



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 960 605 128  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: RAC NORWAY AS  
Forretningsadresse: Drengsrudbekken 12  
1383 ASKER

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Nina Anne Bell  
Dato for fastsettelse av årsregnskapet: 17.06.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 12.08.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		436 001 178	647 991 303
<b>Sum inntekter</b>		<b>436 001 178</b>	<b>647 991 303</b>
<b>Kostnader</b>			
Lønnskostnad		85 476 681	114 919 562
Avskrivning på varige driftsmidler og immaterielle eiendeler		23 775 726	29 375 259
Annen driftskostnad		408 193 866	543 847 917
<b>Sum kostnader</b>		<b>517 446 273</b>	<b>688 142 738</b>
<b>Driftsresultat</b>		<b>-81 445 095</b>	<b>-40 151 435</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		249 850	249 584
<b>Sum finansinntekter</b>		<b>249 850</b>	<b>249 584</b>
Rentekostnad til foretak i samme konsern		2 489 027	2 778 159
Annen rentekostnad		5 060 722	2 091 537
Annen finanskostnad		2 288 642	508 506
<b>Sum finanskostnader</b>		<b>9 838 391</b>	<b>5 378 202</b>
<b>Netto finans</b>		<b>-9 588 541</b>	<b>-5 128 618</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-91 033 636</b>	<b>-45 280 053</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-91 033 636</b>	<b>-45 280 053</b>
<b>Årsresultat</b>		<b>-91 033 636</b>	<b>-45 280 053</b>
<b>Overføringer og disponeringer</b>			
Other equity		-91 033 636	-45 280 053
<b>Sum overføringer og disponeringer</b>		<b>-91 033 636</b>	<b>-45 280 053</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		7 420 747	13 357 265
<b>Sum immaterielle eiendeler</b>		<b>7 420 747</b>	<b>13 357 265</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg		110 218 778	104 255 973
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		3 305 736	5 988 212
<b>Sum varige driftsmidler</b>		<b>113 524 514</b>	<b>110 244 185</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	9	1 380 000	1 380 000
<b>Sum finansielle anleggsmidler</b>		<b>1 380 000</b>	<b>1 380 000</b>
<b>Sum anleggsmidler</b>		<b>122 325 261</b>	<b>124 981 450</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer		129 479 334	110 641 263
Andre fordringer		8 283 715	57 674 877
Konsernfordringer		26 879 989	95 210 970
<b>Sum fordringer</b>		<b>164 643 038</b>	<b>263 527 110</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		26 079 345	25 377 231
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>26 079 345</b>	<b>25 377 231</b>
<b>Sum omløpsmidler</b>		<b>190 722 383</b>	<b>288 904 341</b>
<b>SUM EIENDELER</b>		<b>313 047 644</b>	<b>413 885 791</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		11 451 769	8 179 835
Overkurs		179 434 721	2 528 655
Ikke registrert kapitalforhøyelse			61 280 000
<b>Sum innskutt egenkapital</b>		<b>190 886 490</b>	<b>71 988 490</b>
<b>Opptjent egenkapital</b>			
Other equity		-157 651 210	-66 617 574
<b>Sum opptjent egenkapital</b>		<b>-157 651 210</b>	<b>-66 617 574</b>
<b>Sum egenkapital</b>		<b>33 235 280</b>	<b>5 370 916</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Obligasjonslån		119 421 151	103 931 456
<b>Sum annen langsiktig gjeld</b>		<b>119 421 151</b>	<b>103 931 456</b>
<b>Sum langsiktig gjeld</b>		<b>119 421 151</b>	<b>103 931 456</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		21 052 101	19 730 891
Betalbar skatt		4 307 542	14 009 056
Kortsiktig konserngjeld		6 580 038	103 745 945
Annen kortsiktig gjeld		128 451 532	167 097 527
<b>Sum kortsiktig gjeld</b>		<b>160 391 213</b>	<b>304 583 419</b>
<b>Sum gjeld</b>		<b>279 812 364</b>	<b>408 514 875</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>313 047 644</b>	<b>413 885 791</b>



Skatteetaten

Vår dato 27.11.2018	Din dato 28.09.2018	Saksbehandler Henning Stokke
800 80 000 Skatteetaten.no	Din referanse Mark John Kightley	Telefon 800 80 000
Org.nr 996250318	Vår referanse 2018/1203994	Postadresse Postboks 9200 Grønland 0134 Oslo

Avis Budget UK Limited  
Avis Budget Home  
Park Road, Bracknell  
Berkshire RG12 2EW  
United Kingdom

## Permission to prepare the annual accounts and directors' report in English language

— With reference to your letter of 28 September 2018 with respect to the matter above, regarding RAC Norway, org.no. 960 605 128.

