


Avis Budget Leasing Denmark A/S

14, Roskildevej
DK-2620 Albertslund

Central Business Registration No. (CVR-no): 39 48 41 45

Annual Report 2023

Adopted at the Company's Annual General Meeting on 31st May 2024

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Chairman: Hans Waldemar Müller

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Statement by Management on the annual report

We have today presented the annual report of Avis Budget Leasing Denmark A/S for the financial year 1st January 2023 to 31st December 2023.

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 Company's assets, liabilities and financial position at 31st December 2023 as well as the Company's activities and cash flow for the financial year 1st January 2023 to 31st December 2023.

Also, we believe that the management's commentary contains a fair review for the affairs and conditions, the financial outcome for the year and for the financial position referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

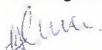
Albertslund, 31st May 2024

Executive Board:

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Donald Richard Hayes
Managing director

Supervisory Board:

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Hans Waldemar Müller

(Chairman)
DocuSigned by:

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Paul Leslie Ford
(Board Member)

DocuSigned by:

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Camilla Larsen
(Board Member)

DocuSigned by:

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Jesper Lund Larsen
(Board Member)

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Donald Richard Hayes
(Board Member)

Independent auditor's reports

To the shareholders of Avis Budget Leasing Denmark A/S

Opinion

We have audited the Financial Statements of Avis Budget Leasing Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes, and a summary of significant accounting policies. 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 financial position of the Company at 31 December 2023, and of the results of the Company operations and cash flows 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' international Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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.

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 judgment and maintain professional skepticism 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.

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- 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.

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 the Management's review

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

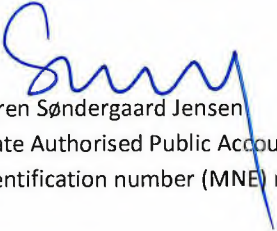
Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Copenhagen, 31st May 2024

BDO

Statsautoriseret Revisionsaktieselskab

Central Business Registration No: 20222670



Søren Søndergaard Jensen
State Authorised Public Accountant
Identification number (MNE) mne32069

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Management's review

Financial highlights

DKK '000,000	2023	2022	2021	2020	2019
Key figures					
Revenue	67,3	54,9	53,7	43,3	41,7
Gross profit/loss	67,3	54,9	53,7	43,3	41,7
Operating profit/loss	20,6	11,2	18,4	23,7	26,6
Financial profit/loss	-10,9	0,0	-0,3	-0,2	0,0
Net profit/loss for the year	1,0	-1,5	2,0	10,4	26,5
Balance sheet total	200,9	273,5	240,0	232,6	204,2
Equity	-1,3	-2,3	39,2	37,2	26,9
Cash flow from operating activities	33,3	53,8	59,2	59,3	64,7
Cash flow from investments	15,6	-101,8	-53,4	-47,4	-188,5
Cash flow from financing	-51,1	29,6	3,4	0,7	124,3
Total cash flow	-2,1	-18,4	9,2	12,7	0,4
Hereof investments in property, plant and eq.	59,1	165,7	536,0	377,1	391,3
Ratios					
Profit ratio	30,6%	20,3%	34,3%	54,9%	63,7%
Gross margin	100,0%	100,0%	100,0%	100,0%	100,0%
Equity ratio	-0,6%	-0,8%	16,3%	16,0%	13,2%
Return on equity	-1171,6%	60,4%	48,1%	74,0%	194,7%
Average number of employees	0	0	0	0	0

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Management's review

Company details

Company

Avis Budget Leasing Denmark A/S
Roskildevej 14
DK-2620 Albertslund

Central Business Registration No (CVR-nr): 39 48 41 45
Registered in: Albertslund

Phone: +45 33 26 80 00

Internet: www.avis.dk

E-mail: info@avis.dk

Supervisory Board

Hans Waldemar Müller (Chairman)
Paul Leslie Ford
Camilla Larsen
Jesper Lund Larsen
Donald Richard Hayes

Executive Board

Donald Richard Hayes (Managing director)

Company Auditors

BDO Statsautoriseret Revisionsaktieselskab

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Management's review

Primary activities

The Company is a regional fleet operating company of the Avis Budget Group, Inc. group of companies ("the Group"). The Company is a provider of fleet across the Denmark market through the well recognised Avis and Budget brands. The differentiated brands help to meet a wide range of customer mobility needs. Avis is a leading vehicle rental brand positioned to serve the premium commercial and leisure segments of the travel industry. Budget is a leading vehicle rental brand focused primarily on more value-conscious segments of the industry.

