

Nordcar Finance A/S

**Kastaniehøjvej 2
8600 Silkeborg**

CVR no. 27 68 81 60

Annual report for 2023

Adopted at the annual general
meeting on 21 June 2024

Christian Øien Nørring
chairman of the general meeting

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Nordcar Finance A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the general meeting.

Silkeborg, 21 June 2024

Executive board

Christian Øien Nørring
CEO

Supervisory board

Jean-Claude Poupard
chairman

Christian Øien Nørring

Carsten Malmros

Independent auditor's report

To the shareholder of Nordcar Finance A/S

Opinion

We have audited the financial statements of Nordcar Finance A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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 financial statements" section of our report. We are independent of the company 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 requirements and IESBA Code. 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 financial statements

Management is responsible for the preparation of 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Aarhus, 21 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Company details

Nordcar Finance A/S
Kastaniehøjvej 2
8600 Silkeborg

CVR-no. 27 68 81 60

Financial year: 1 January - 31 December 2023

Domicile: Silkeborg

Supervisory Board

Jean-Claude Poupard, chairman
Christian Øien Nørring
Carsten Malmros

Executive Board

Christian Øien Nørring, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	83.910	73.454	37.247	24.635	22.155
Profit/loss before amortisation/depreciation and impairment losses	81.611	70.252	33.093	22.828	19.466
Net financials	-19.549	-11.841	-8.872	-6.871	-6.891
Profit/loss for the year	48.409	45.560	18.892	12.446	9.809
Balance sheet					
Balance sheet total	559.948	600.977	534.213	403.930	413.969
Investment in property, plant and equipment	350.413	518.503	501.972	452.576	398.626
Equity	168.541	150.132	104.572	85.680	73.234
Return on assets	14,1%	12,4%	7,1%	5,6%	4,7%
Solvency ratio	30,1%	25,0%	19,6%	21,2%	17,7%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The main activity of NordCar Finance A/S is motor vehicles leasing and trademark rights management.

Financial review

Financing

NordCar Finance A/S holds rights to various trademarks and web addresses. Moreover, the Company leases motor vehicles. The Company shows a profit after tax of DKK 48.4 million, which is considered more than satisfactory considering the activities of the company.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties

The strong demand for 2nd hand cars has positively influenced the results and activities of NordCar Finance A/S.

Furthermore, it should be noted that the prices of used cars in Europe are still at high level although the prices are expected to have reached the top, and thus the book value of the fleet is not subject to impairment at present (March 2024). The result for 2024 is expected to continue the positive trend.

Uncertainties associated with the expected development of the company

During 2023, NordCar Finance A/S adjusted its rental fleet. Moreover, through cooperation with financial partners, the Company can register the cars with a proportional vehicle registration fee in order to reduce the risk of indirect tax changes and insurance write off, etc.

Furthermore, the Company uses various insurance schemes in order to cover risks relating to other assets.

The Company works actively with its capital structure, including continuous funding of capital requirements. The company is also facing interest rates slightly increasing as applicable for whole market.

Profit/(loss) for the year relative to the expectations most recently expressed

Nordcar Finance A/S managed to achieve a profit of DKK 48.4 million in the year, which is ongoing from the activity in 2022 as expected.

Nordcar Finance A/S expects to continue solid activity in 2024.

Management's review

Statutory corporate governance report

For information regarding the company's compliance in relation to the disclosure requirements relating to CSR and the gender representation in management, sections 99a of the Danish Financial Statements Act, please refer to the annual report of Europcar Group S.A. France. <https://europcar-mobility-group.com/financial/documents/664203193ec03182152446.pdf>

Accounting policies

The annual report of Nordcar Finance A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also 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 measured reliably.

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, production costs and other operating income.

Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue from car rental is recognised in the income statement over the term of the leases.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Production Costs

Production costs comprises direct and indirect costs, including depreciation, amortisation and profits/losses from the sale of fixed assets, incurred to generate the revenue.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for the administrative staff and Management, stationery and office supplies as well as depreciation and amortisation.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions as well as extra payments and repayments under the on-account taxation scheme.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Property, plant and equipment

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Rental cars	3-8 years
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Depreciation period and residual value are reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as an adjustment of depreciation and impairment losses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by writedown for bad debts on the basis of an individual assessment.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that, economic benefits must be given up to settle the obligation.