Based on a total evaluation, the view of The Directorate of Taxes is that the above mentioned company may state the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

### Background

From the application:

*All the shares in RAC Norway AS are ultimately owned by Avis Budget Group Inc. with head office in Parsippany, NJ, USA. Avis Budget Group specializes in the rental of cars and related operations and services stemming from these operations, including purchase and sale of cars. For more information about the Group's industry / operations, please refer to the web site [www.avisbudgetgroup.com](http://www.avisbudgetgroup.com).*

*The group working language is English, as Avis Budget Group is a global group. The Group operates in sectors where English is the working language. Substantially all communication with RAC Norway AS's primary customers and suppliers is in English. As a result, the employees, the Group's customers and suppliers would understand the financial statements and the annual report in English.*

*We therefore see the requirement in the Accounting Act § 3-4 regarding the preparation of annual accounts and reports in Norwegian as unnecessary. In addition, it is resource-intensive to prepare financial statements in both Norwegian and English. The company believes that all users of the annual report and financial statements would benefit from them being prepared in English.*

The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Side 1 / 2



**Permission to make the annual accounts and the directors' report in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

*"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

Hence, one of the main aims of the Accounting Act is to contribute to *"informative accounts for different users of accounts"*. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is wholly owned by an international Parent Company. Further, the company is part of a global Group, where the Group working language is English. All parties in this trade of business uses and masters the English language.

Please state "our reference" (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Jeanette Munkvold Skovholt  
Senior adviser  
Legal department  
The Directorate of Taxes

Henning Stokke

*This document is electronically approved and thus does not have any hand written signatures.*



BDO AS  
Munkedamsveien 45  
Postboks 1704 Vika  
0121 Oslo

## Uavhengig revisors beretning

Til generalforsamlingen i Rac Norway AS

Uttalelse om revisjonen av årsregnskapet

### Konklusjon

---

Vi har revidert årsregnskapet til Rac Norway AS.

Årsregnskapet består av:

- Balanse per 31. desember 2020
- Resultatregnskap for 2020
- Kontantstrømpstilling for regnskapsåret avsluttet per 31. desember 2020
- Noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

Er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

### Grunnlag for konklusjonen

---

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

### Annen informasjon

---

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon identifisert ovenfor med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi, på bakgrunn av arbeidet vi har utført, konkluderer med at disse andre opplysningene inneholder vesentlig feilinformasjon, er vi pålagt å uttale oss om dette. Vi har ingenting å rapportere i så henseende.

### Styret og daglig leders ansvar for årsregnskapet

---

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig



for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

#### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:  
<https://revisorforeningen.no/revisjonsberetninger>

#### Uttalelse om andre lovmessige krav

##### Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt drift er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

##### Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringskikk i Norge.

BDO AS

Sven Mozart Aarvold  
statsautorisert revisor  
(elektronisk signert)



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.  
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Sven Mozart Aarvold

Partner

På vegne av: BDO AS

Serienummer: 9578-5998-4-921327

IP: 188.95.xxx.xxx

2021-06-18 09:38:11Z



Penneo Dokumentnøkkel: 0MNFO-BDGH7-252EQ-NOPT0-AGXSO-WHXLL

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



**RAC Norway AS**

org. nr. 960 605 128

**Financial Statements**

01.01.2020 to 31.12.2020



## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements of the Company for the year ended 31 December 2020.

### Principal activity and strategic review

The Company is a regional operating company of the Avis Budget Group, Inc. group of companies ("the Group"). The Company is a provider of mobility solutions across the Norwegian 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 Avis Budget Group, Inc. group of companies, which are as disclosed in the consolidated financial statements of Avis Budget Group, Inc. The year 2020 began with a focus on driving sustainable and profitable growth, leveraging the differentiated brands and products, delivering margins from the Company's established business, and positioning itself as a leader in the mobility sector. There were significant impacts in the year on travel demand and the global economy from Coronavirus ("COVID-19"), with revenue reducing to NOK 436.0m (2019: NOK 648.0m). The Company proactively managed the business with cost removal and mitigating actions and at the same time, prioritising health and safety, and enhanced cleanliness and disinfection of rental facilities and vehicles. The Company has aimed to right-size the business for vehicle rental demand by reducing operating costs, in some cases by working with suppliers, landlords and other stakeholder. The Company has also reduced and furloughed employees, making use of government grants where appropriate in order to keep costs in line with demand. The resultant loss for the year ended 31 December 2020 was NOK 91.0m (2019: NOK 45.3m)

In executing the strategy, the Company will continue to position the distinct and well-recognized global brands to focus on different segments of customer demand. While the brands address different use-cases and target customers, the Company achieves efficiencies by sharing the same operational and administrative infrastructure while providing differentiated value propositions tailored to each of the brands.

