

AMBUL

Interim Report Q1-Q3 2018

PEOPLE HELPING PEOPLE



Falck

Contents

Management's review

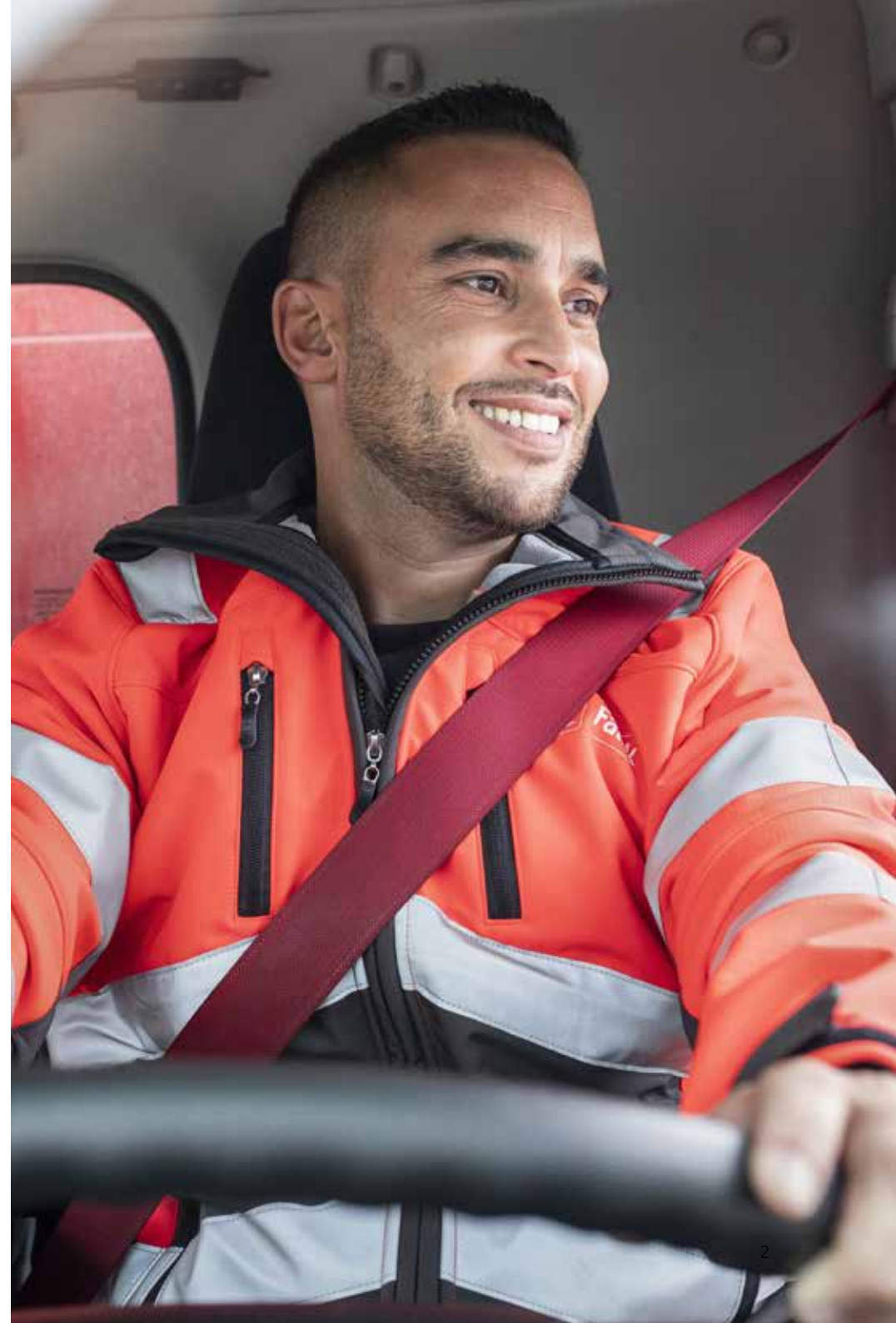
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Continuing and discontinued operations

The Safety Services segment and Healthcare non-core activities are presented as assets classified as held for sale and as discontinued operations. The consolidated income statement and consolidated statement of cash flows will thus only comprise Falck's continuing operations. Profit after tax from discontinued operations will be presented in a single line after the profit after tax from continuing operations. The same applies to the statement of cash flows.



Q3 highlights

Falck continued its turnaround – improved underlying profitability in Ambulance and Assistance.

Financial highlights in Q3 2018

3.3%

EBITA margin was 3.3%
(2.4% in Q3 2017)

109m

Operating profit before other items
(EBITA) was DKK 109 million
(DKK 85 million in Q3 2017)

3,288m

Revenue was DKK 3,288 million
(DKK 3,489 million in Q3 2017)

74m

Free cash flow was DKK 74 million
(negative at DKK 136 million in Q3
2017)

“One year into Falck’s turnaround, we see improving underlying profitability. Our Assistance business is back in shape and financial performance improves quarter-by-quarter in Ambulance. Our turnaround in Healthcare was initiated later than in the other business units and had adverse impact on our financial improvements. Reported numbers are significantly impacted by the clean-up across business units and this will continue into the following quarters.

We are regaining our strength but still have a long way to go. Despite being challenged we continue to deliver quality services. I am proud to be part of a company where employees care for our customers in times of need.”

Jakob Riis
President & CEO, Falck

Key events in Q3 2018

Flat revenue: 1.4% growth on adjusted basis

- 1.8% growth in Ambulance off-set by lower revenue in Assistance.

Underlying profitability up by 2.1 percentage points to 5.5%

- Reported EBITA DKK 109 million with an EBITA margin of 3.3%.
- Profitability significantly impacted by changes in accounting estimates of DKK 73 million in connection with clean-up activities across business units.
- Underlying EBITA improved to 5.5% (Q3 2017: 3.4%), most notably in Assistance at 16.8% (Q3 2017: 11.7%).
- Efficiency and cost optimisation programme contributed to improving EBITA performance in all business units.
- Efficiency gains of DKK 80 million off-set by a continued negative performance in Healthcare.

Turnaround initiatives sustained momentum in Q3

- Efficiency and cost optimisation programme delivered DKK 80 million in Q3.
- Global dispatch and fleet operational systems rolled out to additional countries within Ambulance.
- First waves of outsourcing in Finance, IT and HR successfully implemented.

More steps taken to improve and focus Falck’s business platform

- Divestment of Falck Safety Services as well as a number of minor businesses.
- The divestment of discontinued and continued operations resulted in a total loss of DKK 523 million and impacted cash flow positively by DKK 409 million.
- Several contract wins and renewals in Ambulance.

Key figures

Key figures and financial ratios

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Income Statement					
Revenue	3,288	3,489	10,021	10,723	14,381
Operating expenses	(3,052)	(3,285)	(9,385)	(10,317)	(13,928)
Operating profit before other items (EBITA)	109	85	254	(9)	(42)
Impairment of goodwill	-	-	-	-	(2,825)
Restructuring costs	-	(27)	(12)	(60)	(100)
Operating profit (EBIT)	56	(2)	77	(261)	(3,218)
Net financial items	(106)	(60)	(324)	(175)	(292)
Profit for the period from continuing operations	(64)	(27)	(234)	(279)	(3,603)
Balance sheet					
Total assets	12,356	17,384	12,356	17,384	14,295
Total equity	2,486	6,465	2,486	6,465	3,130
Net operating assets	7,426	11,427	7,426	11,427	7,925
Net interest-bearing debt	5,242	4,329	5,242	4,329	5,533
Cash flows and investments					
Cash flows from operating activities	41	(161)	346	205	450
Free cash flow	74	(136)	309	126	441
Gross investments	(43)	(63)	(258)	(304)	(413)

The free cash flow is net of investment in property, plant and equipment as the Group invests in vehicles, infrastructure and similar assets as part of ordinary operations.