Income tax and deferred tax

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Liabilities

Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Accounting policies

Cash flow statement

No cash flow statement has been prepared for the company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Financial Highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$

Income statement 1 January - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		83.909.914	73.454.121
Administrative costs		<u>-2.298.692</u>	<u>-3.202.508</u>
Operating profit/loss		81.611.222	70.251.613
Financial income	2	0	24.839
Financial costs	3	<u>-19.548.600</u>	<u>-11.865.931</u>
Profit/loss before tax		62.062.622	58.410.521
Tax on profit/loss for the year	4	<u>-13.653.762</u>	<u>-12.850.299</u>
Net profit/loss for the year		<u>48.408.860</u>	<u>45.560.222</u>
Distribution of profit	5		

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Rental cars	6	<u>553.025.721</u>	<u>566.866.250</u>
Property, plant and equipment		<u>553.025.721</u>	<u>566.866.250</u>
Total fixed assets		<u>553.025.721</u>	<u>566.866.250</u>
Trade receivables		2.923.782	3.430.291
Receivables from group enterprises		3.249.295	29.134.126
Other receivables		<u>749.156</u>	<u>1.546.463</u>
Receivables		<u>6.922.233</u>	<u>34.110.880</u>
Total current assets		<u>6.922.233</u>	<u>34.110.880</u>
Total assets		<u>559.947.954</u>	<u>600.977.130</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		1.000.000	1.000.000
Retained earnings		167.541.105	119.132.245
Proposed dividend for the year		<u>0</u>	<u>30.000.000</u>
Equity	7	<u>168.541.105</u>	<u>150.132.245</u>
Provision for deferred tax	8	<u>43.886.882</u>	<u>38.736.913</u>
Total provisions		<u>43.886.882</u>	<u>38.736.913</u>
Banks		<u>271.053.265</u>	<u>374.161.976</u>
Long-term debt	9	<u>271.053.265</u>	<u>374.161.976</u>
Banks		3.629.291	4.063.373
Trade payables		7.375.563	12.579.381
Payables to group enterprises		41.201.359	0
Joint taxation contributions payable		8.503.792	3.377.705
Other payables		1.558.443	5.053.644
Deferred income	10	<u>14.198.254</u>	<u>12.871.893</u>
Short-term debt		<u>76.466.702</u>	<u>37.945.996</u>
Debt		<u>347.519.967</u>	<u>412.107.972</u>
Total equity and liabilities		<u>559.947.954</u>	<u>600.977.130</u>
Staff	1		
Contingent liabilities	11		
Mortgages and collateral	12		
Related parties and ownership structure	13		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2023	1.000.000	119.132.245	30.000.000	150.132.245
Ordinary dividend paid	0	0	-30.000.000	-30.000.000
Net profit/loss for the year	0	48.408.860	0	48.408.860
Equity at 31 December 2023	1.000.000	167.541.105	0	168.541.105

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Staff		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
2 Financial income		
Interest received from group enterprises	<u>0</u>	<u>24.839</u>
	<u>0</u>	<u>24.839</u>
3 Financial costs		
Interest paid to group enterprises	571.823	0
Other financial costs	<u>18.976.777</u>	<u>11.865.931</u>
	<u>19.548.600</u>	<u>11.865.931</u>
4 Tax on profit/loss for the year		
Current tax for the year	8.503.792	3.377.704
Deferred tax for the year	<u>5.149.970</u>	<u>9.472.595</u>
	<u>13.653.762</u>	<u>12.850.299</u>

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
5 Distribution of profit		
Proposed dividend for the year	0	30.000.000
Retained earnings	<u>48.408.860</u>	<u>15.560.222</u>
	<u>48.408.860</u>	<u>45.560.222</u>

6 Property, plant and equipment

	<u>Rental cars</u>
Cost at 1 January 2023	697.137.803
Additions for the year	350.413.191
Disposals for the year	<u>-329.137.686</u>
Cost at 31 December 2023	<u>718.413.308</u>
Impairment losses and depreciation at 1 January 2023	130.271.553
Depreciation for the year	137.064.581
Reversal of impairment and depreciation of sold assets	<u>-101.948.547</u>
Impairment losses and depreciation at 31 December 2023	<u>165.387.587</u>
Carrying amount at 31 December 2023	<u>553.025.721</u>

7 Equity

The share capital consists of 1.000 shares of a nominal value of DKK 1.000. No shares carry any special rights.