The Company's distinct and well-recognized global brands focus on different segments of customer demand. The Company continues to support and build the reputation of our Avis brand as an innovative, reliable and high-quality service provider. Investments in technology, including the Avis mobile application and websites, are key parts of the Group's efforts to enhance the Avis experience for our customers. The Budget brand is a global leader among value-conscious vehicle rental consumers who are looking to "get more" from their vehicle rental provider.

The Company plans to drive incremental performance by continuing to improve its customer experience by growing ancillary sales, including services such as providing discounted bundling of products, promoting car class upgrades, piloting new customer vehicle choice models (through the mobile application) and new payment features.

The Company aims to provide a range of vehicles, products and services at competitive prices, to leverage various marketing channels and to maintain marketing affiliations and corporate account contracts that complement each brand's positioning. The Company continues to promote the brands through a variety of efforts, including both on-line and off-line marketing.

The Company maintains a diverse rental fleet, in which no vehicle manufacturer represented more than 25% of fleet purchases, and regularly adjusts fleet levels to be consistent with demand, participating in a variety of vehicle purchase programs with major vehicle manufacturers.

To further support and strengthen the brands, the Company is committed to serving its customers and enhancing their rental experience through new organic offerings that optimize the brands, systems and employees. Customers are regularly surveyed to solicit feedback and to better understand their needs and drive actions to enhance the services.



## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### Going concern

During the year ended 31 December 2020 the Company generated a loss of NOK 91.0m (2019: NOK 45.3m). At the year end the Company had net current assets of NOK 30.3m (2019: net current liabilities of NOK 15.7m). Included within current liabilities as at 31 December 2020 are loans repayable on demand due to fellow group undertakings of NOK 6.6m (2019: NOK 103.7m). The Directors do not recommend the payment of a dividend (2019: NOK Nil).

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. After making enquiries, the Directors have received a letter of support from a parent company, Avis Budget EMEA Limited, confirming that they are willing to provide the necessary financial support and that they have the necessary funds available to pay the Company's debts as they fall due. Thus, the Directors have adopted the going concern basis in preparing the Financial Statements.

The Company has received a capital injection of NOK 118.9m (2019: NOK 61.3m) to strengthen its solidity and mitigate the going concern risk.

### Research and development

The Company has not undertaken any Research & Development activities itself during the year, but benefits from developments being undertaken across the wider Avis Budget Group Inc group. In recent years, the Avis Budget Group has invested significant amounts in developing new technology solutions to simplify car rental.

### Employment policies, practices and gender equality

At the end of the financial year, the Company had 133 employees, compared to 191 employees at the end of 2019. Of the Company's 133 employees (2019: 191), the female share is 32.5% (2019: 35%).

The Company is continuously working to increase the quality and delivery capacity. It is a key goal to be a comprehensive service-oriented organisation, so that our customers perceive the Company as a professional and long-term partner.

The Directors receive various metrics and feedback tools in relation to employees of the Company. The Company Directors and senior managers engage with employees in a number of ways. These include attending town halls and exchange sessions with employees, visiting rental locations, and meeting with employee representatives including as part of an overall Avis Budget Group European Employee Council. In addition, the Company participates in the Avis Budget Group Inc annual "Voice Of The Employee" survey to gain formal feedback on employee feelings and suggestions, and benchmark employee feelings across the group. More informal communication and feedback is also performed through interaction with the Avis Budget Group "Ngage" employee website and mobile application.

The Company wishes to ensure an organisational structure and a working environment in which both the Company and its employees experience growth and development. The employees' satisfaction and the individual's development are the focus areas of the Company and this philosophy supports the scope of the focus area. RAC Norway AS has a policy and practice not to discriminate against people in terms of gender, religion, race, social status, lay-out or functional capacity. This applies to employment, personal development, personal conditions and career development. The Company strives for honesty, integrity and justice for all employees.

### Health, working environment and safety

The absence due to illness in the period has been 6.79% compared to 7.62% in the prior period.

During the year no serious workplace accidents or incidents have occurred or been reported that have resulted in material damage or personal injury.

