services and channels for customers and end-users
- Be the leading medical competence centre in the Nordic providing modular healthcare services through a preferred provider network powered by digital solutions
- Digitalised and automated processes based on a strong shared IT platform optimally operated
- Cost efficiency and performance oriented culture supported by competence development.

As a highly reliable trusted assistance provider, SOS International will continuously update the existing high standard of governance including quality, information security and environment and high ethics standards based on transparency. This needs to go hand in hand with increased speed of innovation and increasing exchange of data with all stakeholders through digital integration, new digital services and communication channels. That requires special attention and focus from SOS International en route towards 2020.

SOS International's strategy, "Connected 2020", includes the ambition to successfully transfer SOS International gradually into the new more connected assistance business, but at the same time continue improving competencies and service deliveries that the traditional assistance business is based on.

FOCUS

Anchor Point in a Changing World

In the past year, SOS International has been an anchor point in a world of changes as cunning terror, random violence and the power of Mother Nature have closed in on preferred travel destinations for Nordic travellers.

Across media, countries and politics, terror has been on the agenda. Bombings and violent acts have hit European metropolises as well as popular tourist destinations several times the past year.

"Travellers as well as companies working abroad have to adjust to the new view of the world – not by travelling less but by preparing and being conscious of the surroundings when travelling."

PETER ILSTED,
Crisis, Risk and Security Manager at SOS International

Geographically, the threats are coming closer and Nordic travellers need to adjust to the fact that terror at well-known western destinations is becoming part of travelling as well as of daily life in a globalised world.

ANCHOR IN THE STORM

Also natural forces have tormented travellers during the past year. Florida and Thailand are characterised as tropic and sunny, but becomes less enjoyable when flight cancellations and delays follow heavy weather, floods or hurricanes. Also in our own Nordic neighbourhood massive rain and heavy snow underline the need for acute roadside assistance.

SOS International is the anchor point when terror moves into our backyard and the elements rage on the dream holiday.

With unique competencies, targeted and relevant communication and a strong global network, SOS International has provided fast, dedicated and professional assistance through tragic terror attacks as well as storms.

CRISIS PREPAREDNESS

A proactive and watchful effort characterises SOS International's role in crisis situations. SOS International monitors, evaluates and adjusts the dedicated 24/7 alarm centre consisting of nurses, doctors, assistance coordinators, counsellors and psychologists in order to meet any situation.

The alert crisis staff and close cooperation with local authorities as well as our global network ensure that we are able to help. And in crisis situations SOS International is constantly connected to customers, end-users and network through devices, platforms and personal contact providing the best guidance for all to be and feel safe.

In some situations we are physically present on site, for example during The Olympic Games in Rio or after the attacks in Nice and Brussels.

"SOS' unique preparedness setup is quickly activated in any crisis situation, and as a crisis psychologist my expertise is to listen and create a sense of safety in the acute situation. Also, I evaluate and advise on the right treatment at the right time as some reactions may occur later - but nonetheless need to be addressed just as seriously."

KATHRINE MARIE ELMER,
Crisis Psychologist at SOS International

Crisis preparedness setup has always been an integrated part of SOS International's 24/7 services.

In 2016 it became evident, that travel assistance at SOS International embraces all medical and security aspects as we strive to not only assist, but also create a sense of safety and security in a tough situation.

EXAMPLES OF SOS INTERNATIONAL'S TRAVEL CRISIS PREPAREDNESS

Major incidents in 2016

January
– Snow storm in USA
– Terror in Hurghada

February
– Terror in Ankara

March
– Bombs in Brussels

April
– Earthquake in Japan

May
– Terror and plane crash EgyptAir

June
– SAS pilot strike
– Shootings in Atatürk Airport, Istanbul

July
– Terror in Nice
– Military coup in Turkey
– Shootings in Munich

August
– Bombs in Hua Hin
– Olympic Games in Rio de Janeiro
– Shootings in JFK airport

September
– Bombings in the Philipines

October
– Hurricane Matthew in USA
– Earthquake in Italy

November
– Lufthansa strike
– Earth footprints quake and tsunami in Japan

December
– Floods in Southern Thailand
– Terror in Berlin

On July 14 at 10.30 PM a terror attack hits central Nice. 84 people die.

Within an hour the alarm centre in Copenhagen receives the first calls.

By midnight SOS International delivers the first psychological crisis counselling over the phone.

After a few hours, the crisis staff arrives at the alarm centre to secure preparedness and plan the crisis team's departure for Nice.

On July 15 at 11 AM SOS International opens a crisis centre at the SAS Radisson in central Nice.

During the following days, three crisis psychologists deliver counselling from the crisis centre to Nordic travellers.

Due to criticality of the attack and massive need for help, SOS International decides to prolong the crisis centre in Nice to a total of three days.

SOS International delivers individual and group counselling, on the phone, face-to-face and on site where the attack hit.

In all, SOS International received more than 120 cases from Nordic travellers.

FOCUS

Regulation and demands

Many of SOS International's customers are insurance companies and as such they are subject to a heavy regulation. An example of the regulation imposed on the industry is the Solvency II directive and the resulting national legislation, which came into force January 1st 2016.

The directive is setting high standards for the insurance companies in terms of capital requirements, internal procedures, processes, operations and reporting as well as requirement for outsourcing partners need to fulfil. Since SOS International is acting as outsourcing partner for the insurance industry, the regulation also affects SOS International.

SOLVENCY II

SOS International works continuously, proactively and in a structured way to ensure the company meets the Solvency II requirements as well as all other national and international legislation. As a Trusted Partner, SOS International is taking the customers' businesses and interests into account in the daily operation and strategic decisions.

Doing business according to business ethics and meeting requirements from customers and legislation is, among other things, ensured through a number of initiatives:

- Company Code of Conduct and Supplier Code of Conduct ensuring compliance, observance of national standards and legal and contractual requirements are implemented and made available
- Compliance Board established to prepare for and ensure fulfilment of existing and new regulation
- Total Quality Management system (TQM) minimising and managing risks
- Reporting and regular audits ensuring continued high quality of all services
- Customer contracts adjusted to Solvency II requirements
- Contract management ensuring SOS International commits and lives up to the regulatory requirements
- Accreditations and certifications such as ISO 9001 (quality management), ISO 27001 (information security) and ISO 14001 (environment management in the Technical Division) ensuring proactive and continuous work with quality, environment and information security.