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Key ratios					
Economic profit	n/a	n/a	(676)	(1,019)	(1,133)
EBITA margin (%)	3.3	2.4	2.5	(0.1)	(0.3)
Cash conversion rate (%)	68	(159)	122	(1,392)	(1,045)
Equity ratio (%)	n/a	n/a	20	37.1	21.9
Return on equity, Falck A/S share (%)	n/a	n/a	(86.2)	(6.2)	(89.7)
Net interest-bearing debt to EBITDA	n/a	n/a	3.12	4.62	3.32
Number of full-time employees (FTEs)	25,039	27,799	25,039	27,799	26,969
Number of employees at period end	32,158	36,326	32,158	36,326	36,153

In general, the financial and non-financial data are stated excluding discontinued operations. See definitions of ratios in Section 1.5 in the 2017 Annual Report.

Financial results

2018 is a turnaround year for Falck and the priority is entirely on restoring profitability. In Q3, underlying profitability further improved despite low revenue growth.

Revenue

Revenue amounted to DKK 3,288 million (Q3 2017: DKK 3,489 million). Reported numbers were significantly impacted by changes to revenue recognition requirements and interpretations under the IFRS 15 standard. IFRS 15 impacted revenue negatively by DKK 196 million, while exchange rate adjustments reduced revenue by DKK 54 million.

Revenue was flat at 1.4% growth when adjusted for IFRS 15 and exchange rate. Ambulance increased its adjusted revenue by 1.8%, off-set by a decline in Assistance due to contract pruning and the closing down of unprofitable activities such as damage control services.

Operating profit

Operating profit before other items (EBITA) was DKK 109 million (Q3 2017: DKK 85 million) with a reported EBITA margin of 3.3% (Q3 2017: 2.4%).

In Q3 2018, EBITA was adversely impacted by changes in accounting estimates (DKK 73 million). Q3 2017 was adversely impacted by write-downs of DKK 15 million in the Portfolio Businesses and non-recurring costs of DKK 20 million in Ambulance. Adjusted for non-recurring

items, the underlying EBITA improved to DKK 182 million in 2018 (Q3 2017: DKK 120 million) for an EBITA margin of 5.5% (Q3 2017: 3.4%).

The improvements were primarily driven by the implementation of Falck's efficiency and cost optimisation programme, which delivered DKK 80 million. However, the positive effect was somewhat off-set by a negative development in Healthcare. Profitability increased in both Ambulance and Assistance, with underlying EBITA in Assistance increasing to a 16.8% margin.

Divestments

The level of divestments in Q3 was exceptionally high. Divestment of discontinued operations (Falck Safety Services and Danish medical clinics) resulted in a total loss of DKK 480 million and impacted cash flow positively by DKK 404 million, reducing debt level further.

In addition, the divestment of continuing operations (9Lives in Finland, First Ambulance Services in Malaysia and the Falck Fire Academy in Holland) resulted in a loss of DKK 43 million and impacted cash flow positively by DKK 5 million.

Net financial items

Net financial items were negative at DKK 106 million (Q3 2017: negative at DKK 60 million) and impacted by 10% interests on shareholder loans of DKK 2,000 million, provided in Q4 2017.

Cash flows

Free cash flow was DKK 74 million (Q3 2017: negative at DKK 136 million). The positive development was mainly attributable to higher cash collection from customers in Ambulance and improved earnings across the business units.

Equity and subordinated loans

Equity attributable to shareholders of Falck A/S amounted to DKK 2,149 million at 30 September 2018 compared to DKK 6,054 million at 30 September 2017. At 30 September 2018, subordinated loans from shareholders amounted to DKK 2,164 million compared to DKK 0 million at 30 September 2017.

Combined, equity and subordinated loans accounted for 35% of total equity and liabilities at 30 September 2018. The reduction of equity was mainly due to the impairment of goodwill in Q4 2017 of DKK 2,825 million.

Q1-Q3 2018

Year-to-date revenue was DKK 10,021 million (Q1-Q3 2017: 10,723 million), resulting in 2.7% revenue growth when adjusted for IFRS 15 and exchange rate. The new IFRS 15 standards impacted revenue negatively by DKK 674 million,

while exchange rate adjustments reduced revenue by DKK 322 million. Growth was primarily driven by a new contract in LA County in the US in Ambulance, but off-set by contract pruning and the closure of unprofitable business in Healthcare and Assistance.

EBITA was DKK 254 million (Q1-Q3 2017: EBITA loss of DKK 9 million). Write-downs reduced EBITA negatively by DKK 208 million in 2018 and by DKK 330 million in Q1-Q3 2017. Adjusted for write-downs, the underlying EBITA margin was 4.6% (Q1-Q3 2017: 3.0%). Improvements to the underlying profitability were primarily driven by the implementation of Falck's efficiency and cost optimisation programme, which improved performance by DKK 175 million in Q1-Q3 2018.

Free cash flow amounted to DKK 309 million (Q1-Q3 2017: DKK 126 million), mainly driven by improved earnings in all business units except Healthcare.

Outlook 2018

Following several years of deteriorating earnings, Falck has initiated a turnaround plan to restore profitability and to deliver positive economic profit in 2019. Falck expects profitability and EBITA margins to improve in Q4 2018 as the effects of the DKK 500 million efficiency and cost optimisation programme continue to kick in. However, additional clean-up activities and write-downs are expected in Q4 2018. Revenue growth is expected to be muted.

Operational results

Falck to restore profitability by reducing complexity, improving efficiency and implementing global operating models for its businesses.

In Q3 2018, Falck progressed on its transformation journey towards global operating models, efficiency and cost optimisation and an increased focus on its core business.

Global operating models

In Ambulance, the roll-out of core operational systems within dispatch and fleet management continued. The fleet management system has now been rolled out to 51% of the ambulance fleet, and the dispatch system has reached 42% of front-end employees. Roll-out of the global planning system is yet to commence. In order to integrate the organisation and ensure synergies, the US Ambu-

lance entities were reorganised with regional managers and functional leaders across the organisation.

In Finance, the outsourcing of transactional finance processes in Denmark was finalised, and the process is now being repeated in the rest of the Nordics. In addition, a new global single source of IT support through an external provider went live.

The roll-out of a new global HR system, which was launched in Denmark, UK and Spain in Q2, continued in Q3 with preparation for roll-out in Germany and addition of new modules.

Furthermore, a new Code of Conduct was implemented globally, providing employees and business partners with common standards for governance, ethics and compliance.

Cost savings and efficiency

Falck's efficiency and cost optimisation programme builds on three pillars: operational optimisation, reduction of overhead costs and procurement initiatives. The programme aims at reducing Falck's cost base by DKK 500 million with full run-rate effect in 2019. The programme delivered DKK 80 million in Q3, and in the first three quarters of 2018, it impacted profitability positively by a total of DKK 175 million. However, the positive effect was off-set by a deteriorating performance in Healthcare.

Initiatives were launched across business units, including contract portfolio pruning, elimination of redundant and non-value creating work and improved utilisation of call centres. In total, 1,549 of 2,371 identified improvement and cost-out initiatives have been completed.