The Company's working environment committee has held regular meetings and addressed solutions to current issues that have been brought to the committee. The cooperation with the employees' representatives has been constructive and has contributed positively to the Company's operation.

The Directors are committed to the assessment of the Company's working environment.



## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### Environmental certification

The Company is environmentally certified according to ISO 14001. The certification period has a three-year duration and expires on 31 December 2023.

The certification includes all Avis and Budget activity in Norway, and therefore includes all our rental locations, as well as our business at Asker Headquarters.

The Company values the fact that all levels of the organisation are conscious of their responsibilities, thus including employees directly in improvement measures.

Since 2005, RAC Norway AS has chosen DNV GL as certification body which oversees the certification of the Company's stations and departments.

The Company's environmental policies are as follows:

The Company is committed to be a role model for corporate and environmental governance. The main priorities are:

- o To comply with laws and regulations as well as the Company's own environmental goals and activities
- o Being engaged in discussions for improvement of the environment
- o To maintain the work of ISO 14001 by focusing on continuous improvements
- o To maintain the work on CO2 neutralisation measures
- o To find solutions that reduce waste from the business and exploit the resources efficiently
- o To set environmental requirements for all of the Company's suppliers
- o To further develop our environment-oriented Go Green fleet.

The Company's ambition is to appear as a car rental operator which focuses on the environment. RAC Norway AS intends to achieve this goal through active influence of employees, customers, suppliers and partners, as well as the implementation of continuous improvement in all operations.

### 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 the Company continues 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 services, which in itself is subject to seasonal variations. An economic downturn, particularly sudden, poses challenges for the Company given its capital intensity and limited visibility of forward reservations.

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 our results of operations. For instance, the ongoing coronavirus outbreak emanating from China at the beginning of 2020 has 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. 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.



## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### Business risks (continued)

#### *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.

#### *Pandemic risk*

The COVID-19 pandemic has had, and is expected to continue to materially affect the Company's business, financial condition, results of operations and/or cash flows for an extended period. Government authorities have taken and continue to take measures to address the outbreak, including restrictions on travel and other orders, including partial shelter-in-place orders. The pandemic is a highly fluid and rapidly evolving situation, which cannot be anticipated with any certainty the length, scope or severity of such restrictions in each of the jurisdiction that the Company operates.

The full impact that COVID-19 will have on the business cannot be predicted at this time due to numerous uncertainties, including the duration and severity of the outbreak, future mutations in the virus that causes COVID-19, increases or spikes in the number of cases, the availability of vaccines and effectiveness of actions taken to contain the disease, the length of time it takes for rental volume and pricing to return and normal economic and operating conditions to resume, and other factors. This impact could include, but is not limited to, those discussed below.

The Company's revenues and profitability were materially impacted during 2020 compared to prior years, and are expected to continue to be adversely affected. Although the Company believe that renting a vehicle will continue to be a safe, clean and attractive transport alternative, it is unable to predict whether and when volumes will increase to historical levels. The Company typically generates approximately 60% of its revenues from on-airport locations and is highly dependent on travel and both commercial demand and leisure demand. In addition, the van rental business is affected by the housing, light commercial and consumer sectors, all of which have been adversely impacted by the COVID-19 pandemic and cannot predict the pace of recovery in those sectors.

To date the business has incurred, and expects to continue to incur, certain increased costs related to COVID-19, such as costs associated with sanitizing vehicles and facilities. In addition, the industry may become subject to enhanced health and hygiene requirements in attempts to address future outbreaks, which may increase costs and take a significant amount of time to implement across global operations. These additional costs may be required by regulators or expected by consumers even after the effects of COVID-19 subside. In response to the COVID-19 outbreak, the Company has aimed to right-size the business for vehicle rental demand by reducing operating costs, in some cases by working with suppliers, landlords and other stakeholders. There can be no guarantee that costs reduction efforts will be successful as the pandemic continues.

The COVID-19 outbreak has caused the Company to reduce and furlough employees in order to keep costs in line with demand. These actions could create risks, including but not limited to, the Company's ability to manage the size of the workforce given uncertain future demand.

The Company has, and could face disruptions in the supply of vehicles from vehicle manufacturers or supply chain, whether due to outbreaks of COVID-19 at their manufacturing facilities, measures they take in response to COVID-19 or otherwise. The business has faced, and may face additional, delays in receiving delivery of vehicles or other supplies that may make it difficult to meet consumer demand.

The Company is dependent on the used car market to sell vehicles and enable it to refresh its fleet. The used car market has faced and may again experience lower demand due to shutdowns of sales channels, other restrictions and the slowdown in overall global economic activity due to COVID-19, unemployment rates, depressed consumer demand and related factors.



## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

### Pandemic risks (continued)

To date there have been significant increases in unemployment due to the adoption of social distancing and other policies to slow the spread of the virus, which are likely to continue to have a significant negative impact on consumer discretionary spending, including in the mobility industry and the travel industry.

To the extent COVID-19 adversely affects the Group's business, operations, financial condition and operating results, it may also have the effect of heightening many of the other risks described in within Principal Risks and Uncertainties of the Strategic Report.

### 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.

### Environmental laws and regulations

The Company is subject to a wide variety of environmental laws and regulations in connection with its operations. The Company will continue to comply with environmental laws and regulations. Environmental regulatory authorities are likely to continue to pursue measures related to climate change and greenhouse gas emissions, including vehicle emissions. Should rules establishing limitations on greenhouse gas or other emissions or rules imposing fees on entities deemed to be responsible for greenhouse gas emission, or rules establishing bans on diesel or fuel vehicles from entering certain locations become effective, demand for Company's services could be affected, fleet and/or other costs could increase, and Company's business could be adversely impacted.

The Company is driving the efficiencies needed to reduce environmental impacts and enhance the sustainability of operations. These include improvements in vehicle preventive maintenance, the incorporation of green building practices and by complying with all environmental regulations. Customers also have the opportunity to choose from a wide variety of vehicles, including hybrids, electric or fuel-efficient vehicles at almost all of locations. Given that the fleet consists primarily of vehicles from the current and immediately preceding model year, this ensures the highest possible standards of air emissions control.

### Liability and insurance

The nature of the Company's operations exposes the business to several forms of liability, including claims for bodily injury, death and property damage related to the use of the Company vehicles, or for having our customers on our premises, as well as workers' compensation and other employment-related claims by our employees. The Company insures most of its liability exposures through unaffiliated third-party insurers.

As the Company retains a certain element of risk, it may become exposed to uninsured liability at levels in excess of historical levels resulting from unusually high losses or otherwise. In addition, liabilities in respect of existing or future claims may exceed the level of our reserves and/or our insurance, which could adversely impact our financial condition and results of operations. Furthermore, insurance with unaffiliated insurers may not continue to be available to us on economically reasonable terms or at all. Should the Company be subject to an adverse ruling or experience other significant liability for which it did not plan and are unable to adequately insure against such liability, the results of operations, financial position or cash flows could be negatively impacted.

### Financial risks

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 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 Avis Budget Group Inc.



## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

### **Financial risks (continued)**

#### *Credit risk*

The Company manages credit risk by performing credit checks where considered appropriate on corporate customers. Respected credit agencies are used as part of an internal process for setting and reviewing credit lines.

#### *Liquidity risk*

The Company's primary liquidity needs include the procurement of rental vehicles to be used in its operations, servicing of corporate and vehicle-related debt and the payment of operating expenses. The primary sources of funding are operating revenue, cash received upon the sale of vehicles, borrowings under vehicle-backed borrowing arrangements, funding from other companies in the Avis Budget Group Inc group, and other financing activities. The nature of the car rental business model is such that operations have the ability to flex the size of the business and hence funding requirements as required. The Company is primarily funded by secured bank loans, finance lease facilities, and other group undertakings.

#### *Foreign exchange risk*

The Company is exposed to a variety of market risks, including changes in currency exchange rates. Currency risk is managed, where deemed appropriate, through the use of derivative financial instruments, particularly currency forward contracts to manage and reduce currency exchange rate risk.

#### *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.

### **Corporate social responsibility**

As a responsible corporate citizen, the Company is committed to the highest standards of ethics, integrity and compliance in all respects of our business.

The Company's corporate social responsibility practices are aligned to those of Avis Budget Group, Inc. and most recent Corporate Social Responsibility Report ("CSR") is publicly available at [www.avisbudgetgroup.com](http://www.avisbudgetgroup.com).

### **Events after the balance sheet date**

From the closing of the financial period 2020 and until the date of these financial statements nothing has occurred which essentially changes the content of the report.

The Company evaluated its 31 December 2020 financial statements for subsequent events through the date the financial statements were issued. COVID-19 coronavirus has continued to disrupt the global travel industry subsequent to 31 December 2020. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Company expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.



**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**Future developments**

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, it also means providing customers the choice to rent a vehicle or share a vehicle, and to do so by the year, month, week, day, hour or fraction of an hour. Mobility means customers, using their smartphones or tablets, can customize 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.