DATA PROTECTION

In May 2018, the new EU data protection regulation comes into effect. In a number of areas, the new regulation will increase the existing requirements regarding the protection of personal data.

SOS International has initiated a project dedicated to make sure SOS International is meeting the new requirements by May 2018. The project includes assessments of a number of areas for example processes and routines, as the new regulation sets increased demands in relation to:

- IT design and IT systems
- Contracts
- Consent
- IT security
- A number of other demands.

The project ensures SOS International will meet the increased demands when they come into force.

FOCUS

Reduced medical claims costs

Being the Nordic insurance companies' trusted partner calls for long term strategic steps and vigilance in the daily work in order to provide the best end-user experience and at the same time continuously try to reduce costs for our customers.

The competition in the business of assistance has increased dramatically over the recent years. To meet the demands of the market and to ensure SOS International's position as the leading assistance organisation in the Nordic countries, we continuously focus on initiatives that assure reduction of costs year by year.

PATTERNS AND DEMANDS

SOS International's assistance is dynamic and adjusted according to the change in the Nordic end-users travel patterns. To ensure an efficient, adaptive and successful business, SOS International has appointed a number of focus points across the Medical and Technical business areas over the past years, for example:

- Preventive and proactive communication
- Digital initiatives to end-users and customers
- Flexible operational setup
- Taking advantage of large scale network
- Continuous quality and cost control.

COST AND QUALITY BALANCE

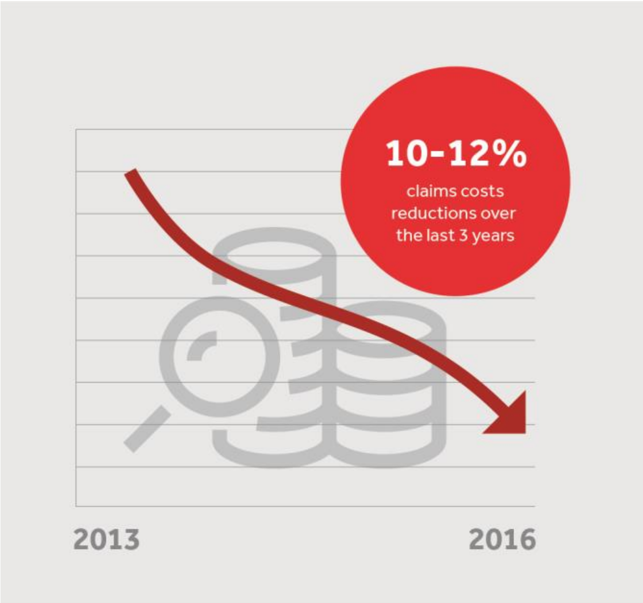
Costs for hospitals and repatriations are some of the most expensive when handling travel assistance.

Even though SOS International is constantly working to bring down claims costs, a decrease in costs cannot compromise on end-user experience or the quality of the case handling. Giving the patient the right treatment is essential to SOS International – no more, no less.

INITIATIVES IN MEDICAL IN 2016

All in all, SOS International's on-going focus on the core business has resulted in satisfied end-users and in a reduction of costs for the Medical area of 10-12% in the period 2013-2016. Some of the initiatives that have led to this are:

- Optimisation of the Global Network
- Continuing use of new technology and digitalisation
- Proactive case handling and fewer “hands” on each case
- Experienced nurses handling an increased amount of alarm centre cases
- An improved screening of new and existing cases
- Increased use of local escorts where it benefits our end-users
- Less complex repatriations are more often handled directly at the alarm centre.



EXAMPLES OF DIGITAL AND INNOVATIVE FOOTPRINTS OF 2016

It has been a year of several digital initiatives from SOS International's hand and new communication platforms, systems integrations and other innovative solutions across the Medical and Technical area have led to enhanced customer experience.

- Total concept of psychological counselling (Medical Competence Center) and video psychological counselling
- New crisis setup secures proactive and integrated communication to customers and end-users
- Launch of SOS Live app, which offers video consultation face-to-face with Scandinavian personnel
- Quick form implemented at alarm centre for faster and better case handling
- Deployment of digital universe targeted expats
- Implementation of new telephone system
- Rødt Kort app re-launched and focus on optimisation of the customer journey
- Updated Travel app
- Self-service universe and launch of new responsive platforms www.sos.eu and www.dah.dk
- New responsive www.sosveihjelp.no
- New claims online form eases end-users' access to SOS International after their travel
- Attention on the demands for the future insurance and assistance market "InsurTech report - Future trends and influences on the insurance and assistance business"
- ISO14001 on environmental management in the Technical Division is not a digital footprint, but a certification that indeed ensures the environmental footprint
- Crisis, Risk & Security launched as a flexible concept providing optimal customer journeys through multiple channels
- System integration between SOS International and customers leads to reductions of costs for the customer and better end-user experiences

MANAGEMENT'S REVIEW

Consolidated key figures and financial ratios

DKK'000	2016	2015	2014	2013	2012
KEY FIGURES					
Net revenue	2,954,628	2,864,136	2,893,001	2,820,747	2,132,168
Assistance costs	-2,130,345	-1,978,719	-2,020,933	-1,987,875	-1,528,404
Income from operating activities (EBIT)	32,617	24,738	8,597	50,670	69,376
Income from net financials	-2,459	1,871	2,671	-13,648	-1,694
PROFIT BEFORE TAX	39,367	26,088	11,276	37,029	67,687
Tax on income for the year	-13,193	-6,523	-11,017	-11,811	-18,750
Profit for the year	26,174	19,565	259	25,218	48,937
Balance sheet total	793,021	785,589	943,304	863,814	805,476
EQUITY	254,557	230,104	212,366	221,722	200,170
Cash flows from operating activities	52,694	107,260	112,681	46,417	89,970
Cash flows from investment activities	743	-16,573	-74,496	-48,025	-168,851
of which invested in property, plant and equipment	-13,002	-16,642	-18,554	-19,838	-31,170
Cash flows from financing activities	-11,376	-113,466	59,168	7,875	93,306
CASH FLOWS, TOTAL	42,061	-22,779	97,353	6,267	14,425
FINANCIAL RATIOS					
EBITDA margin	2.4	2.6	2.9	4.1	4.5
Net operating income margin	8.6	8.4	9.8	13.7	15.8
EBT margin	1.3	0.9	0.4	1.3	3.2
Profit margin	4.8	2.9	1.3	4.4	11.2
Return on capital employed	5.6	1.1	1.1	6.5	10.8
Liquidity ratio	130.0	114.9	106.7	114.4	98.0
Solvency ratio	32.1	29.3	22.5	25.7	24.9
Return on equity	10.8	8.8	0.1	12.0	29.5
AVERAGE NUMBER OF FULL-TIME EMPLOYEES	902	999	977	789	650

Key ratios have been prepared in accordance with “Recommendations and Financial Ratios 2015” issued by the Danish Society of Financial Analysts.