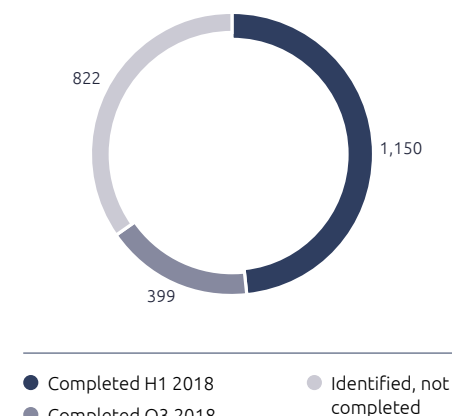
Falck announced that it will consolidate its Copenhagen offices at the Falck Centre Copenhagen by the end of 2018, and a review of the Danish building portfolio was initiated.

Contract wins

Ambulance continued to win new contracts around the world and prolong existing ones.

Improvement and cost-out initiatives

(No. of initiatives)

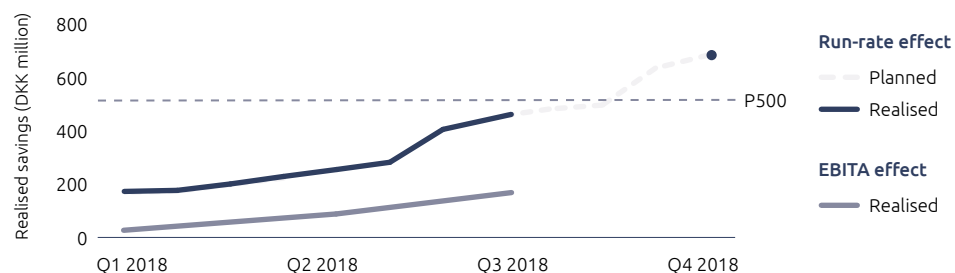


In the Capital Region of Denmark, Falck won a contract for patient transport services in 8 out of 11 areas, and in Germany and the US, a number of minor ambulance contracts were won or extended.

Assistance renewed its municipal firefighting services contract with Sydvestjysk Brandvæsen in Denmark for the next ten years.

Industrial Fire Services won two contracts in the nuclear and automotive industries in Spain, thereby cementing its position within industrial fire and rescue services in Spain.

Planned and realised 2018 run-rate cost potential



MANAGEMENT'S REVIEW

Increased focus on the core business

Since late 2017, Falck has been exploring strategic alternatives for Falck Safety Services. This process resulted in the sale of Safety Services to Danish private equity firm Polaris, which was announced in August and closed in September 2018. Safety Services is a leader in rescue and safety training, and the divestment is consistent with Falck's overall strategy of focusing on its core business. The sale provides Safety Services with opportunity to leverage its strong market position and generate future growth in existing and new industries.

In September 2018, Falck also divested the Danish medical clinics and associated busi-

nesses (Falck Lægehuse, Sirculus and Vik-Team), as Healthcare continues to focus on its core business of healthcare for prevention and rapid examination and remediation of workplace-related diseases. Additional strategic reviews were initiated for two staffing businesses. The new owners of the Danish medical clinics, led by Thomas Helt, have considerable insights in the Danish healthcare market in general, and in the medical clinics in particular.

Ambulance continued to streamline its business and focus on core markets. As a result, 9Lives in Finland as well as First Ambulance Services in Malaysia were divested.



Performance by business units



Ambulance

Ambulance offers ambulance operations, patient transport services and doctor's home visits, primarily in Europe, the US and Latin America. Customers include hospitals and municipalities, on fixed-price or pay-per-use contracts, as well as private subscribers.

Financial and operational performance

Profitability continued to improve.

Revenue was DKK 1,985 million (Q3 2017: 2,011 million), resulting in 1.8% revenue growth when adjusted for IFRS 15 and exchange rate. The new IFRS 15 standards impacted revenue negatively by DKK 37 million, while exchange rate adjustments impacted negatively by DKK 25 million.

Key figures

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Revenue	1,985	2,011	5,812	6,010	8,086
EBITA	33	34	174	(121)	(214)
EBITA margin (%)	1.7	1.7	3.0	(2.0)	(2.6)
Free cash flow	143	(99)	379	118	280
Economic profit	n/a	n/a	(341)	(751)	(817)
Number of full-time employees	18,810	20,844	18,810	20,844	20,305

Revenue growth was driven by the full effect of an ambulance contract won in LA County in the US and an increase in activity in the pay-per-use business in Germany, and off-set by a contract loss in Sweden.

Operating profit before other items (EBITA) was DKK 33 million (Q3 2017: 34 million). In Q3 2018, changes in accounting estimates reduced EBITA by DKK 61 million. In Q3 2017, write-downs and other non-recurring costs reduced EBITA by DKK 20 million. Adjusted for write-downs, the underlying EBITA margin in Q3 2018 improved to 4.7% (Q3 2017: 2.7%).

The continuing improvement in profitability was due to efficiency and cost optimisation initiatives, notably in Denmark and the US.

Free cash flow improved to DKK 143 million (Q3 2017: negative at DKK 99 million), mainly

driven by strong cash collection in the US and higher cash collection in Latin America.

A number of efficiency and cost optimisation initiatives were launched across the Ambulance business in 2017 and 2018, including the implementation of three major IT systems within dispatch, planning and fleet management, which are being rolled out globally in 2018 and 2019.

In the US, initiatives to reduce overhead costs and overcapacity have been initiated along with contract pruning, especially in the Eastern Seaboard region. In July, the US Ambulance entities were reorganised in order to integrate the organisation and ensure synergies.

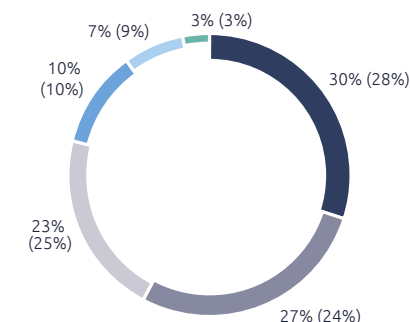
In the Capital Region of Denmark, Falck renewed its contract for patient transport services in 8 out of 11 areas, and in Germany and the US, a number of minor ambulance contracts were won or extended.

Ambulance continued to streamline its business and focus on core markets. As a result, 9Lives in Finland and First Ambulance Services in Malaysia were divested.

Q1-Q3 2018

Year-to-date revenue amounted to DKK 5,812 million (Q1-Q3 2017: 6,010 million), resulting in revenue growth of 3.9% when adjusted for IFRS 15 and exchange rate. The

Revenue by geography Q3 2018 (Q3 2017)



- Denmark, 30%
- Latin America, 10%
- Europe, 27%
- Nordic Region, 7%
- North America, 23%
- Rest of world, 3%

new IFRS 15 standards impacted revenue negatively by DKK 216 million, while exchange rate adjustments reduced revenue by DKK 217 million.

EBITA was DKK 174 million (Q1-Q3 2017: EBITA loss of DKK 121 million). Write-downs on trade receivables in the US ambulance business and changes in accounting estimates impacted EBITA negatively by DKK 93 million in 2018 and by DKK 252 million in Q1-Q3 2017. Adjusted for write-downs, the underlying EBITA was 4.6% (Q1-Q3 2017: 2.2%).

Free cash flow amounted to DKK 379 million (Q1-Q3 2017: DKK 118 million), mainly driven by improved earnings.



Healthcare

Healthcare is the largest provider of employee healthcare programmes in the Nordics. Services include consultancy, visitation and guidance as well as physiological and psychological treatments on a pay-per-use or subscription basis. Customers include insurance companies, pension funds and private companies providing healthcare programmes to their employees.