Consistent with other integral components of the global travel industry, the Company has and will continue to see significant impacts in its business as a result of the COVID-19 outbreak. The COVID-19 outbreak has had, and the Company believes will continue to have, a significant adverse impact on the Company's operations and vehicle rental volumes, and on financial results. The Company expects to see travel demands start to normalize in the latter half of 2021 and as the global economy emerges from COVID-19. 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.

Asker, 17.06.2021

Nina Anne Bell

Chairwoman

Paul Leslie Ford

Board Member

Jason Christopher  
Godsell Turner

Board Member

Camilla Larseh

Board Member

Donald Richard  
Hayes

Board Member



**RAC NORWAY AS**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 NOK	2019 NOK
<b>REVENUE</b>			
Sales	12	<u>436 001 178</u>	<u>647 991 303</u>
<b>Total revenue</b>		<u><b>436 001 178</b></u>	<u><b>647 991 303</b></u>
<b>OPERATING COSTS</b>			
Wages and salaries	5	(85 476 681)	(114 919 562)
Depreciation and amortisation charges	6	(23 775 726)	(29 375 259)
Other operating costs	5,7	<u>(408 193 866)</u>	<u>(543 847 917)</u>
<b>Total operating costs</b>		<u><b>(517 446 273)</b></u>	<u><b>(688 142 738)</b></u>
<b>OPERATING PROFIT/(LOSS)</b>		<u><b>(81 445 095)</b></u>	<u><b>(40 151 435)</b></u>
<b>FINANCIAL EXPENDITURE</b>			
Intercompany interest		(2 489 027)	(2 778 159)
Other interest income		249 850	249 584
Other interest costs		(5 060 722)	(2 091 537)
Other financial costs		<u>(2 288 642)</u>	<u>( 508 506)</u>
<b>Total financial expenditure</b>		<u><b>(9 588 541)</b></u>	<u><b>(5 128 618)</b></u>
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<u><b>(91 033 636)</b></u>	<u><b>(45 280 053)</b></u>
Taxation	4	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><b>(91 033 636)</b></u>	<u><b>(45 280 053)</b></u>
<b>DISTRIBUTION OF PROFIT/(LOSS)</b>			
Other equity		<u>(91 033 636)</u>	<u>(45 280 053)</u>
<b>Total distribution</b>	2	<u><b>(91 033 636)</b></u>	<u><b>(45 280 053)</b></u>



**RAC NORWAY AS  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 NOK</b>	<b>2019 NOK</b>
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>INTANGIBLE ASSETS</b>			
Other intangible assets	6	<u>7 420 747</u>	<u>13 357 265</u>
<b>Total intangible assets</b>		<u>7 420 747</u>	<u>13 357 265</u>
<b>TANGIBLE ASSETS</b>			
Vehicles	6	110 218 778	104 255 973
Inventory and office machines	6	<u>3 305 736</u>	<u>5 988 212</u>
<b>Total tangible assets</b>		<u>113 524 514</u>	<u>110 244 185</u>
<b>TOTAL FIXED ASSETS</b>		<u>120 945 261</u>	<u>123 601 450</u>
<b>CURRENT ASSETS</b>			
<b>DEBTORS</b>			
Accounts receivables		129 479 334	110 641 263
Other receivables - intercompany	8	26 879 989	95 210 970
Other short-term receivables		<u>8 283 715</u>	<u>57 674 877</u>
<b>Total debtors</b>		<u>164 643 038</u>	<u>263 527 110</u>
Cash and deposits		<u>26 079 345</u>	<u>25 377 231</u>
<b>Total cash and deposits</b>		<u>26 079 345</u>	<u>25 377 231</u>
<b>TOTAL CURRENT ASSETS</b>		<u>190 722 383</u>	<u>288 904 341</u>
<b>NON-CURRENT ASSETS</b>			
Investment in a subsidiary	9	<u>1 380 000</u>	<u>1 380 000</u>
<b>Total investment in a subsidiary</b>		<u>1 380 000</u>	<u>1 380 000</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1 380 000</u>	<u>1 380 000</u>
<b>TOTAL ASSETS</b>		<u>313 047 644</u>	<u>413 885 791</u>