MANAGEMENT'S REVIEW

Financial review

MAIN ACTIVITIES

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

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

The worldwide travel, health and medical assistance is conducted in close cooperation with SOS International's global network of clinics, hospitals and assistance companies as well as more than 20 SOS International partner offices. The network also includes exclusive service offices in high volume areas such as Spain, Thailand and Greece. In the Nordic region SOS International provides a range of health related services in cooperation with local networks.

Roadside assistance covers all kinds of assistance related to car breakdown in the Nordic region and in the rest of Europe. In the Nordics roadside assistance is carried out locally by SOS International's subsidiaries in Denmark, Finland, Norway and Sweden.

SOS International was founded in 1957 and is now owned by 15 of the largest insurance companies in the Nordic. SOS International has a case volume that places the company as one of the largest assistance organisations in the Nordic region.

INCOME STATEMENT

The total profit before tax for the group amounted to DKK 39.4 million for 2016 as opposed to DKK 26.1 million in 2015. The profit is higher than anticipated in the Annual Report for 2015, where SOS International anticipated the profit to be at the level of DKK 20 million in 2016.

The higher profit in the Annual Report for 2016 is partly due to the sale of Trygghetssentralen since the price achieved was higher than book value at the end of 2015 and partly due to both a higher activity level and lower costs than expected.

NET REVENUE

The group's net turnover constituted DKK 2,955 million in 2016 as opposed to DKK 2,864 million in 2015, corresponding to increase of DKK 91 million or 3%.

The increase is due to a higher activity in the Technical Division compared to 2015. On the other hand the sale of Trygghets-sentralen and a general alignment of the activities in Norway has had a negative impact.

ASSISTANCE COSTS

Assistance costs are on a higher level than in 2015. Assistance costs amounted to DKK 2,130 million in 2016 as opposed to DKK 1,979 million in 2015. This reflects the higher activity level in 2016.

CONTRIBUTION MARGIN

The contribution margin is lower than in 2015, but this is offset by lower costs which secures an EBT in 2016 which is higher than in 2015.

OTHER OPERATING INCOME

Other operating income is on a lower level and amounted to DKK 4 million in 2016 as opposed to DKK 18 million in 2015.

EXTERNAL COSTS

The external expenses amounted to DKK 180 million in 2016 as opposed to DKK 203 million in 2015.The main reason for the lower external costs is a very high focus on cost awareness.

STAFF COSTS

The total employee expenses amounted to DKK 578 million in 2016 as opposed to DKK 627 million in 2015, just as the average number of employees decreased from 999 to 902.

The decrease is partly due to a reduction in the number of employees in November 2015 and the sale of Trygghets–sentralen.

DEPRECIATION AND AMORTISATION

The total depreciation and amortisation for the year amounted to DKK 38 million in 2016 as opposed to DKK 50 million in 2015.

Total depreciation and amortisation decrease due to a decrease in intangible assets and the sale of Trygghetssentralen.

MANAGEMENT'S REVIEW

Financial review

On the immaterial fixed assets the total amortisation amounted to DKK 26 million in 2016. For material fixed assets the total depreciation amounted to DKK 14 million in 2016. Additionally there has been a gain on sale of material fixed assets of DKK 2 million in 2016.

FINANCIAL INCOME AND EXPENSES

The total financial income and expenses constituted a net cost of DKK 2 million in 2016 against a net income of DKK 2 million in 2015.

Exchange rate fluctuations are within the natural risk in connection with the business lines.

TAX ON INCOME FOR THE YEAR

The tax calculated for the group amounted to DKK 13 million for 2016 as opposed to DKK 7 million in 2015.

BALANCE SHEET

INTANGIBLE ASSETS

The carrying amount of intangible fixed assets constituted DKK 196 million at the end of 2016 as opposed to DKK 226 million at the end of 2015. The change can primarily be attributed to depreciation and amortisation of DKK 26 million, while disposals, exchange rate regulation and the sales of Trygghetssentralen represents the remaining part.

PROPERTY, PLANT AND EQUIPMENT

The total carrying amount of tangible fixed assets constituted DKK 25 million at the end of 2016 as opposed to DKK 28 million at the end of 2015.

RECEIVABLES

The carrying amount of receivables constituted DKK 394 million at the end of 2016 as opposed to DKK 395 million at the end of 2015 as part of the ordinary business activity.

EQUITY

Equity amounted to DKK 255 million at the end of 2016 compared with DKK 230 million at the end of 2015. The annual profit after tax amounted to DKK 26 million in 2016, while exchange rate adjustment of subsidiaries contributed negatively with DKK 2 million.

LIABILITIES

The total carrying amount of liabilities is reduced by DKK 12 million from the end of 2015 to the end of 2016. The change can primarily be attributed to a decrease in the debt to trade creditors and other short-term liabilities.

LONG-TERM LIABILITIES

The carrying amount of long-term debt commitments constituted DKK 69 million at the end of 2016 as opposed to DKK 58 million at the end of 2015.

The long-term customer deposit has increased by DKK 9 million in 2016.

SHORT-TERM LIABILITIES

The carrying amount of short-term debt commitments constituted DKK 439 million at the end of 2016 as opposed to DKK 462 million at the end of 2015. The change can primarily be attributed to prepayments from customers, which has increased by DKK 38 million in 2016 and a decrease in other short-term liabilities by DKK 19 million.

DIVIDEND

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

CASH FLOW STATEMENT

Cash flows from operating activities amounted to DKK 51 million, which is a decrease compared to 2015 where cash flow from operating activities amounted to DKK 107 million.