The strategy of the Company is aligned to those of the Avis Budget Group, Inc. group of companies, which are as disclosed in the consolidated financial statements of Avis Budget Group, Inc. The objective is to drive sustainable, profitable growth for the Company.

Development in activities and outlook

During the year ended 31st December 2023 the Company generated a profit of DKK 1.0 m (2022: loss of DKK 1.5 m).

The Company is well-positioned as part of a global leading group in the evolving mobility marketplace. Mobility is more than providing a clean reliable car of choice for a customer to use to get from point A to point B. Mobility means customers, using their smartphones or tablets, can customise their experiences with our products, services, and employees, bypass the counter or change their minds about the make or model of a vehicle and review their options on their mobile device right up to the moment they exit the parking lot.

The Directors expect the Company to continue to transact business in the mobility sector in the coming year, forecast a continued competitive market, but with plans to continue a program of tight cost control.

Going concern

At the 2023 year end the Company had net current assets of DKK -197.6m (2022: DKK -262.7m). Included within net current assets at the year end are loans on demand to fellow group undertakings of DKK 199.8m (2022: DKK 250.9m).

The Company is reliant on the continued support from Avis Budget EMEA Limited, the intermediate parent undertaking, which confirmed its intention to provide sufficient financial support to enable the Company to trade and discharge its debts and liabilities for a minimum period of 12 months following the date of approval of the financial statements of Avis Budget Denmark A/S for the year ended 31st December 2023.

Based on this, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors have adopted the going concern basis in preparing the Financial Statements.

Business risks

Risk mitigation is a key part of the management of the Company and the Company has a consistent process to identify, manage and help mitigate exposure to issues that may have a negative impact on the business. The relative importance of identified risks is reviewed regularly and in respect of all such risks we continue to monitor and respond to the changing environment. Summarised below are some of the key risks that may affect the Company's business.

Demand

The Company faces various risks associated with demand for its fleet services, which in itself is subject to seasonal variations. There may be disruptions in air travel for a number of reasons including natural disasters, terrorist activity or as a consequence of increased security measures being taken by authorities in anticipation of such a threat. An economic downturn, particularly sudden, poses challenges for the Company given its capital intensity and limited visibility of forward reservations.

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Management's review

Business risks (continued)

Any significant airline capacity reductions, airfare or related fee increases, reduced flight schedules, or any events that disrupt or reduce business or leisure air travel or weaken travel demand and tourism, such as work stoppages, military conflicts, terrorist incidents, natural disasters, disease epidemics, or the response of governments to any such events, could have an adverse impact on the Company's results of operations. For instance, the COVID-19 pandemic outbreak at the beginning of 2020 resulted in increased travel restrictions. In addition, any significant increases in fuel prices, a severe protracted disruption in fuel supplies or rationing of fuel could discourage our customers from renting vehicles or reduce or disrupt air travel, which could also adversely impact our results of operations.

The Company has detailed management reporting systems that help to monitor daily rental patterns and future reservation trends. The Company maintains a flexible business model to allowing it to readily flex fleet and staff when required in response to changes in demand. The Company is dependent on the granting and renewal of concessionary arrangements at airports and railway stations. The Company seeks to maintain strong relationships with all relevant authorities and have a strong track record of renewing such contracts on a regular basis.