## RAC NORWAY AS

### STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 NOK	2019 NOK
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid equity</b>			
Share capital	2,3	11 451 769	8 179 835
Share premium	2	179 434 721	2 528 655
Unregistered capital increase	2		61 280 000
<b>Total paid equity</b>		<u>190 886 490</u>	<u>71 988 490</u>
<b>Earned equity</b>			
Other equity	2	<u>(157 651 210)</u>	<u>(66 617 574)</u>
<b>Total earned equity</b>		<u>(157 651 210)</u>	<u>(66 617 574)</u>
<b>TOTAL EQUITY</b>		<b>33 235 280</b>	<b>5 370 916</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term liabilities vehicles	10	<u>119 421 151</u>	<u>103 931 456</u>
<b>Total long-term liabilities</b>		<u>119 421 151</u>	<u>103 931 456</u>
<b>Short-term liabilities</b>			
Accounts payable		21 052 101	19 730 891
Mandatory public taxation		4 307 542	14 009 056
Short term liabilities intercompany	8	6 580 038	103 745 945
Other short term liabilities	11	<u>128 451 532</u>	<u>167 097 527</u>
<b>Total short-term liabilities</b>		<u>160 391 213</u>	<u>304 583 419</u>
<b>TOTAL LIABILITIES</b>		<u>279 812 364</u>	<u>408 514 875</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>313 047 644</b>	<b>413 885 791</b>

Asker 17 06 2021

Nina Anne Bell

Chairwoman

Paul Leslie Ford

Board Member

Jason Christopher  
Godsell Turner

Board Member

Camilla Larsen

Board Member

Donald Richard  
Hayes

Board Member



**RAC NORWAY AS**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>NOK</b>	<b>NOK</b>
<b>Cash flows from operational activities</b>		
Profit / (Loss) before tax expense	(91 033 636)	(45 280 053)
Loss / (gain) on sale of fixed assets	1 084 697	236 701
Depreciation and amortisation	23 775 726	29 375 259
Change in trade receivables and trade payables	(17 516 861)	(2 595 122)
Change in other time-limited items	1 043 653	16 879 752
Reclassification of tangible fixed assets	-	-
Other non-cash movement	94 992	46 672
<b>Net cash flow from operating activities</b>	<b><u>(82 551 429)</u></b>	<b><u>(1 336 791)</u></b>
<b>Cash flow from investing activities</b>		
Proceeds from the sale of tangible fixed assets	46 538 653	28 152 695
Payments for the purchase of tangible fixed assets	(69 163 508)	(50 177 838)
Reclassification of tangible fixed assets	325 629	126 758
<b>Net cash flow from investing activities</b>	<b><u>(22 299 226)</u></b>	<b><u>(21 898 385)</u></b>
<b>Cash flows from financing activities</b>		
Payment on repayment of long-term debt	(64 814 991)	(59 776 812)
Proceeds for new long-term debt	80 304 686	56 265 096
Unregistered capital increase	-	61 280 000
Registered capital increase	118 898 000	-
Change in receivables from / payables to group companies	(28 834 926)	(19 862 765)
<b>Net cash flow from financing activities</b>	<b><u>105 552 769</u></b>	<b><u>37 905 519</u></b>
<b>Net change in cash and cash equivalents</b>	<b>702 114</b>	<b>14 670 343</b>
Cash and cash equivalents at the beginning of the period	25 377 231	10 706 888
<b>Cash and cash equivalents by end of period</b>	<b><u>26 079 345</u></b>	<b><u>25 377 231</u></b>



**RAC NORWAY AS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**NOTE 1 – ACCOUNTING PRINCIPLES**

The annual financial statements have been prepared in accordance with the Accounting Act and the Norwegian Generally Accepted Accounting Principles. RAC Norway AS is a "general enterprise" in accordance with the Norwegian Accounting Act.

**Revenues**

Revenues are accounted for using the value of the consideration at the transaction date. Revenue comprises charges for the rental of vehicles and is recognised on a daily rental basis. Other revenue including charges arising from the provision of services incidental to vehicle rental are recognised in line with underlying rental revenue. Other revenue also includes fees receivable from sub-licensees which is ordinarily recognised as a contracted percentage of the rental revenue of each individual sub-licensee.

**Classification and assessment of balance sheet items**

Current assets and current liabilities include items due for payment within one year after the date of acquisition, as well as items related to the product cycle. Other items are classified as fixed assets / long-term liabilities. Current assets are valued at the lower of acquisition cost and fair value. Fixed assets are valued at acquisition cost less impairment losses. Fixed assets that have a limited economic life are depreciated according to a reasonable depreciation plan. Fixed assets are written down at fair value through impairment that is not expected to be temporary. The impairment loss should be reversed insofar as the basis for the impairment is no longer present. Long-term debt is capitalised at nominal amount at the date of establishment.