Financial and operational performance

Healthcare was influenced by seasonality in the pay-per-use business in Q3 as activity levels are lower during the summer months. Performance continued to deteriorate in the Danish part of Healthcare.

Key figures

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Revenue	347	399	1,229	1,438	1,955
EBITA	(15)	(14)	(116)	21	57
EBITA margin (%)	(4.3)	(3.6)	(9.4)	1.5	2.9
Free cash flow	(83)	(84)	(140)	(111)	(6)
Economic profit	n/a	n/a	(173)	(67)	(87)
Number of full-time employees	1,553	1,785	1,553	1,785	1,661

Revenue was DKK 347 million (Q3 2017: DKK 399 million). Revenue growth was slightly positive by 3.3% when adjusted for IFRS 15 and exchange rate. The new IFRS 15 standard impacted revenue adversely by DKK 49 million, while exchange rate adjustments reduced revenue by DKK 16 million.

Healthcare incurred an operating loss before other items (EBITA) of DKK 15 million (Q3 2017: DKK 14 million loss) and the underlying EBITA margin was negative at 4.6% (Q3 2017: negative at 3.5%).

Healthcare launched efficiency and cost optimisation initiatives in late spring 2018. Q3 efficiency gains of DKK 12 million were not enough to off-set the continuing negative developments in the Danish healthcare business.

Free cash flow was negative at DKK 83 million, which was in line with Q3 2017 (negative at DKK 84 million).

Efficiency and cost optimisation initiatives launched across the Healthcare business in the first half of 2018 continued in the third quarter. Initiatives included contract portfolio pruning, elimination of redundant and non-value creating work and improved utilisation of call centres.

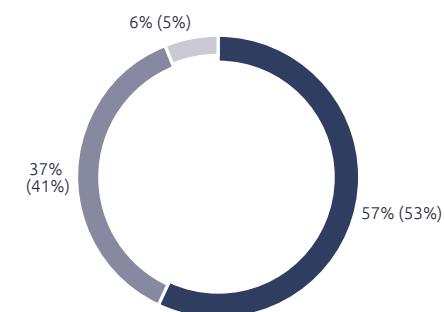
In September 2018, the Danish medical clinics and associated businesses (Falck Lægehuse, Sirculus and VikTeam) were divested, as Healthcare continues to focus on its core business of healthcare for prevention and rapid examination and remediation of workplace related diseases. Additional strategic reviews were initiated for two minor staffing businesses.

Q1-Q3 2018

Year-to-date revenue amounted to DKK 1,229 million (Q1-Q3 2017: DKK 1,438 million). Revenue growth was negative at 3.2% when adjusted for IFRS 15 and exchange rate. The new IFRS 15 standard impacted revenue adversely by DKK 115 million, while exchange rate adjustments reduced revenue by DKK 48 million.

Operating profit before other items (EBITA) was negative at DKK 116 million (Q1-Q3 2017: DKK 21 million). Write-downs on soft-

Revenue by geography Q3 2018 (Q3 2017)



- Sweden, 57%
- Denmark, 37%
- Norway, 6%

ware and trade receivables reduced EBITA by DKK 88 million. Adjusted for write-downs, the underlying EBITA was negative at 2.4% (Q1-Q3 2017: 1.5%).

Free cash flow was negative at DKK 140 million (Q1-Q3 2017: negative at DKK 111 million), mainly caused by deteriorating earnings, partly compensated by lower investments in fixed assets.



Assistance

Assistance provides roadside assistance in the Nordics, run on a subscription or contract basis, as well as private healthcare subscriptions and public firefighting in Denmark. Customers include private individuals, insurance and automotive companies as well as Danish municipalities.

Financial and operational performance

Profitability continued to improve significantly on flat revenue.

Revenue was DKK 715 million, a slight decrease from Q3 2017 (DKK 736 million). Adjusted for exchange rate, revenue was DKK 722 million, for a 1.9% decrease that was

primarily due to the closure of damage control services in Denmark but off-set by price increases.

Operating profit before other items (EBITA) was DKK 114 million (Q3 2017: DKK 86 million). In Q3 2018, changes in accounting estimates reduced EBITA by DKK 5 million. The underlying EBITA margin improved by 5.1 percentage points to 16.8% (Q3 2017: 11.7%).

The continued improvement in reported EBITA and the underlying EBITA margin was driven by efficiency and cost optimisation initiatives.

Free cash flow amounted to DKK 2 million (Q3 2017: DKK 65 million), caused by decrease in prepayments from customers, partly compensated by lower investments in fixed assets.

Assistance continued the comprehensive efficiency and cost optimisation programme initiated in 2017. The programme includes the closing down of damage control services and several other unprofitable activities, pruning of the contract portfolio, a changed operating model allowing for the increased use of franchisees and sub-contractors, improved utilisation of call centres and optimisation of the network of Falck stations in Denmark.

In Q3 2018, Assistance renewed its municipal firefighting services contract with Sydvestjysk Brandvæsen in Denmark.

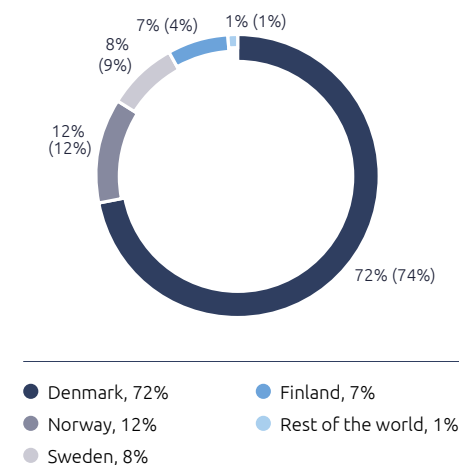
It was announced that the roadside assistance centre in Denmark will be consolidated and relocated to new modern facilities in Vejle.

Q1-Q3 2018

Year-to-date revenue was DKK 2,270 million, which was in line with the Q1-Q3 2017 figure (DKK 2,294 million). Adjusted for exchange rate, revenue growth was flat compared to Q1-Q3 2017.

Operating profit before other items (EBITA) was DKK 318 million (Q1-Q3 2017: DKK 96 million). In 2017, write-downs on a customer management IT system reduced EBITA by DKK 63 million. Adjusted for write-downs, the underlying EBITA margin improved by 7.3 percentage points to 14.2% (Q1-Q3 2017: 6.9%).

Revenue by geography Q3 2018 (Q3 2017)



Free cash flow amounted to DKK 212 million, slightly above Q1-Q3 2017 (DKK 209 million).

Key figures

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Revenue	715	736	2,270	2,294	3,043
EBITA	114	86	318	96	188
EBITA margin (%)	15.9	11.7	14.0	4.2	6.2
Free cash flow	2	65	212	209	256
Economic profit	n/a	n/a	34	(181)	(146)
Number of full-time employees	1,872	2,357	1,872	2,357	2,117



Portfolio Businesses

Portfolio Businesses consist of two service areas: Global Assistance and Industrial Fire Services, which both operate globally.

Industrial Fire Services is a leading international provider of industrial fire and rescue services for airports and high-risk industries including petrochemical plants, nuclear power plants, steel plants and automobile manufacturers.

Global Assistance provides medical and security assistance to leading insurance companies and global multinational companies, supporting the safety and security of their employees and customers travelling or working abroad.

Key figures

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Revenue	295	399	884	1,222	1,611
EBITA	19	(10)	46	14	(3)
EBITA margin (%)	6.4	(2.4)	5.2	1.1	(0.2)
Free cash flow	24	(5)	(33)	(66)	(72)
Economic profit	n/a	n/a	(43)	(13)	(54)
Number of full-time employees	2,654	2,735	2,654	2,735	2,803

Financial and operational performance

Profitability improved due to an increase in adjusted revenue.