Price

The Company is exposed to the risk of price movements in the market. The car rental industry faces pressure from increased price competitiveness as a result of the growth of internet travel portals, other forms of ecommerce and rental brokers. This transparency has increased the prevalence and intensity of price competition. The business has a team and systems that review market prices and demand on a regular basis relative to fleet availability and adjusts prices accordingly.

Fleet

Loss or material change in the terms on which the Company obtains fleet vehicles from major vehicle suppliers could harm the performance of the Company. In the event that the Company could not procure all of the required vehicles from current sources, vehicles could be obtained from other sources, such as dealers. Where difficulties are experienced in sourcing vehicles, or where prevailing economic conditions result in depressed used vehicle prices and reduced demand, these risks may be mitigated by extending the holding period of vehicles.

The Company is facing pressure to ensure its fleet has both electric and hybrid vehicles both from consumer demand, and from purchase agreements with various vehicle manufacturers. The vehicle manufacturing industry is expected to continue to experience significant change in the coming years, in particular as it relates to vehicle electrification. Worldwide demand for electric and hybrid vehicles continues to increase, and manufacturers continue to invest more time and cost into producing these types of vehicles to reduce fuel consumption and greenhouse gas emissions, as mandated by various governmental standards and regulations. If the Company is not adequately prepared to meet consumer demand for electric, hybrid and autonomous vehicles as such demand develops, the financial condition or results of operations could be adversely impacted.

Management's review

Financial risk

The Directors consider that there is limited exposure to financial risk, as the majority of the Company's financial exposure is to other companies within the Avis Budget EMEA Group Inc group. As such the Directors have not implemented a policy for the Company. Instead, the Company's financial risk management objectives and policies are aligned to those of the Avis Budget Group Inc.

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Fleet Residual Values

The Company closely monitors residual values of its vehicles to ensure no impairment is required. Regular monitoring and analysis of market trends allow accurate forecasting of residual values limiting any gain or loss on sale at the end of the vehicle's life. Provisions are made should management see consistent downward trends in residuals values and the used car market. Management uses professional judgement in determining residual value provisions. The best possible information, data, and experience is available to enable informed decisions to be made. In addition, management exercises an element of prudence when valuing the rental fleet using the industry standard valuation model as the basis for measurement. Sensitivity analysis is performed on a regular basis.

Events after the balance sheet date

From the closing of the financial period 2023 and until the date of these financial statements nothing has occurred which essentially changes the content of the report.

The Company evaluated its 31st December 2023 financial statements for subsequent events through the date the financial statements were issued.

Outlook

The Company is well-positioned as part of a global leading group in the evolving mobility marketplace. Mobility is more than providing a clean reliable car of choice for a customer to use to get from point A to point B. Mobility means customers, using their smartphones or tablets, can customise their experiences with our products, services, and employees, bypass the counter or change their minds about the make or model of a vehicle and review their options on their mobile device right up to the moment they exit the parking lot.

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Annual Report 1st January to 31st December**Profit & Loss**

Note	DKK'000	2023	2022
3	Revenue	67.319	54.858
4, 5	Cost of sales	-	-
	Gross profit/loss	67.319	54.858
4, 5	Administrative expenses	(46.714)	(43.698)
	Other operating income	-	-
	Operating profit	20.605	11.160
6	Financial income	364	-
6	Financial expenses	(11.275)	(20)
	Profit/loss before tax	9.693	11.140
7	Tax on profit/loss for the year	(8.681)	(12.633)
	Net profit/loss for the year	1.011	(1.492)

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Annual Report 1st January to 31st December**Balance sheet at 31st December**

<u>Note</u>	<u>DKK'000</u>	<u>2023</u>	<u>2022</u>
	Assets		
	Fixed assets		
	Property, plant and equipment		
8	Fleet	196.297	260.451
	Property, plant and equipment	<u>196.297</u>	<u>260.451</u>
	Fixed assets	<u>196.297</u>	<u>260.451</u>
	Current assets		
	Receivables		
	Other receivables	2.423	8.739
	Receivables	<u>2.423</u>	<u>8.739</u>
	Cash		
	Cash	2.203	4.336
	Cash	<u>2.203</u>	<u>4.336</u>
	Current assets	<u>4.626</u>	<u>13.075</u>
	Assets	<u>200.923</u>	<u>273.526</u>