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
8 Provision for deferred tax		
Provision for deferred tax at 1 January 2023	38.736.913	29.264.318
Deferred tax recognised in income statement	<u>5.149.969</u>	<u>9.472.595</u>
Provision for deferred tax at 31 December 2023	<u>43.886.882</u>	<u>38.736.913</u>

9 Long term debt

	<u>Debt at 1 January 2023</u>	<u>Debt at 31 December 2023</u>	<u>Instalment next year</u>	<u>Debt outstanding after 5 years</u>
Banks	<u>374.161.976</u>	<u>271.053.265</u>	<u>0</u>	<u>0</u>
	<u>374.161.976</u>	<u>271.053.265</u>	<u>0</u>	<u>0</u>

10 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

Notes

11 Contingent liabilities

According to the rules of the Danish Act on Registration Tax for Motor Vehicles etc, the company has paid a proportional vehicle registration tax on its vehicles. Consequently, the company is liable for future tax on the vehicles concerned.

On behalf of the company, the company's bank has provided guarantees to a third party at a value of DKK 5,000k.

The company is jointly liable and severally for VAT under the joint registration with Europcar Mobility Group Denmark A/S.

The company is jointly taxed with other group enterpris and is jointly liable and severally with the other group enterprises for payable and unsettled corporation and withholding taxes. Any subsequent corrections to the corporation and withholding taxes may increase the liability of the company.

12 Mortgages and collateral

The company has given a negative pledge of the company's assets to the benefit of a credit institution.

Notes

13 Related parties and ownership structure

Controlling interest

Parent company: Europcar Participations, France

Ultimate parent company: Volkswagen Aktiengesellschaft, Germany

Transactions

Referring to section 98 C, litra 7 of the Danish Financial Statements Act, no information describing transactions with related parties is provided.

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company Europcar Groupe S.A., Frankrig

The consolidated financial statements of Europcar Groupe S.A., Frankrig may be obtained at the following address:

Europcar Groupe S.A
13 ter boulevard Berthier
75017 Paris
France

The company is included in the consolidated financial statements of the ultimate parent company Volkswagen Aktiengesellschaft, Germany

The consolidated financial statements of Volkswagen Aktiengesellschaft, Germany can be obtained at the following address:

Volkswagen Aktiengesellschaft
Hafenstraße 16-18
38442 Wolfsburg
Germany

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Carsten Malmros

Europcar Mobility Group Denmark A/S CVR: 19986292

Board member

On behalf of: Nordcar Finance A/S

Serial number: f9c3a6ca-66df-470a-9c1e-8dfe3d68c01d

IP: 83.89.xxx.xxx

2024-06-19 07:19:58 UTC



Jean-Claude Poupard

Chairman

On behalf of: Nordcar Finance A/S

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2024-06-19 08:49:40 UTC

Christian Øien Nørring

CEO

On behalf of: Nordcar Finance A/S

Serial number: 8522549c-76dd-4ebe-bd6c-cfc44794708

IP: 62.243.xxx.xxx

2024-06-19 08:55:31 UTC



Christian Øien Nørring

Board member

On behalf of: Nordcar Finance A/S

Serial number: 8522549c-76dd-4ebe-bd6c-cfc44794708

IP: 62.243.xxx.xxx

2024-06-19 08:55:31 UTC



Henrik Kragh

PRICEWATERHOUSECOOPERS STATS AUTORISERET

REVISIONSPARTNERSELSKAB CVR: 33771231

State Authorised Public Accountant

On behalf of: PricewaterhouseCoopers Statsautoriseret...

Serial number: 292169fe-bcc9-4004-8f26-66008cf8676e

IP: 208.127.xxx.xxx

2024-06-21 08:25:28 UTC



Christian Øien Nørring

Chairman of the General Meeting

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