Revenue was DKK 295 million (Q3 2017: DKK 399 million) resulting in revenue growth of 3.0% when adjusted for IFRS 15 and exchange rate. The new IFRS 15 standards impacted revenue negatively by DKK 110 million in Q3 2018, while exchange rate adjustments reduced revenue by DKK 6 million. The revenue growth was primarily due to new contracts won by Industrial Fire Services.

Operating profit before other items (EBITA) was DKK 19 million (Q3 2017: DKK 10 million loss). Changes in accounting estimates reduced the Q3 2018 EBITA by DKK 7 million (Q3 2017: negative impact of DKK 15 million). Adjusted for write-downs, the underlying EBITA margin in Q3 2018 was 8.8% (Q3 2017: 1.3%).

Free cash flow amounted to DKK 24 million (Q3 2017: negative at DKK 5 million), primarily driven by higher trade payables in Global Assistance.

The restructuring of Global Assistance was completed in H1 2018 and a new management team was in place by the beginning of Q3. Further, cost-out initiatives and streamlining of administrative functions have been implemented and efforts are ongoing to improve profitability.

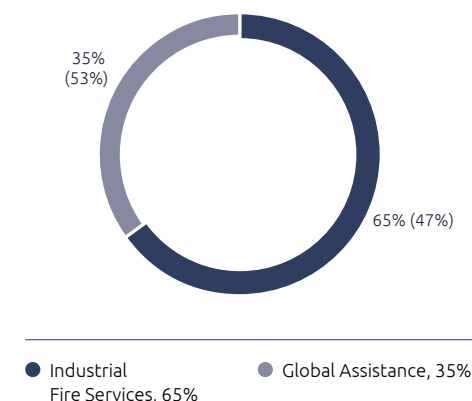
Falck Industrial Fire Services is growing its business and won two contracts within the nuclear and automotive industries in Spain, thereby cementing its position within industrial fire and rescue services in Spain.

Q1-Q3 2018

Year-to-date revenue was DKK 884 million (Q1-Q3 2017: DKK 1,222 million) resulting in revenue growth of 3.1% when adjusted for IFRS 15 and exchange rate. The new IFRS 15 standards impacted Q1-Q3 2018 revenue negatively by DKK 343 million, while exchange rate adjustments reduced revenue by DKK 33 million.

Operating profit before other items (EBITA) was DKK 46 million (Q1-Q3 2017: DKK 14 million). Adjusted for write-downs, the underlying EBITA margin increased to 5.8% (Q1-Q3 2017: 2.4%).

Revenue by service area Q3 2018 (Q3 2017)



Free cash flow was negative at DKK 33 million (Q1-Q3 2017: negative at DKK 66 million), mainly driven by higher cash collection in Global Assistance, partly off-set by higher investments in Industrial Fire Services.

Management's statement

The Board of Directors and the Executive Management Board have today considered and approved the interim report of Falck A/S for the period 1 January 2018 – 30 September 2018.

The interim report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted

by the EU and additional requirements of the Danish Financial Statements Act. Apart from the adoption of IFRS 9 and IFRS 15, the accounting policies are consistent with those applied in the 2017 Annual Report.

In our opinion, the interim financial report gives a true and fair view of the Falck Group's assets, liabilities and financial position at 30 September

2018 and of the results of the Group's activities and cash flows for the period 1 January to 30 September 2018.

Furthermore, in our opinion, Management's Review includes a true and fair review of the development in the operations and financial position, of the results for the period and of the financial position of the Group.

Besides what has been disclosed in the interim report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures made in the 2017 Annual Report.

Copenhagen, 16 November 2018

Executive Management Board:

Jakob Riis
President and CEO

Tor Magne Lønnum
CFO

Jakob Bomholt
EVP, Ambulance

Board of Directors:

Peter Schütze
Chairman

Lene Skole
Deputy Chairman

Lars Frederiksen

Niels Smedegaard

Dorthe Mikkelsen

Søren Thorup Sørensen

Employee representative:

Vagn Flink Møller Pedersen

Henrik Villsen Andersen

Allan Rensgaard

Income statement

1 January – 30 September

DKK million	Section	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Revenue	2	3,288	3,489	10,021	10,723	14,381
Other operating income and expenses, net		9	14	51	47	72
Cost of sales and external assistance		(403)	(407)	(1,305)	(1,303)	(1,804)
Other external costs		(701)	(799)	(2,056)	(2,634)	(3,592)
Staff costs		(1,948)	(2,079)	(6,024)	(6,380)	(8,532)
Depreciation, amortisation and impairment		(136)	(133)	(433)	(462)	(567)
Operating profit before other items (EBITA)		109	85	254	(9)	(42)
Restructuring costs		-	(27)	(12)	(60)	(100)
Amortisation of customer contracts		(53)	(60)	(165)	(192)	(251)
Impairment of goodwill		-	-	-	-	(2,825)
Operating profit (EBIT)		56	(2)	77	(261)	(3,218)
Gains/losses from divestments of enterprises		(43)	13	(51)	12	(13)
Income after tax from associates and joint arrangements		(1)	3	(2)	5	(6)
Financial income		11	1	30	51	95
Financial expenses		(117)	(61)	(354)	(226)	(387)
Profit before tax		(94)	(46)	(300)	(419)	(3,529)
Income taxes		30	19	66	140	(74)
Profit for the period from continuing operations		(64)	(27)	(234)	(279)	(3,603)
Profit for the period from discontinued operations	3	(465)	(6)	(418)	(2)	(79)
Profit for the period		(529)	(33)	(652)	(281)	(3,682)
Profit is attributable to:						
Shareholders in Falck A/S		(535)	(29)	(662)	(278)	(3,691)
Non-controlling interests		6	(4)	10	(3)	9
TOTAL		(529)	(33)	(652)	(281)	(3,682)

Statement of comprehensive income

1 January – 30 September

DKK million	Section	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
	Profit for the period	(529)	(33)	(652)	(281)	(3,682)
	Actuarial adjustment of pension provisions	-	-	1	2	2
	Items that will not be reclassified to the income statement	-	-	1	2	2
	Exchange rate adjustment	17	(31)	38	(223)	(295)
	Value adjustment of currency hedging instruments	(5)	14	(3)	17	11
	Value adjustment of interest hedging instruments	12	3	21	24	29
	Tax on other comprehensive income	(9)	10	(10)	37	45
	Items that may be reclassified to the income statement	15	(4)	46	(145)	(210)
	Other comprehensive income	15	(4)	47	(143)	(208)
	Total comprehensive income	(514)	(37)	(605)	(424)	(3,890)
	Total comprehensive income is attributable to:					
	Shareholders in Falck A/S	(507)	(33)	(595)	(421)	(3,899)
	Non-controlling interests	(7)	(4)	(10)	(3)	9
	TOTAL	(514)	(37)	(605)	(424)	(3,890)

