

SIXT Danmark A/S

(Mobility Service Danmark A/S)
Kystvejen 42
2770 Kastrup

CVR No. 27972721

Annual Report 2018

14. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 25 March 2019

Henrik Isaksen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of SIXT Danmark A/S for the financial year 1 January 2018 - 31 December 2018.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations and cash flow for the financial year 1 January 2018 - 31 December 2018.

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

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

Kastrup, 29 January 2019

Executive Board

Søren Lithander
Man. Director

Carsten Alberg
Manager

Supervisory Board

Henrik Isaksen

Mads Isaksen

Poul Tvede

Independent Auditor's Report

To the shareholders of SIXT Danmark A/S

Opinion

We have audited the financial statements of SIXT Danmark A/S for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet, cash flows and notes. The financial statements are 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 2018 and of the results of its operations and cash flows for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

Independent Auditor's Report

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

Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

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

Independent Auditor's Report

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Næstved, 29 January 2019

ENGELSTED PETERSEN

Statsaut. revisionsanpartsselskab
CVR-no. 20658231

Lars Engelsted Petersen
State Authorised Public Accountant
mne11683

Company details

Company	SIXT Danmark A/S (Mobility Service Danmark A/S) Kystvejen 42 2770 Kastrup
CVR No.	27972721
Date of formation	9 July 2004
Registered office	Tårnby
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Henrik Isaksen Mads Isaksen Poul Tvede
Executive Board	Søren Lithander, Man. Director Carsten Alberg, Manager
Auditors	ENGELSTED PETERSEN Statsaut. revisionsanpartsselskab Vestre Kaj 2, 1. 4700 Næstved CVR-no.: 20658231

Management's Review

The Company's principal activities

The Company's principal activities consist in car rental.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's result for 2018 shows a profit before tax of DKK 0,0 mio., which the management considers unsatisfactory.

The year 2018 has been influenced by hard competition, and despite a revenue increase margins have been decreasing. In 2018 SIXT has invested in both new sales platform and restructuring as well as a general restructuring and investment in staff.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

The Company expects its operation to develop positively next year due to the measures regarding optimizing management, organization adjustment, focus on cost and product development.

Risks

The Company has not been influenced by any risk apart from ordinary risks in the Company's line of business.

Environmental issues

The Company has not caused any significant impact on the external environment.

Research and development activities

No research and development activities has occurred in the Company.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2018	2017	2016	2015	2014
Net turnover	191.051	186.106	194.422	174.713	145.054
Operating profit/loss	4.854	-3.247	15.769	17.191	11.107
Net financial income and expenses	-4.829	-2.148	-2.852	-1.908	-2.474
Profit/loss for the year	25	-4.590	10.091	11.751	6.509
Investment in non-current assets	3.033	1.542	4.161	1.018	270
Total assets	344.929	243.809	170.810	109.355	93.207
Total equity	31.015	30.990	44.081	33.490	26.238
Return on equity (%)	0,08	-12,23	26,02	40,72	28,32
Solvency ratio (%)	8,99	12,71	25,81	30,63	26,01
Acid test ratio	2	1,6	1,51	1,39	1,36

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of SIXT Danmark A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

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

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

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies**Income Statement****Revenue**

Income from rental and sale of cars is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0%
Leasehold improvements	10 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses as well as realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Tangible assets that are leased and meet the conditions of financial leasing are recognised according to the same guidelines as those applying to purchased assets. At the first recognition in the balance the assets are measured at the lower value of the purchase price of the leased asset and the nominal value of future lease payments. Financially leased assets are subsequently treated as current assets since the leased assets most often are selected and sold before the termination of the lease contracts.

