

SIXT Danmark A/S

(Mobility Service Danmark A/S)

Kystvejen 42,
2770 Kastrup

CVR No. 27972721

Annual Report 2019

15. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 20 March 2020

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 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations and cash flow for the financial year 1 January 2019 - 31 December 2019.

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, 17 March 2020

Executive Board

Philip Scott Lind
Man. Director

Carsten Alberg
Manager

Supervisory Board

Henrik Isaksen
Chairman

Poul Tvede
Member

Mads Isaksen
Member

Independent Auditors' 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 2019 - 31 December 2019, which comprise an income statement, balance sheet, statement of changes in equity, 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 2019 and of the results of its operations and cash flows for the financial year 1 January 2019 - 31 December 2019 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 Auditors' 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 Auditors' 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, 17 March 2020

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
Supervisory Board	Henrik Isaksen Poul Tvede Mads Isaksen
Executive Board	Philip Scott Lind, 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 and car sale.

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 2019 shows a profit before tax of DKK 0,7 mio., which the Management considers as unsatisfactory.

The year 2019 has been influenced by hard competition and pressure on margins. In 2019 SIXT has restricted its business structure with focus on eliminating low margin areas or restructuring. This is done on business segments and sales locations. At the same time we have invested in sales platform and service level through staff training and market aligned services.

Post financial year events

After the end of the financial year, we expect an impact from Covid-19. At this moment it is not possible to foresee how severe impact the disease will have on the business in 2020.

Expectations for the future

Despite a positive outlook for the year 2020 until end February, we expect that significant measures will have to be executed to resist the impact from Covid-19. However, it is the Management's opinion that the Company will have sufficient financing and support from lenders to continue its business.

Risks

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

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

	2019	2018	2017	2016	2015
Net turnover	200.086	191.051	186.106	194.422	174.713
Operating profit/loss	6.640	4.854	-3.247	15.769	17.191
Net financial income and expenses	-5.892	-4.829	-2.148	-2.852	-1.908
Profit/loss for the year	748	25	-4.590	10.091	11.751
Investment in non-current assets	130	3.033	1.542	4.161	1.018
Total assets	318.229	344.929	243.809	170.810	109.355
Total equity	31.763	31.015	30.990	44.081	33.490
Return on equity (%)	2,38	0,08	-12,23	26,02	40,72
Solvency ratio (%)	9,98	8,99	12,71	25,81	30,63
Acid test ratio	1,41	2	1,6	1,51	1,39

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of SIXT Danmark A/S for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

The financial statement have been prepared under the historical cost princip.

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 exclusive of VAT and net of sales discounts.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, 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 based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit 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 on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

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. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

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.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

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

Accounting Policies

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

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

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

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.

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.

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.

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	2019 kr.	2018 kr.
Revenue		200.086.150	191.050.586
Cost of production		-94.705.889	-102.145.220
Other external expense		-21.020.531	-18.534.975
Gross profit		84.359.730	70.370.391
Employee benefits expense	1	-36.946.037	-36.395.960
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-40.773.455	-29.120.459
Profit from ordinary operating activities		6.640.238	4.853.972
Other financial income from group enterprises		297.698	294.582
Financial income		106.077	183.100
Other financial expense		-6.295.545	-5.307.083
Profit from ordinary activities before tax		748.468	24.571
Tax expense		0	0
Profit (loss)		748.468	24.571
Proposed distribution of profit (loss)	2		
Retained earnings		748.468	24.571
Distribution of profit (loss)		748.468	24.571

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Fixtures, fittings, tools and equipment	3	1.634.178	3.168.016
Leasehold improvements	4	1.491.257	1.897.705
Property, plant and equipment		3.125.435	5.065.721
Deposits, investments	5	1.625.455	1.621.946
Investments		1.625.455	1.621.946
Fixed assets		4.750.890	6.687.667
Inventories		474.888	470.647
Lease assets held for sale		212.367.897	257.369.685
Inventories		212.842.785	257.840.332
Short-term trade receivables		53.425.128	25.376.881
Short-term receivables from group enterprises		18.973.245	18.572.911
Other short-term receivables		17.051.538	4.113.358
Accruals and deferred expenses	6	9.974.240	11.510.800
Receivables		99.424.151	59.573.950
Cash and cash equivalents		1.210.964	20.826.657
Current assets		313.477.900	338.240.939
Assets		318.228.790	344.928.606