Statement of cash flows

1 January – 30 September

DKK million	Section	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Operating profit (EBIT)		56	(2)	77	(261)	(3,218)
Depreciation, amortisation and impairment		136	133	433	462	567
Amortisation of customer contracts		53	60	165	192	251
Impairment of goodwill		-	-	-	-	2,825
Profit before depreciation, amortisation and impairment (EBITDA)		245	191	675	393	425
Change in net working capital including operating provisions		(120)	(256)	(128)	30	392
Transactions with associates		(13)	(16)	5	(12)	(9)
Reversal of profit/(loss) from divestment of non-current assets, net		(4)	(3)	(15)	(12)	(25)
Net interest paid		(50)	(55)	(104)	(113)	(159)
Income tax paid		(17)	(22)	(87)	(81)	(174)
Cash flows from operating activities		41	(161)	346	205	450
Purchase of property, plant and equipment		(29)	(36)	(155)	(209)	(286)
Sale of property, plant and equipment		10	11	30	31	71
Purchase of intangible assets		(14)	(27)	(103)	(95)	(127)
Investments in subsidiaries, non-controlling interests and operations		(6)	(21)	(42)	(62)	(409)
Divestment of subsidiaries, non-controlling interests and operations		5	-	9	6	7
Cash flows from hedging of net investments		22	(5)	43	7	28
Change in securities, net		(1)	-	(4)	50	73
Cash flows from investing activities		(13)	(78)	(222)	(272)	(643)
Transactions with shareholders		-	-	-	26	2,026
Transactions with non-controlling interests, net		(1)	(7)	(15)	(31)	(31)
Interest-bearing debt raised		116	232	130	471	108
Repayment of interest-bearing debt		(324)	(9)	(988)	(482)	(1,636)
Cash flows from financing activities		(209)	216	(873)	(16)	467
Cash flows from continuing operations		(181)	(23)	(749)	(83)	274
Cash flows from discontinued operations	3	379	(10)	386	(12)	(4)
Change in cash and cash equivalents		198	(33)	(363)	(95)	270
Cash and cash equivalents at the beginning of the period		423	821	1,009	900	900
Change in cash and cash equivalents		198	(33)	(363)	(95)	270
Exchange gains/(losses) on cash and cash equivalents		-	(5)	(6)	(22)	(30)
Cash and cash equivalents related to assets classified as held for sale		143	-	124	-	(131)
Cash and cash equivalents at the end of the period		764	783	764	783	1,009

Balance sheet

DKK million	Section	Q3 2018	Q3 2017	2017	DKK million	Section	Q3 2018	Q3 2017	2017
Assets					Equity and liabilities				
Goodwill		6,031	9,750	6,486	Share capital		81	81	81
Other intangible assets		1,135	1,444	1,363	Hedging reserve		(13)	(26)	(27)
Total intangible assets		7,166	11,194	7,849	Currency translation reserve		(309)	(379)	(443)
Land and buildings		364	547	401	Retained earnings		2,390	6,378	3,091
Leasehold improvements		118	173	140	Equity attributable to Falck A/S		2,149	6,054	2,702
Fixtures and fittings, tools and equipment		750	1,083	904	Non-controlling interests		337	411	428
Total property, plant and equipment		1,232	1,803	1,445	Total equity		2,486	6,465	3,130
Investments in associates and joint ventures		54	66	56	Subordinated shareholder loans		2,164	-	2,008
Deferred tax assets		220	450	178	Loans		3,791	5,625	4,336
Other receivables		81	84	43	Deferred tax		225	390	266
Total financial assets		355	600	277	Provisions		46	216	117
Total non-current assets		8,753	13,597	9,571	Contract liabilities		44	-	-
Inventories		35	87	82	Other payables		10	38	29
Contract assets		593	-	-	Total non-current liabilities		6,280	6,269	6,756
Trade receivables		1,315	2,418	2,111	Loans		124	526	257
Income tax receivable		29	29	20	Trade payables		741	718	731
Other receivables		167	221	176	Income taxes		81	110	135
Prepayments		144	158	159	Provisions		266	692	260
Securities		72	91	68	Contract liabilities		1,294	-	-
Cash		764	783	1,009	Other payables		981	2,604	2,699
Total current assets		3,119	3,787	3,625	Total current liabilities		3,487	4,650	4,082
Assets classified as held for sale	4	484	-	1,099	Total current and non-current liabilities		9,767	10,919	10,838
Total assets		12,356	17,384	14,295	Liabilities relating to assets classified as held for sale	4	103	-	327
					Total equity and liabilities		12,356	17,384	14,295

Statement of changes in equity

1 January – 30 September

2018 DKK million	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Equity
Equity at 1 January 2018	81	(27)	(443)	3,091	2,702	428	3,130
Change in accounting policies	-	-	-	(53)	(53)	-	(53)
Adjusted equity at 1 January 2018	81	(27)	(443)	3,038	2,649	428	3,077
Exchange rate adjustment	-	-	38	-	38	-	38
Value adjustment of currency hedging instruments	-	(3)	-	-	(3)	-	(3)
Value adjustment of interest hedging instruments	-	21	-	-	21	-	21
Actuarial adjustment of pension provisions	-	-	-	1	1	-	1
Tax on other comprehensive income	-	(4)	(6)	-	(10)	-	(10)
Other comprehensive income	-	14	32	1	47	-	47
Profit for the period	-	-	-	(642)	(642)	(10)	(652)
Total comprehensive income	-	14	32	(641)	(595)	(10)	(605)
Dividend	-	-	-	-	-	(12)	(12)
Reclassification of exchange rate adjustment from divestment of discontinued operations	-	-	102	-	102	-	102
Change in non-controlling interests' ownership share	-	-	-	20	20	(69)	(49)
Purchase and sale of treasury shares, warrants, etc.	-	-	-	(2)	(2)	-	(2)
Adjustment of provision for acquisition of non-controlling interests relating to acquisitions after 1 January 2010	-	-	-	(25)	(25)	-	(25)
Total transactions with owners	-	-	102	(7)	95	(81)	14
Total equity movements in the period	-	14	134	(648)	(500)	(91)	(591)
Total equity at 30 September 2018	81	(13)	(309)	2,390	2,149	337	2,486



Comments

Change in accounting policies of DKK 53 million is due to the implementation of the new accounting standards IFRS 9 and IFRS 15. The effect from IFRS 9 is DKK 28 million and relates to an increase in write-downs of receivables. The effect from IFRS 15 including deferred tax is DKK 25 million and relates to stepped-pricing contracts in Denmark where the services are transferred to the customer over time and are recognised at the same average consideration over the period of the contract.

Statement of changes in equity

1 January – 30 September

2017 DKK million	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Equity
Equity at 1 January 2017	67	(58)	(202)	5,720	5,527	406	5,933
Exchange rate adjustment	-	-	(223)	-	(223)	-	(223)
Value adjustment of currency hedging instruments	-	17	-	-	17	-	17
Value adjustment of interest hedging instruments	-	24	-	-	24	-	24
Actuarial adjustment of pension provisions	-	-	-	2	2	-	2
Tax on other comprehensive income	-	(9)	46	-	37	-	37
Other comprehensive income	-	32	(177)	2	(143)	-	(143)
Profit for the period	-	-	-	(278)	(278)	(3)	(281)
Total comprehensive income	-	32	(177)	(276)	(421)	(3)	(424)
Purchase and sale of treasury shares, warrants, etc.	-	-	-	(2)	(2)	-	(2)
Capital increase	14	-	-	995	1,009	-	1,009
Dividend	-	-	-	-	-	(17)	(17)
Change in non-controlling interests' ownership share	-	-	-	-	-	25	25
Adjustment of provision for acquisition of non-controlling interests relating to acquisitions after 1 January 2010	-	-	-	(59)	(59)	-	(59)
Total transactions with owners	14	-	-	934	948	8	956
Total equity movements in the period	14	32	(177)	658	527	5	532
Total equity at 30 September 2017	81	(26)	(379)	6,378	6,054	411	6,465

Section 1

Accounting policies

Falck A/S is a public limited liability company domiciled in Denmark. This interim report comprises Falck and its subsidiaries (the Group).