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Annual Report 1st January to 31st December**Balance sheet at 31st December**

<u>Note</u>	<u>DKK'000</u>	<u>2023</u>	<u>2022</u>
	Liabilities		
	Equity		
	Equity		
	Share capital	500	500
	Retained earnings	<u>(1.753)</u>	<u>(2.764)</u>
	Equity	<u>(1.253)</u>	<u>(2.264)</u>
	Liabilities		
	Short-term liabilities other than provisions		
	Trade payables	-	24.657
13	Payables to group enterprises	199.840	250.944
	Other payables	<u>2.337</u>	<u>190</u>
	Short-term liabilities other than provisions	<u>202.176</u>	<u>275.790</u>
	Total liabilities	<u>202.176</u>	<u>275.790</u>
	Equity and liabilities	<u>200.923</u>	<u>273.526</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 10 Proposed distribution of profit/loss
- 11 Parent Undertaking
- 12 Transactions with related parties
- 13 Contingent liabilities
- 14 Consolidation

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Annual Report 1st January to 31st December

Statement for changes in equity

Note	DKK'000	Share capital	Retained earnings	Prop. dividend	Total
	Brought forward	500	(2.764)	-	(2.264)
	Equity at January 1st 2023	500	(2.764)	-	(2.264)
	Dividends paid		-		-
	Share capital issue	-	-	-	-
	Net profit / (loss) for the year	-	1.011	-	1.011
	Equity at December 31st 2023	500	(1.753)	-	(1.253)

Changes in share capital in the past 5 financial years:

Note	DKK'000	2023	2022	2021	2020	2019
	Share capital at January 1st	500	500	500	500	-
	Increase in capital	-	-	-	-	500
	Share capital at December 31st	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

The share capital consists of 500 shares of DKK 1,000.

The shares have not been divided into classes.

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Annual Report 1st January to 31st December**Cash-flow statement**

<u>Note</u>	<u>DKK '000</u>	<u>2023</u>	<u>2022</u>
	Operating profit/(loss)	20.605	11.160
5	Depreciation, amortisation and impairment losses	46.664	48.989
	Gain / (Loss) on disposal	1.841	4.710
9	Working capital changes	(16.194)	1.574
	Cash flow from operating activities before fina	52.916	66.433
6	Financial expense paid	(11.275)	(20)
7	Paid corporate tax	(8.681)	(12.633)
	Cash flow from operating activities	33.323	53.780
8	Acquisition etc. of property, plant and equipment	(59.124)	(165.662)
8	Sale of property, plant and equipment	74.773	63.871
	Cash flow from investing activities	15.649	(101.791)
	Change in outstandings, group enterprises	(51.105)	69.578
	Dividend paid	-	(40.000)
	Cash flow from financing activities	(51.105)	29.578
	Increase/(decrease) in cash and cash equiva	(2.133)	(18.433)
	Cash and cash equivalents at January 1st	4.336	22.769
	Cash and cash equivalents at December 31st	2.203	4.336

Annual Report 1st January to 31st December**Notes****1 Accounting policies**

The report for Avis Budget Leasing Denmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statement Act applying to medium reporting class C entities.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liability are measured at cost. Measurement subsequent to initial recognition is affected and described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement**Revenue**

Rental income from rental of cars and vans are periodised and are recognized on a linear basis over the rental period following the rental contract. When entering into a rental agreement revenue is recognized corresponding to fair value of the entered contract when transition of the essential benefits and risks with the customer has taken place, the revenue can be worked out in a reliable way and payments is expected to take place. Revenue is recognized net of VAT, duties and sales discounts.

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Annual Report 1st January to 31st December

Notes

1 Accounting policies (continued)

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 amortization.