Cash flows from investment activities was positive in 2016 and amounted to DKK 2 million as opposed to minus DKK 17 million in 2015. In 2016, the cash flow is positively affected by the sale of Trygghetssentralen.

The cash flow from financing activities amounted to DKK 11 million in 2016 as opposed to a drawn of DKK 113 million in 2015.

At the end of 2016, the group's liquidity preparedness amounted to DKK 176 million, which is an increase compared to the end of 2015, where the liquidity amounted to DKK 134 million.

MANAGEMENT'S REVIEW

Expectations for 2017

In 2017, SOS International will continue its significant investments and implementation of the new strategy "Connected 2020" to further strengthen the competitiveness and digitalisation of the company. The continual price pressure and the expected high level of investment in digitalisation and product development etc. is forecasted to affect profit before tax negatively compared to 2016. The profit before tax is therefore expected to be positive, but at a lower level than in 2016.

To this date, no event has occurred in 2017 that will change this view.

MANAGEMENT'S REVIEW

Special risks

RISK MANAGEMENT

SOS International continually works with risk management. The Group Compliance Board is responsible for monitoring all types of risks including risks caused by legal and contractual requirements, IT security and cyber-crime risks. In addition, the Compliance Board sets and oversees the company's personal data protection, controlling procedures and governance structure. The Compliance Board reports to Group Management and the Board's Audit Committee. Risks are presented to Group Management on a regular basis and twice a year to the Audit Committee as well as the Board of Directors. Any security incidents are reported and escalated through a structured and written process.

As a trusted partner, SOS International is mindful of the Solvency II regime when managing risk since our customers are subject to these requirements. Risk management is performed in SOS International's total quality management system in which risks are identified, addressed and mitigated when appropriate. SOS International has achieved the ISO 9001, ISO 14001 and the ISO 27001 certifications regarding quality management, environment and information security in which risk assessment pose an integral part.

FINANCIAL RISKS

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

CURRENCY RISK

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

CREDIT RISK

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

LIQUIDITY RISK

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

OPERATIONAL RISKS

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

COMPLIANCE

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

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MANAGEMENT'S REVIEW

Special risks

OTHER RISKS

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

MANAGEMENT'S REVIEW

Corporate Social Responsibility

SOS International actively works with Corporate Social Responsibility (CSR) which creates a positive effect for our customers, employees and other stakeholders. We strive to achieve good results within our main CSR focus areas – environment, human rights and anti-corruption.

Read more about our CSR initiatives including equal gender representation at management level and the results for 2016 on our webpage cf. §99a and §99b of the Danish Financial Statements Act

- https://www.sos.eu/en/who-we-are/compliance/

MANAGEMENT'S REVIEW

Company information

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E-mail:	sos@sos.eu
CVR No.	17 01 37 18
Founded:	03 May 1961
Municipality of domicile:	Frederiksberg
Financial year:	1 January - 31 December

THE BOARD OF DIRECTORS

Amund Skarholt *(Chairman)*
Jesper Mørch Sørensen *(Vice Chairman)*
Sigurd Ivar Austin
Ann Sommer
Dag Rehme
Annkristine Vuopio Mogestedt
Timo Olavi Ahvonen
Camilla Amstrup
Rikard Livman *(Employee representative)*
Rune Sixtus Glæser *(Employee representative)*
Alexander Barren *(Employee representative)*
Markku Reinikainen *(Employee representative)*