All other leasing contracts are considered as operating leasing and payments regarding operating leasing and other rental cost are recognised in the income statement during the term of the lease. The company's total obligations as to operating leases and rental agreements are stated under contingent liabilities.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Accounting Policies

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Lease commitments

Since the leasing commitments most often are repaid before the termination of the lease contracts and therefore are considered short-termed, the lease commitments are recognised at the present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the individual leases.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting Policies

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$
Acid test ratio	=	$\frac{\text{Total current assets}}{\text{Short-term liabilities}}$
Solvency ratio (%)	=	$\frac{\text{Total equity X 100}}{\text{Total balance}}$

Income Statement

	Note	2018 kr.	2017 kr.
Revenue		191.050.586	186.105.659
Cost of production		-102.145.220	-124.745.691
Other external expense		-18.534.975	-20.310.040
Gross profit		70.370.391	41.049.928
Employee benefits expense	1	-36.395.960	-37.173.556
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-29.120.459	-7.123.608
Profit from ordinary operating activities		4.853.972	-3.247.236
Other financial income from group enterprises		294.582	305.799
Financial income		183.100	100.453
Other financial expense		-5.307.083	-2.554.330
Profit from ordinary activities before tax		24.571	-5.395.314
Tax expense	2	0	804.866
Profit (loss)		24.571	-4.590.448
Proposed distribution of profit (loss)	3		
Retained earnings		24.571	-4.590.448
Distribution of profit (loss)		24.571	-4.590.448

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Fixtures, fittings, tools and equipment	4	3.168.016	2.524.040
Leasehold improvements	5	1.897.705	1.657.344
Property, plant and equipment		5.065.721	4.181.384
Deposits, investments	6	1.621.946	1.616.579
Investments		1.621.946	1.616.579
Fixed assets		6.687.667	5.797.963
Inventories		470.647	1.370.289
Lease assets held for sale		257.369.685	147.817.138
Inventories		257.840.332	149.187.427
Short-term trade receivables		29.490.239	43.831.978
Short-term receivables from group enterprises		18.572.911	18.332.952
Other short-term receivables		0	238.592
Accruals and deferred expenses	7	11.510.800	5.954.936
Receivables		59.573.950	68.358.458
Cash and cash equivalents		20.826.657	20.464.896
Current assets		338.240.939	238.010.781
Assets		344.928.606	243.808.744

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Contributed capital		1.635.000	1.635.000
Retained earnings		29.379.644	29.355.073
Equity		<u>31.014.644</u>	<u>30.990.073</u>
Lease commitments		144.810.646	63.731.532
Long-term liabilities other than provisions	8	<u>144.810.646</u>	<u>63.731.532</u>
Lease commitments		112.559.039	84.085.606
Trade payables		31.027.670	37.545.304
Other payables		25.516.607	27.456.229
Short-term liabilities other than provisions		<u>169.103.316</u>	<u>149.087.139</u>
Liabilities other than provisions within the business		<u>313.913.962</u>	<u>212.818.671</u>
Liabilities and equity		<u>344.928.606</u>	<u>243.808.744</u>
Contingent liabilities	9		
Collaterals and securities	10		
Related parties	11		

Statement of changes in Equity

	Contributed	Retained	
	capital	earnings	Total
Equity 1 January 2018	1.635.000	29.379.644	31.014.644
Profit (loss)	0	24.571	24.571
Equity 31 December 2018	1.635.000	29.404.215	31.039.215

The share capital has remained unchanged for the last 5 years.

The share capital are divided into 1.635.000 shares each with a nominal value of DKK 1.

Cash Flow Statement

	2018	2017
	kr.	kr.
Profit (loss)	4.853.972	-3.247.236
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	2.115.497	1.780.414
Decrease (increase) in inventories	899.642	-704.832
Decrease (increase) in receivables	8.784.508	-1.199.211
Decrease (increase) in trade payables	-8.457.255	-1.910.296
Cash flow from operating activities before financial items	8.196.364	-5.281.161
Interest received	477.682	406.252
Interest paid	-5.307.083	-2.554.330
Cash flow from ordinary operating activities	3.366.963	-7.429.239
Income taxes paid	0	-2.202.244
Cash flows from operating activities	3.366.963	-9.631.483
Purchase of property, plant and equipment	-3.033.168	-1.542.233
Sales of property, plant and equipment	33.333	0
Purchase of investments	-5.367	-37.297
Reclassification of fixed assets to inventories	0	969.608
Correction to depreciation at the beginning of the year	0	21.220
Decrease (increase) in lease assets	-109.552.547	-91.006.573
Cash flows from investing activities	-112.557.749	-91.595.275
Dividends paid, classified as financing activities	0	-8.500.000
Decrease (increase) in lease commitments	109.552.547	91.006.573
Cash flows from financing activities	109.552.547	82.506.573
Net increase (decrease) in cash and cash equivalents	361.761	-18.720.185
Cash and cash equivalents, beginning balance	20.464.896	39.185.081
Cash and cash equivalents, ending balance	20.826.657	20.464.896