The interim report has been presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in accordance with the Danish Financial Statements Act.

The interim report does not contain all the information required for the annual report and should therefore be read in conjunction with the 2017 Annual Report.

No interim report has been prepared for the parent company. Apart from the adoption of IFRS 9 and IFRS 15, the accounting policies are consistent with those applied in the 2017 Annual Report, to which reference is made.

Definitions of financial highlights and key ratios can be found in Section 1.5 of the 2017 Annual Report.

Key figures

The definition of economic profit has been revised in 2018.

Economic profit is calculated as adjusted operating profit after income tax less net operating assets * WACC. Adjusted operating profit after tax is calculated as operating profit

after tax adjusted for income and expenses of a non-recurring nature. Tax rate is set at 22% and WACC at 8%.

Change in accounting estimates related to inventories

From Q3 2018, changed accounting estimates implied that consumables were no longer recognised as inventories. As a consequence, consumables of DKK 39 million were recognised in the income statement.

Change in accounting estimates related to property, plant and equipment

In Q3 2018, Falck evaluated useful lives of small assets within property, plant and equipment and recognised write-downs of DKK 30 million in the income statement.

Implementation of new accounting standards, amendments and interpretations

The following accounting standards, amendments (IAS and IFRS) and interpretations have been implemented from 1 January 2018:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers" including amendments and clarifications
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration"
- Amendment to IFRS 2 "Share-based payments"

- Amendment to IAS 40 "Transfer of Investment Property"
- Annual improvements to IFRS's 2014-2016 cycle

Apart from the impact from IFRS 9 and IFRS 15, the adoption of new standards, amendments and interpretations has not affected the interim financial report for 2018.

IFRS 9 Financial Instruments

Falck has applied the modified retrospective approach and comparative figures will thus not be restated. The most important changes resulting from IFRS 9, compared to IAS 36, are:

- A loss allowance for expected credit losses must be recognised at initial recognition of receivables. Previously, a loss allowance could only be recognised if there was objective evidence of impairment. Thus, expected losses are recognised earlier.
- The number of categories of financial assets is reduced to three; amortised cost, fair value or fair value through other comprehensive income. Previously, there were four categories.

In respect of hedge accounting, the new standard has not affected the financial statements.

The impact of IFRS 9

The implementation of IFRS 9 has affected impairment of trade receivables through the

implementation of the forward-looking expected credit loss model and has resulted in an impairment of DKK 28 million recognised in equity at 1 January 2018. The change in policy has not affected the Group's cash flows or results over time.

IFRS 15 Revenue from Contracts with Customers

Falck has applied the modified retrospective approach and comparative figures will thus not be restated. The most important changes resulting from IFRS 15, compared to IAS 11 and IAS 18, are:

- Recognition of revenue has been changed from being based on transfer of the risk and rewards of ownership to now being recognised as the transfer of control of goods or services to the customer.
- More detailed guidelines have been introduced for how elements in a contract of sale are identified and how the individual components will be recognised and measured.
- More detailed guidance have been introduced for the recognition of revenue over time.

Section 1

Accounting policies (continued)

The impact of IFRS 15

IFRS 15 has a significant impact on Falck's recognition of revenue which can be summarised as follows:

Falck acts as agent in multiple contracts. Hence, the agent-principal assessment impacts the recognition of revenue in Healthcare, Assistance and Portfolio Businesses. This results in a decrease in revenue and costs of sales. EBITA is not affected.

Ambulance has contracts with predetermined price reductions. The transaction price has been recalculated to an average price for the entire period. As the relevant contracts were entered into before 1 January 2018, equity was consequently adjusted at 1 January 2018. In Q1-Q3 2018, EBITA was affected negatively by DKK 12 million.

Due to the probability that Falck will collect the consideration Falck is entitled to, Ambulance US has changed the accounting policy to "cash accounting" for patients without insurance or aid from Federal/State programmes, as they often are not the payers of the services

provided. In cash accounting, revenue will be recognised when the customer pays for a service. In Q1-Q3 2018, EBITA was affected negatively by DKK 14 million.

Change in accounting from IFRS 15

In Q1-Q3 2018, the negative impact of IFRS 15 was DKK 674 million on revenue and cost of sales and DKK 32 million on equity before tax. The impact is primarily related to the agent-principal assessment, where Falck acts as agent on behalf of the customers.

The change in policy does not affect the Group's cash flows or results over the contract periods. However, the timing of when income and costs are recognised in the consolidated financial statements is affected, as are cash flows and results for individual years under a contract. The implementation of IFRS 15 has resulted in the following changes of presentation in the balance sheet in relation to contract assets and contract liabilities:

Contract assets primarily relate to Falck's right to consideration for the completed services which have not been invoiced at the

reporting date. Contract assets are transferred to trade receivables when the rights become unconditional.

Contract liabilities show the recalculated transaction price from predetermined price reductions, where the service is transferred over time, and are recognised at the same average consideration over the term of the contract. Contract liabilities also show prepayments related to consideration from customers who have paid in advance for the subsequent period.

As Falck has applied the modified retrospective approach, the comparatives for 2017 have not been restated. The IFRS 15 adjustments the opening balance at 1 January 2018 are summarised in the table.

Section 1

Accounting policies (continued)





Impact of implementation of IFRS 15

DKK million	1 January 2018			30 September 2018		
	Previous accounting policy	IFRS 15 adjustment	New accounting policy	Previous accounting policy	IFRS 15 adjustment	New accounting policy
Income statement						
Revenue	-	-	-	10,695	(674)	10,021
Other external cost	-	-	-	(2,704)	648	(2,056)
Operating profit before other items (EBITA)	-	-	-	280	(26)	254
Assets						
Deferred tax	178	7	185	213	7	220
Contract assets	-	484	484	-	593	593
Trade receivables	2,111	(484)	1,627	1,922	(607)	1,315
Total Assets	14,295	7	14,302	12,363	(7)	12,356
Equity						
Share capital	81	-	81	81	-	81
Hedging reserve	(27)	-	(27)	(13)	-	(13)
Currency translation reserve	(443)	-	(443)	(309)	-	(309)
Retained earnings	3,091	-	3,066	2,441	(26)	2,390
- Change of accounting policies	-	(32)	-	-	(32)	-
- Change of accounting policies, tax effect	-	7	-	-	7	-
Equity attributable to Falck A/S	2,702	(25)	2,677	2,200	(51)	2,149
Liabilities						
Contract liabilities, non-current	-	32	32	-	44	44
Contract liabilities, current	-	1,544	1,544	-	1,294	1,294
Other payables, current	2,699	(1,544)	1,155	2,275	(1,294)	981
Total current and non-current liabilities	10,838	32	10,870	9,723	44	9,767
Total equity and liabilities	14,295	7	14,302	12,363	(7)	12,356

Section 2

Segment and revenue information

DKK million

Business units	 Ambulance	 Healthcare	 Assistance	 Portfolio Businesses ⁽³⁾	Holding and other activities/eliminations	Total
Q1-Q3 2018						
KEY ratios						
EBITA margin (%) ⁽¹⁾	3.0	(9.4)	14.0	5.2		2.5
Income statement						
Revenue ⁽²⁾	5,812	1,229	2,270	884	(174)	10,021
Staff costs	(3,837)	(677)	(806)	(580)	(124)	(6,024)
Depreciation, amortisation and impairments	(231)	(98)	(86)	(18)	-	(433)
Operating profit before other items (EBITA)	174	(116)	318	46	(168)	254
Restructuring costs	-	(12)	-	-	-	(12)
Amortisation of customer contracts	(59)	(17)	(90)	1	-	(165)
Operating profit (EBIT)	115	(145)	228	47	(168)	77
Financials, net						(377)
Profit before tax						(300)
Income taxes						66
Profit for the period from continuing operations						(234)
Balance sheet						
Total assets	4,999	1,423	4,033	1,175	726	12,356
Gross investments	154	32	13	58	1	258



Comments

In 2018, no changes have been made to the corporate structure of Falck.