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Contributed capital		1.635.000	1.635.000
Retained earnings		30.128.112	29.379.644
Equity		<u>31.763.112</u>	<u>31.014.644</u>
Lease commitments		64.474.452	144.810.646
Long-term liabilities other than provisions	7	<u>64.474.452</u>	<u>144.810.646</u>
Lease commitments		147.893.445	112.559.039
Trade payables		53.875.579	31.027.670
Other payables		20.222.202	25.516.607
Short-term liabilities other than provisions		<u>221.991.226</u>	<u>169.103.316</u>
Liabilities other than provisions within the business		<u>286.465.678</u>	<u>313.913.962</u>
Liabilities and equity		<u>318.228.790</u>	<u>344.928.606</u>
Contingent liabilities	8		
Collaterals and securities	9		
Related parties	10		

Statement of changes in Equity

	Contributed	Retained	
	capital	earnings	Total
Equity 1 January 2019	1.635.000	29.379.644	31.014.644
Profit (loss)	0	748.468	748.468
Equity 31 December 2019	1.635.000	30.128.112	31.763.112

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

	2019	2018
	kr.	kr.
Profit (loss)	6.640.238	4.853.972
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	2.070.154	2.115.497
Decrease (increase) in inventories	-4.241	899.642
Decrease (increase) in receivables	-39.850.201	8.784.508
Decrease (increase) in trade payables	17.553.505	-8.457.255
Cash flow from operating activities before financial items	-13.590.545	8.196.364
Interest received	403.775	477.682
Interest paid	-6.295.545	-5.307.083
Cash flows from operating activities	-19.482.315	3.366.963
Purchase of property, plant and equipment	-129.869	-3.033.168
Sales of property, plant and equipment	0	33.333
Purchase of investments	-3.509	-5.367
Decrease (increase) in lease assets	45.001.788	-109.552.547
Cash flows from investing activities	44.868.410	-112.557.749
Decrease (increase) in lease commitments	-45.001.788	109.552.547
Cash flows from financing activities	-45.001.788	109.552.547
Net increase (decrease) in cash and cash equivalents	-19.615.693	361.761
Cash and cash equivalents, beginning balance	20.826.657	20.464.896
Cash and cash equivalents, ending balance	1.210.964	20.826.657

Notes

	2019	2018
1. Employee benefits expense		
Wages and salaries	33.810.305	33.293.400
Post-employment benefit expense	1.742.672	1.839.125
Social security contributions	644.209	437.065
Other employee expense	748.851	826.370
	36.946.037	36.395.960
<i>Hereof remuneration to management</i>		
Management and Board of directors	4.357.663	4.950.631
	4.357.663	4.950.631
Average number of employees	88	86
2. Distribution of profit		
Retained earnings	748.468	24.571
	748.468	24.571
3. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	10.433.780	8.317.526
Addition during the year, incl. improvements	98.369	2.366.254
Disposal during the year	0	-250.000
Cost at the end of the year	10.532.149	10.433.780
Depreciation and amortisation at the beginning of the year	-7.265.764	-5.793.486
Amortisation for the year	-1.632.207	-1.688.945
Reversal of impairment losses and amortisation of disposed assets	0	216.667
Impairment losses and amortisation at the end of the year	-8.897.971	-7.265.764
Carrying amount at the end of the year	1.634.178	3.168.016

Notes

	2019	2018	
4. Leasehold improvements			
Cost at the beginning of the year	2.834.111	2.167.197	
Addition during the year, incl. improvements	31.500	666.914	
Cost at the end of the year	2.865.611	2.834.111	
Depreciation and amortisation at the beginning of the year	-936.406	-509.853	
Amortisation for the year	-437.948	-426.553	
Impairment losses and amortisation at the end of the year	-1.374.354	-936.406	
Carrying amount at the end of the year	1.491.257	1.897.705	
5. Deposits, investments			
Cost at the beginning of the year	1.621.946	1.616.579	
Addition during the year, incl. improvements	3.509	5.367	
Cost at the end of the year	1.625.455	1.621.946	
Carrying amount at the end of the year	1.625.455	1.621.946	
6. Accruals and deferred expenses			
Prepaid, lease payments	3.510.776	5.633.441	
Prepaid, green vehicle tax	2.315.450	2.000.506	
Prepaid, rent	242.729	1.774.201	
Prepaid, deposits	2.000.000	2.000.000	
Prepaid, other expenses	1.905.285	102.652	
Balance at the end of the year	9.974.240	11.510.800	
7. Long-term liabilities			
	Due	Due	Due
	after 1 year	within 1 year	after 5 years
Lease commitments	64.474.452	147.893.445	0
	64.474.452	147.893.445	0

Notes

8. Contingent liabilities

The company has entered into agreements for rental of premises and parking spaces etc. The obligations can be calculated to TDKK 11.105.

The company has entered into agreements on operating leasing of cars where the payments and residual value can be calculated to TDKK 25.062 of which TDKK 16.294 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.

9. 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.

10. Related parties

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

HICO Group ApS, Gentofte (Parent Company)

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