Notes

	2018	2017
1. Employee benefits expense		
Wages and salaries	33.293.400	33.795.004
Post-employment benefit expense	1.839.125	1.939.807
Social security contributions	437.065	546.893
Other employee expense	826.370	891.852
	36.395.960	37.173.556
<i>Hereof remuneration to management</i>		
Management and Board of directors	4.950.631	8.830.323
	4.950.631	8.830.323
Average number of employees	86	83
2. Tax expense		
Adjustment of deferred tax	0	-804.866
	0	-804.866
3. Distribution of profit		
Retained earnings	24.571	-4.590.448
	24.571	-4.590.448
4. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	8.317.526	8.497.196
Reclassification to inventories	0	-969.608
Addition during the year, incl. improvements	2.366.254	789.938
Disposal during the year	-250.000	0
Cost at the end of the year	10.433.780	8.317.526
Depreciation and amortisation at the beginning of the year	-5.793.486	-4.251.549
Corrections to depreciation and amortisation at the beginning of the year	0	-21.220
Amortisation for the year	-1.688.945	-1.520.717
Reversal of impairment losses and amortisation of disposed assets	216.667	0
Impairment losses and amortisation at the end of the year	-7.265.764	-5.793.486
Carrying amount at the end of the year	3.168.016	2.524.040

Notes

	2018	2017
5. Leasehold improvements		
Cost at the beginning of the year	2.167.197	1.414.902
Addition during the year, incl. improvements	666.914	752.295
Cost at the end of the year	2.834.111	2.167.197
Depreciation and amortisation at the beginning of the year	-509.853	-250.157
Amortisation for the year	-426.553	-259.696
Impairment losses and amortisation at the end of the year	-936.406	-509.853
Carrying amount at the end of the year	1.897.705	1.657.344
6. Deposits, investments		
Cost at the beginning of the year	1.616.579	1.579.282
Addition during the year, incl. improvements	5.367	37.297
Cost at the end of the year	1.621.946	1.616.579
Carrying amount at the end of the year	1.621.946	1.616.579
7. Accruals and deferred expenses		
Prepaid, lease payments	5.633.441	2.336.396
Prepaid, green vehicle tax	2.000.506	1.881.519
Prepaid, rent	1.774.201	1.108.413
Prepaid, deposits	2.000.000	0
Prepaid, other expenses	102.652	628.608
Balance at the end of the year	11.510.800	5.954.936

Notes**8. Long-term liabilities**

	Due after 1 year	Due within 1 year	Due after 5 years
Lease commitments	144.810.646	112.559.039	0
	144.810.646	112.559.039	0

9. Contingent liabilities

The company has entered into agreements for rental of premises and parking spaces etc. The obligations can be calculated to TDKK 13.022.

The company has entered into agreements on operating leasing of cars where the payments and residual value can be calculated to TDKK 62.022 of which TDKK 29.903 will be due within 1 year.

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount appears from the annual report of HICO Group ApS which is the administration company in the joint taxation.

10. Collaterals and securities

Financially leased assets are owned by the Lessor.

The company has issued guarantees to Københavns Lufthavne A/S regarding rent, TDKK 1.029, to Skattecenter Høje Tåstrup regarding registration tax on cars, TDKK 500 and to Øresundskonsortiet A/S regarding bridge toll, TDKK 25.

11. Related parties

Sixt Danmark A/S' (Mobility Service Danmark A/S) related parties:

HICO Group ApS, Gentofte (Parent Company)
Mobility Lease A/S, København (fellow enterprises)
Green Mobility A/S, København (fellow enterprises)

Ownership:

The following shareholders are registered as owner of more than 5 per cent of the votes and 5 per cent of the share capital:

HICO Group ApS