THE EXECUTIVE BOARD

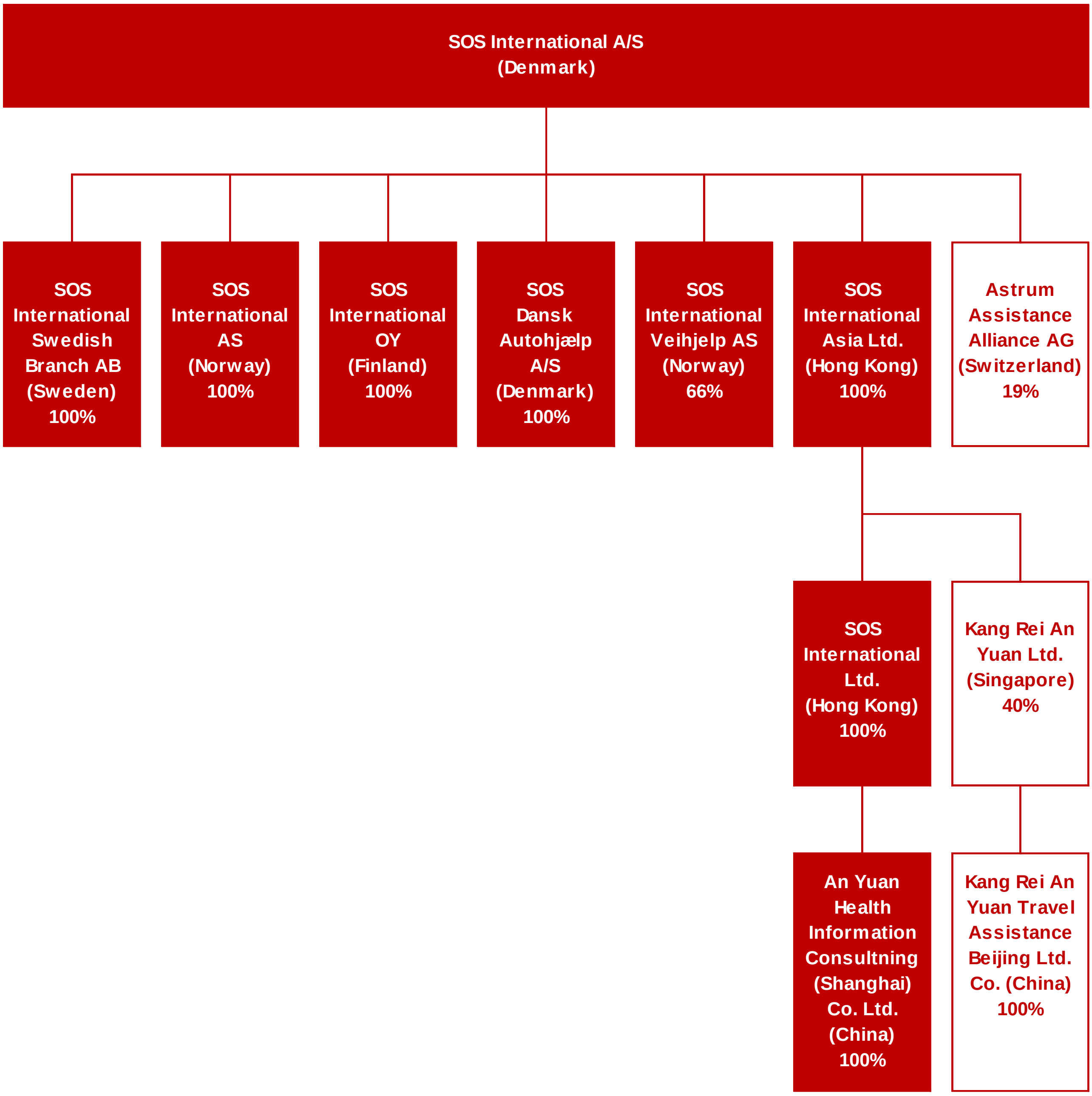
Niels Krag Printz

AUDIT

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
P.O. Box 250
DK-2000 Frederiksberg

MANAGEMENT'S REVIEW

Group overview



REVIEWS

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of SOS International A/S for the financial year 1 January - 31 December 2016.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2016 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2016.

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

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

Copenhagen, 23 March 2017

Niels Krag Printz
CEO

Ole Joachim Jensen
CFO

THE BOARD OF DIRECTORS

Amund Skarholt
Chairman

Jesper Mørch Sørensen
Vice Chairman

Sigurd Ivar Austin

Ann Sommer

Dag Rehme

Annkristine Vuopio Mogestedt

Timo Olavi Ahvonen

Camilla Amstrup

Rikard Livman

Rune Sixtus Glæser

Alexander Barren

Markku Reinikainen

REVIEWS

Independent auditor's report

TO THE SHAREHOLDERS OF SOS INTERNATIONAL A/S

OPINION

We have audited the consolidated financial statements and the parent company financial statements of SOS International A/S for the financial year 1 January – 31 December 2016, 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 consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at 31 December 2016, and of the results of the Group and parent company operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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.

REVIEWS

Independent auditor’s report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the parent company's internal control.

- 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are in-adequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

STATEMENT ON MANAGEMENT'S REVIEW
Management is responsible for Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's review and, in doing so, consider whether Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 23 March 2017

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

Jesper Jørn Pedersen
State Authorised Public Accountant

Allan Lunde Pedersen
State Authorised Public Accountant

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

The 2016 Annual Report of SOS International has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Effective 1 January 2016 SOS International has adopted Act no. 738 of 1. June 2015. This leads to the following changes in the recognition and measurement:

- Yearly reassessment of residual values of property, plant and equipment
- Method applied to intra-group company mergers
- Restructuring in connection with company mergers
- Amortisation period, intangible assets
- Reserve for development costs

None of the above mentioned changes have an impact on the financial statement or the balance sheet for 2016 or for the comparative figures.

Except the changes above, the accounting policies used in the preparation of the income statement are consistent with those of last year.

RECOGNITION AND MEASUREMENT

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

COMPANY MERGERS

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

Profit or loss in the event of divestment of subsidiaries and associated companies is calculated as the difference between the divestment sum and the carrying amount of net assets on

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

the date of sale including goodwill that is not depreciated and the expected costs for the sale or discontinuation.

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

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

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

INTRA-GROUP COMPANY MERGERS

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

TRANSLATION OF FOREIGN CURRENCY

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

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

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

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

INCOME STATEMENT

NET REVENUE

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

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

ASSISTANCE COSTS

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

OTHER OPERATING INCOME

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

EXTERNAL COSTS

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

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

Staff costs furthermore include payments of medical consultants.

RESULTS OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES
The proportionate share of the individual subsidiaries' results after tax, after full elimination of internal profits/loss, is recognised in the parent company's income statement.

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

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

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

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

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

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

BALANCE SHEET

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

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

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

CUSTOMER-RELATED ASSETS AND TRADEMARKS
Acquired customer related assets and trademarks are measured at cost price with deductions of accumulated depreciation. Customer-related assets and trademarks are amortised over their estimated economic life, which is determined based on management's experience within the individual business areas. Customer-related assets and trademarks are depreciated or amortised on a straight-line basis over the depreciation or amortisation period between 5-15 years.

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

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

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

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

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

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

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

FINANCIAL ASSETS

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

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

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

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

For company acquisitions, the acquisition method is used; cf. description above under the Consolidated Financial Statement.

IMPAIRMENT TEST OF ASSETS

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

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

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

RECEIVABLES

Receivables are measured at amortised cost.

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

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

The portfolios are primarily based on the domicile of the debtors and a credit assessment in accordance with the Company's and the Group's credit risk management policy. The objective indicators used for portfolios are established based on historical records of losses.

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

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

WORK IN PROGRESS

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

PREPAYMENTS

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

SECURITIES

Listed securities recognised under current assets are measured at the fair value at the balance sheet date.

EQUITY

RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD

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

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

The reserve may not be recognised at a negative amount.

RESERVE FOR DEVELOPMENT COSTS

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

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

DIVIDEND

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

CORPORATE TAX AND DEFERRED TAX

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

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

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

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

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

PROVISIONS

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

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

LIABILITIES

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

PREPAYMENTS

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

CASH FLOW STATEMENT

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

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

CASH FLOW FROM OPERATING ACTIVITIES

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

CASH FLOW FROM INVESTMENT ACTIVITIES

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

CASH FLOW FROM FINANCING ACTIVITIES

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

CASH AND CASH EQUIVALENTS

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

SEGMENT INFORMATION

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Accounting policies

KEY FIGURES

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

EBITDA margin:

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

Net operating income margin:

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

EBT Margin:

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

Profit margin:

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

Return on capital employed:

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

Operating assets:

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

Liquidity ratio:

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

Solvency ratio:

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

Return on equity:

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

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Statement of income

		GROUP		PARENT COMPANY	
DKK'000	NOTE	2016	2015	2016	2015
NET REVENUE	1	2,954,628	2,864,136	2,018,169	2,027,068
Assistance costs		-2,130,345	-1,978,719	-1,494,376	-1,480,398
CONTRIBUTION MARGIN		824,283	885,417	523,793	546,670
Other operating income		4,053	18,096	3,942	2,405
External costs	2	-179,862	-202,735	-133,714	-107,589
GROSS PROFIT		648,474	700,778	394,021	441,486
Staff costs	3	-577,566	-626,519	-365,320	-417,933
Depreciation and amortisation on tangible and intangible assets	4	-38,291	-49,521	-10,234	-14,729
INCOME FROM OPERATING ACTIVITIES		32,617	24,738	18,467	8,824
Income from subsidiaries after tax	5	9,184	0	12,258	10,640
Income from associates after tax		25	-521	25	0
Financial income	6	13,897	39,727	14,007	37,311
Financial expenses	7	-16,356	-37,856	-14,700	-34,602
PROFIT BEFORE TAX		39,367	26,088	30,057	22,173
Tax on income for the year	8	-13,193	-6,523	-3,883	-2,608
PROFIT FOR THE YEAR		26,174	19,565	26,174	19,565

PROPOSED PROFIT APPROPRIATION

DKK'000	2016	2015
Retained income	26,174	19,565
Proposed dividends	0	0
	26,174	19,565

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Statement of financial position

		GROUP		PARENT COMPANY	
DKK'000	NOTE	2016	2015	2016	2015
ASSETS					
INTANGIBLE ASSETS	9				
Goodwill		116,799	136,828	0	0
Software		2,550	2,530	787	236
Customer-related assets		57,957	66,337	0	0
Trademarks		18,321	20,039	0	0
		195,627	225,734	787	236
PROPERTY, PLANT AND EQUIPMENT	10				
Leasehold improvements		585	1,532	46	157
Fixtures and fittings, tools and equipment		24,409	25,853	13,295	13,604
Property, plant and equipment under construction		0	551	0	551
		24,994	27,936	13,341	14,312
FINANCIAL ASSETS					
Investments in group enterprises	11	0	0	262,714	282,682
Investments in associates	12	1,870	1,494	202	222
		1,870	1,494	262,916	282,904
NON-CURRENT ASSETS, TOTAL		222,491	255,164	277,044	297,452
INVENTORIES					
Manufactured goods and goods for resale		583	2,056	0	0
		583	2,056	0	0
RECEIVABLES					
Trade debtors		189,288	170,440	63,644	69,479
Work in progress		156,006	159,610	144,747	150,009
Prepayments to business partners		25,145	34,189	25,145	34,189
Receivables from group enterprises		0	0	22,013	24,000
Deferred tax assets	16	3,088	6,522	0	0
Corporate tax receivables	13	3,762	1,829	2,595	0
Other receivables		4,351	16,220	49	12,424
Prepayments	14	12,422	5,733	6,900	2,621
		394,062	394,543	265,093	292,722
SECURITIES		74	76	18	18
CASH AND CASH EQUIVALENTS		175,811	133,750	157,513	128,428
CURRENT ASSETS, TOTAL		570,530	530,425	422,624	421,168
ASSETS, TOTAL		793,021	785,589	699,668	718,620

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Statement of financial position

		GROUP		PARENT COMPANY	
DKK'000	NOTE	2016	2015	2016	2015
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	21,388	21,388	21,388	21,388
Retained income		233,169	208,716	233,169	208,716
Proposed dividends		0	0	0	0
EQUITY, TOTAL		254,557	230,104	254,557	230,104
PROVISIONS					
Deferred tax	16	23,331	25,768	2,938	3,756
Other provisions		7,325	9,870	7,085	8,600
PROVISIONS, TOTAL		30,656	35,638	10,023	12,356
LIABILITIES OTHER THAN PROVISIONS					
LONG-TERM LIABILITIES	17				
Customer deposits		42,630	33,719	42,503	33,594
Other long-term liabilities		26,239	24,595	26,085	24,141
		68,869	58,314	68,588	57,735
SHORT-TERM LIABILITIES					
Credit institutions		35,507	46,883	35,507	46,883
Trade payables		61,212	86,503	23,794	49,048
Amounts owed to group enterprises		0	0	67,676	91,323
Prepayments from customers		234,506	196,010	178,828	152,874
Corporation tax	13	0	5,336	0	3,276
Other short-term liabilities		107,714	126,801	60,695	75,021
		438,939	461,533	366,500	418,425
LIABILITIES OTHER THAN PROVISIONS, TOTAL		507,808	519,847	435,088	476,160
EQUITY AND LIABILITIES, TOTAL		793,021	785,589	699,668	718,620
CONTINGENT LIABILITIES	18				
DISPOSAL OF SUBSIDIARIES AND ACTIVITIES	21				
RELATED PARTIES	22				

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Statement of changes in equity

	GROUP AND PARENT COMPANY			
DKK'000	Share capital	Retained income	Proposed dividends	Total
Equity at 1 Jan 2015	21,388	190,978	0	212,366
Dividends distributed	0	0	0	0
Transferred via distribution of income	0	19,565	0	19,565
Exchange rate adjustment, group enterprises	0	-1,827	0	-1,827
Equity at 31 Dec 2015	21,388	208,716	0	230,104
Equity at 1 Jan 2016	21,388	208,716	0	230,104
Dividends distributed	0	0	0	0
Transferred via distribution of income	0	26,174	0	26,174
Exchange rate adjustment, group enterprises	0	-1,721	0	-1,721
Equity at 31 Dec 2016	**21,388**	**233,169**	**0**	**254,557**

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Statement of cash flow

		GROUP	
DKK'000	NOTE	2016	2015
Operating cash flows before changes in working capital	19	72,333	74,595
Change in working capital	20	890	45,172
Operating cash flows		73,223	119,767
Interest income, paid		13,897	39,727
Interest costs, paid		-16,356	-37,856
Cash flows from ordinary activities		70,764	121,638
Corporation tax, paid		-19,495	-14,378
Cash flows from operating activities		51,269	107,260
Disposal of subsidiaries and activities		16,447	0
Acquisition of intangible fixed assets		-2,541	0
Acquisition of property, plant and equipment		-13,002	-16,642
Disposal of property, plant and equipment		1,264	69
Cash flows from investment activities		2,168	-16,573
Change in debt to credit institutions		-11,376	-113,466
Cash flows from financing activities		-11,376	-113,466
Cash flows, 1 Jan – 31 dec		42,061	-22,779
Cash and cash equivalents, 1 Jan		133,750	156,529
Cash and cash equivalents, 31 Dec		**175,811**	**133,750**

The Statement of Cash Flows cannot be derived directly from the other components of the Consolidated and Parent Company Financial Statement.