Other operating income

Other operating income and operating expenses comprise items of secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, etc. as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Assets

Property, plant and equipment

Rental vehicles are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives and residual value of the assets:

	Useful life (months)	Residual value
Rental vehicles	4 -6 months	Based on contractual terms

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. Depreciation is recognized in the income statement as an administrative expense.

Annual Report 1st January to 31st December**Notes****1 Accounting policies (continued)****Property, plant and equipment (continued)**

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

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

Gains and losses on the disposal of items or property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as other operating income or other operating expenses, respectively.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or group of receivables is impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial periods. Prepayments are measured at cost.

Liabilities**Equity**

Dividends proposed for the financial year are presented as a separate item under Equity.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows the Company's cash flow from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Annual Report 1st January to 31st December

Notes

1 Accounting policies (continued)

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisition and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term to maturity of three months or less, which are subject to only minor risks of changes in value.

Financial highlights

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Profit ratio	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Equity ration	$\frac{\text{Equity (ultimo)} \times 100}{\text{Balance sheet total (ultimo)}}$
Return on equity	$\frac{\text{Operating profit} \times 100}{\text{Average equity}}$

Invested capital is defined as net working capital plus property, plant and equipment and intangible assets minus other long-term operating liabilities.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Cash and income tax receivable and payable are not included in net working capital.

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Annual Report 1st January to 31st December

Notes

DKK '000	2023	2022
2 Events after the balance sheet date		
From the closing of the financial period 2023 and until the date of these financial statements nothing has occurred which essentially changes the content of the report.		
The Company evaluated its 31st December 2023 financial statements for subsequent events through the date the financial statements were issued.		
3 Revenue		
Revenue comprises of rental operations of vehicles on the Danish market.		
4 Staff costs		
Average number of employees	-	-
5 Depreciation and amortisation charges		
Fleet	46.664	48.989
	46.664	48.989
Depreciation and amortisation charges are recognised in the income statement as follows:		
Administrative expenses	46.664	48.989
	46.664	48.989
6 Financial income		
Interest income	364	-
	364	-
6 Financial expenses		
Interest expense	(11.275)	(20)
	(11.275)	(20)
7 Tax on profit/loss for the year		
Joint taxation contribution	(8.681)	(12.633)
Change in deferred tax	-	-
Change in corporate tax due to change in tax-%	-	-
	(8.681)	(12.633)
8 Property, plant and equipment	Fleet	Total
Cost at January 1st 2023	306.924	306.924
Additions	59.124	59.124
Reclassifications	-	-
Disposals	(89.614)	(89.614)
Cost at December 31st 2023	276.434	276.434
Depreciation and impairment losses at January 1st 2023	46.473	46.473
Depreciation for the year	46.664	46.664
Reclassifications	-	-
Reversals related to disposals	(13.000)	(13.000)
Cost at December 31st 2023	80.137	80.137

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DKK '000	2023	2022
9 Cash flow - changes in working capital		
Change in receivables	6.316	(3.881)
Change in trade- and other payables	(22.510)	5.455
	(16.194)	1.574
10 Proposed distribution of profit /loss		
Retained earnings	1.011	(1.492)
	1.011	(1.492)
11 Parent undertaking		
The following related parties have a controlling interest in Avis Budget Leasing Denmark A/S:		
Name: Avis Budget Denmark A/S		
Registered office: Denmark		
Basis of influence: 100% owned		
12 Transactions with related parties		
Sale of services to group enterprises	67.319	54.858
Interest expense to group enterprises	11.276	6.649
Payables to group enterprises	199.840	250.944
13 Contingent liabilities		
The Entity participates in a Danish joint taxation arrangement where Avis Budget Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.		
The company has a contingent liability to the company's bank for guarantees of DKK 2,5m.		
14 Consolidation		
Avis Budget Leasing Denmark A/S is included in the consolidated financial statements of:		
Avis Budget Group, Inc.		
6, Sylwan Way		
Parsippany, NJ. 07054		
USA		
Irs.no. 06-0918165		