⁽¹⁾ See definitions of ratios in section 1.5 in the 2017 Annual Report.





⁽²⁾ Revenue comprises rendering of services of DKK 9,842 million and sale of goods of DKK 179 million.

⁽³⁾ Excluding discontinued operations. For further information see section 3.

Section 2

Segment and revenue information (continued)

DKK million

Business units	 Ambulance	 Healthcare	 Assistance	 Portfolio Businesses ⁽³⁾	Holding and other activities/eliminations	Total
Q1-Q3 2017						
KEY ratios						
EBITA margin (%) ⁽¹⁾	(2.0)	1.5	4.2	1.1		(0.1)
Income statement						
Revenue ⁽²⁾	6,010	1,438	2,294	1,222	(241)	10,723
Staff costs	(4,029)	(719)	(991)	(569)	(72)	(6,380)
Depreciation, amortisation and impairments	(205)	(31)	(190)	(36)	-	(462)
Operating profit before other items (EBITA)	(121)	21	96	14	(19)	(9)
Restructuring costs	(14)	(38)	(27)	(2)	21	(60)
Amortisation of customer contracts	(78)	(22)	(90)	(2)	-	(192)
Operating profit (EBIT)	(213)	(39)	(21)	10	2	(261)
Financials, net						(158)
Profit before tax						(419)
Income taxes						140
Profit for the period from continuing operations						(279)
Balance sheet						
Total assets	9,709	2,116	3,836	1,962	(239)	17,384
Gross investments	179	46	37	40	2	304

⁽¹⁾ See definitions of ratios in section 1.5 in the 2017 Annual Report.

⁽²⁾ Revenue comprises rendering of services of DKK 10,548 million and sale of goods of DKK 175 million.

⁽³⁾ Excluding discontinued operations. For further information see section 3.


Comments

On 1 January 2017, the Public Firefighting business and several Assistance-related activities were transferred from the Ambulance segment to the Assistance segment.

Section 3

Discontinued operations
Discontinued operations

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Revenue	390	402	1,240	1,237	1,630
Other operating income and expenses, net	1	-	2	3	14
Cost of sales and external assistance	(45)	(42)	(143)	(133)	(178)
Other external costs	(73)	(82)	(230)	(264)	(358)
Staff costs	(248)	(246)	(771)	(737)	(991)
Depreciation, amortisation and impairment	-	(15)	(2)	(46)	(64)
Operating profit before other items (EBITA)	25	17	96	60	53
Restructuring costs	-	(1)	-	(5)	(43)
Amortisation of customer contracts	-	(3)	(1)	(10)	(19)
Operating profit (EBIT)	25	13	95	45	(9)
Financial income and expenses, net	(3)	(19)	(4)	(45)	(58)
Profit before tax	22	(6)	91	-	(67)
Income taxes	(7)	-	(29)	(2)	(12)
Profit for the period	15	(6)	62	(2)	(79)
Gain/loss on divestment of discontinued operations	(480)	-	(480)	-	-
Profit for the period from discontinued operations	(465)	(6)	(418)	(2)	(79)

Cash flows from discontinued operations

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Cash flows from operating activities	67	1	56	9	70
Cash flows from investing activities	299	(15)	260	(21)	(28)
Cash flows from financing activities	13	4	70	-	(46)
Cash flows from discontinued operations	379	(10)	386	(12)	(4)


Comments

Discontinued operations include Safety Services and Healthcare non-core activities, for which Falck has initiated a strategic review.

The profit for the period and cash flows from discontinued operations are disclosed separately in the income statement and in the statement of cash flows. The comparative figures for 2017 have been restated in both statements. The classification as discontinued operations entails that assets and liabilities are disclosed separately from other assets and liabilities in the balance sheet. See section 4.

Section 3

Discontinued operations (continued)

Discontinued operations

DKK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	2017
Gain/loss on divestment of discontinued operations		-		-	-
Consideration paid	537	-	537	-	-
Deferred payment	50	-	50	-	-
Sales price for discontinued operations	587	-	587	-	-
Net assets divested	(950)		(950)		
Reclassification of exchange rate adjustment from divestment of discontinued operations	(102)	-	(102)	-	-
Transaction costs	(15)	-	(15)	-	-
Gain/loss on divestment of discontinued operations	(480)	-	(480)	-	-
Net assets divested					
Assets					
Goodwill	415	-	415	-	-
Other intangible assets	30	-	30	-	-
Property plant and equipment	335	-	335	-	-
Deferred tax assets	41	-	41	-	-
Current assets	246	-	246	-	-
Cash and cash equivalents	118	-	118	-	-
Liabilities					
Non-controlling interest	(49)	-	(49)	-	-
Deferred tax	(8)	-	(8)	-	-
Provisions	(28)	-	(28)	-	-
Current liabilities	(150)	-	(150)	-	-
Net assets divested	950	-	950	-	-
Gain/loss on divestment of discontinued operations	(378)	-	(378)	-	-
Sales price receivable	(50)	-	(50)	-	-
Adjustment for cash and cash equivalents divested	(118)	-	(118)	-	-
Cash consideration from divestment of discontinued operations	404	-	404	-	-



Comments

Divestment of Safety Services

On 20 September 2018, Falck divested Safety Services to the Danish private equity firm Polaris.

The consideration paid consists of a cash payment of DKK 534 million and an interest-bearing deferred payment of DKK 50 million falling due in 2019.

A loss on the divestment of DKK 456 million was recognised in profit for the period from discontinued operations.

Cash flows from investing activities comprise the cash selling price partly off-set by cash and cash equivalents in the divested entities and considerations related to prior-year acquisitions in Malaysia and Thailand for a net amount of DKK 94 million.

Divestment of Danish medical clinics

On 25 September 2018, Falck divested its Danish medical clinics and associated business (Falck Lægehuse, Sirculus and Vikteam).

The consideration consists of a cash payment of DKK 3 million.

A loss on the divestment of DKK 24 million was recognised in profit for the period from discontinued operations.

Section 4

Assets classified as held for sale

Assets classified as held for sale

(DKK million)	Q3 2018	Q3 2017	2017
Intangible assets	373	-	433
Property, plant and equipment	3	-	292
Deferred tax assets	-	-	61
Inventories	-	-	2
Contract assets	18	-	-
Trade receivables	78	-	130
Other receivables	1	-	27
Income tax	2	-	11
Prepayments	1	-	12
Cash	8	-	131
Assets classified as held for sale	484	-	1,099
Deferred tax	-	-	32
Loans	4	-	29
Trade payables	15	-	57
Income tax	15	-	10
Provisions	-	-	119
Contract liabilities	-	-	-
Other payables	69	-	80
Liabilities relating to assets classified as held for sale	103	-	327
Net assets classified as held for sale	381	-	772



Comments

Assets and liabilities classified as held for sale relate to Safety Services and Healthcare non-core activities, which are disclosed as discontinued operations.

In Q3 2018, Falck divested Safety Services and its Danish medical clinics and associated businesses (Falck Lægehuse, Sirculus and Vikteam). See section 3.

Section 5

Subsequent events



No events have occurred after the balance sheet date affecting the Group's financial position at 30 September 2018.

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