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Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015
NOTE 1 NET REVENUE				
Segment information by activity				
Travel	1,911,901	1,917,107	1,907,581	1,914,641
Roadside	999,742	860,138	103,265	102,295
Health	42,985	86,891	7,323	10,132
	2,954,628	2,864,136	2,018,169	2,027,068
Segment information by geography				
Denmark	840,630	811,641	504,975	486,270
Sweden	921,673	847,320	677,248	692,543
Norway	649,071	741,157	465,335	523,146
Finland	295,810	258,485	218,437	207,961
Other countries	247,444	205,533	152,174	117,148
	2,954,628	2,864,136	2,018,169	2,027,068
NOTE 2 OTHER EXTERNAL COSTS				
Rent, etc.	28,752	33,260	15,093	14,457
Consultant fee, etc.	64,488	55,797	45,842	38,191
IT service, software licenses, etc.	31,245	32,001	20,305	20,926
Other external costs	55,377	81,677	52,474	34,015
	179,862	202,735	133,714	107,589
Fees for auditor elected by the annual general meeting				
Statutory audit	1,349	1,331	550	550
Other assurance services with security	21	21	5	5
Tax and VAT advisory services	806	805	609	609
Other services	347	29	130	0
	2,523	2,186	1,294	1,164
NOTE 3 STAFF COSTS				
Wages and salaries	476,463	522,285	307,359	359,249
Pensions	51,437	53,385	38,678	39,437
Other social security costs	34,752	36,566	11,549	10,898
Other staff costs	14,914	14,283	7,734	8,349
	577,566	626,519	365,320	417,933
Average number of full-time employees	902	999	460	474

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015
NOTE 3 STAFF COSTS				
Staff costs include w ages and salaries accrued by Executive Management and the Supervisory Board in the amount DKK'000 4,164 (2015: DKK'000 4,159).				
NOTE 4 DEPRECIATION AND AMORTISATION				
Depreciation Leasehold improvements	592	1,079	111	511
Depreciation Fixtures and fittings, tools and equipment	13,516	19,857	9,540	13,656
Amortisation Intangible assets	25,608	28,921	583	848
Losses/gains from the sale of fixed assets	-1,425	-336	0	-286
	38,291	49,521	10,234	14,729
NOTE 5 INCOME FROM SUBSIDIARIES AFTER TAX				
Profit/loss in subsidiaries after tax	0	0	19,000	26,236
Goodw ill amortisation	0	0	-15,926	-15,596
Profit from sale of subsidiaries	9,184	0	9,184	0
	9,184	0	12,258	10,640
NOTE 6 FINANCIAL INCOME				
Interest income from subsidiaries	0	0	508	584
Currency gains	13,674	39,429	13,428	36,636
Other financial income	223	298	71	91
	13,897	39,727	14,007	37,311
NOTE 7 FINANCIAL EXPENSES				
Interest expenses to subsidiaries	0	0	1	122
Exchange losses	12,440	33,371	11,828	31,015
Bank fees	3,014	2,564	2,093	1,777
Interest expenses	902	1,921	778	1,688
	16,356	37,856	14,700	34,602
NOTE 8 TAX OF INCOME FOR THE YEAR				
Current tax	12,095	18,541	4,639	7,476
Adjustment of tax from previous years	63	-290	62	-290
Adjustment of deferred tax for the year	1,035	-11,728	-818	-4,578
	13,193	6,523	3,883	2,608

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Notes

NOTE 9 INTANGIBLE ASSETS GROUP

DKK'000	Goodwill	Software	Customer-related assets	Trademarks	Intangible assets under construction	Total
Cost price, 1 Jan 2016	186,278	37,075	93,116	25,765	0	342,234
Exchange rate adjustments	2,031	66	1,019	0	0	3,116
Disposals relating to sale of subsidiaries	-27,305	-4,693	0	0	0	-31,998
Additions	0	2,541	0	0	0	2,541
Disposals	0	-2,567	0	0	0	-2,567
Cost price, 31 Dec 2016	161,004	32,422	94,135	25,765	0	313,326
Amortisation, 1 Jan 2016	-49,450	-34,545	-26,779	-5,726	0	-116,500
Exchange rate adjustments	-351	-65	-176	0	0	-592
Disposals relating to sale of subsidiaries	18,108	4,328	0	0	0	22,436
Disposals	0	2,565	0	0	0	2,565
Amortisation	-12,512	-2,155	-9,223	-1,718	0	-25,608
Amortisation, 31 Dec 2016	-44,205	-29,872	-36,178	-7,444	0	-117,699
CARRYING AMOUNT, 31 DEC 2016	116,799	2,550	57,957	18,321	0	195,627

NOTE 9 INTANGIBLE ASSETS PARENT COMPANY

DKK'000	Software	Intagible assets under construction	Total
Cost price, 1 Jan 2016	8,692	0	8,692
Additions	1,134	0	1,134
Cost price, 31 Dec 2016	9,826	0	9,826
Amortisation, 1 Jan 2016	-8,456	0	-8,456
Amortisation	-583	0	-583
Amortisation, 31 Dec 2016	-9,039	0	-9,039
CARRYING AMOUNT, 31 DEC 2016	787	0	787

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Notes

NOTE 10 PROPERTY, PLANT AND EQUIPMENT GROUP

DKK'000	Leasehold improvements	Fixtures and fittings, tools and equipment	Property, plant & equipment under construction	Total
Cost price, 1 Jan 2016	13,191	120,468	551	134,210
Exchange rate adjustments	-67	619	0	552
Disposal relating to sale of subsidiaries	-1,618	-27,731	0	-29,349
Additions	39	13,869	0	13,908
Disposals	-906	-14,890	0	-15,796
Transfers	0	551	-551	0
Cost price, 31 Dec 2016	10,639	92,886	0	103,525
Amortisation, 1 Jan 2016	-11,659	-94,615	0	-106,274
Exchange rate adjustments	37	-634	0	-597
Disposal relating to sale of subsidiaries	1,093	26,304	0	27,397
Disposals	906	14,145	0	15,051
Depreciation	-431	-13,677	0	-14,108
Amortisation, 31 Dec 2016	-10,054	-68,477	0	-78,531
CARRYING AMOUNT, 31 DEC 2016	585	24,409	0	24,994

NOTE 10 PROPERTY, PLANT AND EQUIPMENT PARENT COMPANY

DKK'000	Leasehold improvements	Fixtures and fittings, tools and equipment	Property, plant & equipment under construction	Total
Cost price, 1 Jan 2016	9,960	53,222	551	63,733
Additions	0	9,231	0	9,231
Disposals	-906	-4,710	0	-5,616
Transfers	0	551	-551	0
Cost price, 31 Dec 2016	9,054	58,294	0	67,348
Amortisation, 1 Jan 2016	-9,803	-39,618	0	-49,421
Disposals	906	4,159	0	5,065
Depreciation	-111	-9,540	0	-9,651
Amortisation, 31 Dec 2016	-9,008	-44,999	0	-54,007
CARRYING AMOUNT, 31 DEC 2016	46	13,295	0	13,341

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Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015
NOTE 11 INVESTMENTS IN GROUP ENTERPRISES				
Cost price, 1 Jan	-	-	388,497	381,037
Capital increase	-	-	16,367	7,460
Disposals	-	-	-74,269	0
Cost price, 31 Dec	-	-	330,595	388,497
Value adjustments, 1 Jan	-	-	-105,815	-64,683
Disposals	-	-	66,878	0
Exchange rate adjustments	-	-	-1,721	-1,827
Goodwill amortisation	-	-	-15,926	-15,596
Distribution of dividends	-	-	-30,424	-49,945
Income for the year	-	-	19,127	26,236
Value adjustments, 31 Dec	-	-	-67,881	-105,815
CARRYING AMOUNT, 31 DEC	-	-	262,714	282,682

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

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Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015
NOTE 12 INVESTMENTS IN ASSOCIATES				
Cost price, 1 Jan	1,911	153	121	153
Additions	397	1,790	0	0
Disposals	-29	-32	-29	-32
Cost price, 31 Dec	2,279	1,911	92	121
Value adjustments, 1 Jan	-417	113	102	113
Exchange rate adjustments	32	-9	32	-12
Income for the year	16	-521	16	0
Disposals	-40	0	-40	1
Value adjustments, 31 Dec	-409	-417	110	102
CARRYING AMOUNT, 31 DEC	1,870	1,494	202	223

Name	Registered in	Voting and ownership share
Astrum Assistance Alliance AG	Switzerland	19 %
Kang Rei An Yuan Ltd.	Singapore	50 % / 40 %

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015
NOTE 13 CORPORATION TAX				
Corporation tax payable, 1 Jan	-3,507	357	-3,276	787
Exchange rate adjustment	-64	8	0	0
Adjustments for previous years	-67	291	-62	292
Current tax for the year	-12,095	-18,541	-4,639	-7,476
Corporation tax for the year, paid	19,495	14,378	10,572	3,121
CARRYING AMOUNT, 31 DEC	3,762	-3,507	2,595	-3,276
Recognised in the Statement of Financial Position as:				
Corporate tax receivables	3,762	1,829	2,595	0
Corporation tax	0	-5,336	0	-3,276
CARRYING AMOUNT, 31 DEC	3,762	-3,507	2,595	-3,276

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015
NOTE 14 PREPAYMENTS				
Prepaid expenses	12,422	5,733	6,900	2,621
CARRYING AMOUNT, 31 DEC	12,422	5,733	6,900	2,621
NOTE 15 SHARE CAPITAL				
Unlisted share capital:				
Nominal value at 1 January 2009	20,960	20,960	20,960	20,960
Capital increase August 2012	428	428	428	428
NOMINAL VALUE, YEAR-END	21,388	21,388	21,388	21,388

The share capital consists of 2,138,766 shares of DKK 10 nominal value and is paid up in full. No shares have special rights.

	GROUP 2016	GROUP 2015	PARENT COMPANY 2016	PARENT COMPANY 2015
NOTE 16 DEFFERRED TAX				
Deferred tax, 1 Jan	19,246	30,553	3,756	8,334
Exchange rate adjustment	422	421	0	0
Adjustments for previous years	-460	0	0	0
Adjustment of deferred tax for the year	1,035	-11,728	-818	-4,578
CARRYING AMOUNT, 31 DEC	20,243	19,246	2,938	3,756
Recognised in the Statement of Financial Position as:				
Deferred tax assets	-3,088	-6,522	0	0
Provision for deferred tax	23,331	25,768	2,938	3,756
CARRYING AMOUNT, 31 DEC	20,243	19,246	2,938	3,756

NOTE 17 LONG-TERM LIABILITIES

Long-term liabilities are due within five years from the closing of the financial year.

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS 2016

Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015

NOTE 18 CONTINGENT LIABILITIES

SOS International is a party to individual ongoing legal disputes. It is the opinion of the management that the outcome of these legal disputes will not affect the financial situation beyond the receivables and liabilities that have been factored in the balance as of 31 December 2016.

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

Operating lease commitments due within five years	5,882	7,465	1,128	2,576
Rent commitments due within five years	23,880	29,093	7,457	7,457

NOTE 19 OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL

Operating income	32,617	24,738
Adjustments for non-cash operating items, etc.		
Depreciations	38,291	49,521
Losses/gains from the sale of fixed assets	1,425	336
	72,333	74,595

NOTE 20 CHANGE IN WORKING CAPITAL

Changes in inventories	1,473	282
Changes in trade receivables	-18,848	18,062
Changes in work in progress	3,604	41,469
Changes in other receivables, including prepayments, etc.	14,224	40,947
Changes in trade payables	-25,291	3,172
Changes in customer prepayments	47,407	-9,332
Changes in other debts	-21,679	-49,428
	890	45,172

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Notes

	GROUP		PARENT COMPANY	
DKK'000	2016	2015	2016	2015

NOTE 21 DISPOSAL OF SUBSIDIARIES AND ACTIVITIES

In 2016 Trygghetssentralen in Norway has been sold. Trygghetssentralen was a part of SOS International AS in Norway.

DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
Adjusted sales price for Trygghetssentralen	16,447	0	16,447	0
Investments in Trygghetssentralen	-10,135	0	-10,135	0
Exchange rate adjustments	2,872	0	2,872	0
Profit from sale of subsidiaries	9,184	0	9,184	0

NOTE 22 RELATED PARTIES

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

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