**Tangible fixed assets and depreciation**

Tangible fixed assets are measured at cost less accumulated depreciation and write-downs. When assets are sold or disposed of, the carrying amount is derecognised and any loss or gain is recognised in profit or loss. Cost of acquisition of property, plant and equipment is the purchase price, including taxes and costs related to bringing the asset into service. Expenses incurred after the asset has been put into operation, such as ongoing maintenance, is recognised in the income statement, while other expenses that are expected to give future economic benefits are capitalised.

**Intangible assets and amortisation**

Expenditure on own intangible assets, including own research and development expenses, is capitalised when it is probable that the future economic benefits associated with the assets will flow to the Company and acquisition cost can be measured reliably.

Intangible assets purchased individually are recognised in the balance sheet at cost. Intangible assets acquired on acquisition of business are capitalized at acquisition cost when the criteria for capitalisation are met.

Intangible assets with a limited economic life are amortised on a reasonable plan basis. Intangible assets are written down to recoverable amount if the expected economic benefits do not cover the carrying amount and any remaining cost of production.

**Leasing**

Leases are classified as either financial or operational, based on the actual content of the agreement. If the major economic risk and control associated with the underlying rental asset has been transferred to the lessee, the agreement is classified as financial and related assets and liabilities are capitalised. Other leases are classified as operating and annual leasing fees are expensed as leasing costs. Leasing costs are classified as other operating expenses. Deviations between expensed rent and paid rent are presented as "Other receivables" under current assets or other current liabilities.

**Receivables and payables in foreign currency**

Receivables and liabilities in foreign currency are translated at rates as at 31 December. These relate to transactions with Avis Budget Group Inc companies in other countries, relating to purchases and sales of receivables, as well as monthly taxes on license fees. These matters are settled every month.



**RAC NORWAY AS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**NOTE 1 – ACCOUNTING PRINCIPLES (continued)**

**Accounts receivable**

Trade receivables and other receivables are entered in the balance sheet at nominal value after deduction of provisions for expected losses. Provisions for losses are made on the basis of assessments of the individual receivables. In addition, for other accounts receivable, an unspecified provision is made to cover expected losses.

**Pensions**

The Company has a defined contribution plan. The pension scheme is accounted for in accordance with NRS 6 for pension costs, expensed on an ongoing basis. The Company is obligated to have an occupational pension scheme in accordance with the Act on Compulsory Occupational Pensions and has a pension scheme that satisfies the requirements of this Act.

**Taxation**

The tax expense in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values. Tax-increasing and tax-reducing temporary differences that reverse or may reverse during the same period are offset. Net deferred tax assets are capitalised to the extent that it is likely that they can be utilised. Insofar as group contributions are not recognised in the income statement, the tax effect of the group contribution is directly attributable to the investment in the balance sheet.

**Cash flow statement**

The Company uses the indirect method.

**Estimates**

Management has used estimates and assumptions that have affected the income statement and valuation of assets and liabilities, as well as uncertain assets and liabilities at the balance sheet date in the preparation of the annual accounts in accordance with Generally Accepted Accounting Principles. Actual outcomes may differ from estimates.

**NOTE 2 – EQUITY**

	Share capital (NOK)	Share premium (NOK)	Unregistered capital increase (NOK)	Other equity (NOK)	Total equity (NOK)
As at 01.01.2020	8 179 835	2 528 655	61 280 000	(66 617 574)	5 370 916
Loss for the year	-	-	-	(91 033 636)	(91 033 636)
Unregistered capital increase	1 635 967	59 644 033	(61 280 000)	-	-
Registered capital increase	1 635 967	117 262 033	-	-	118 898 000
Equity as at 31.12.2020	11 451 769	179 434 721	-	(157 651 210)	33 235 280



## RAC NORWAY AS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### NOTE 3 - SHAREHOLDERS

	Number	Nominal value (NOK)	Book value (NOK)
Share capital as at 31.12.2020	1 635 967	7	11 451 769

All shares have the same rights in the Company.

The Company's immediate and ultimate shareholders are:

Name	Number	Ownership
ABG Scandinavia Holdings AS	1 635 967	100%

Company name	Business office
--------------	-----------------

Avis Budget Group, Inc	Delaware USA
------------------------	--------------

Avis Budget Group, Inc is listed on NASDAQ and the consolidated financial statements include ABG Scandinavia Holdings AS and its subsidiaries.

#### NOTE 4 - TAXATION

The tax expense for the period is as follows:

	2020 NOK	2019 NOK
Current tax payable	-	-
Prior year adjustments	-	-
Change in deferred tax	-	-
Taxes on ordinary activities	-	-

The tax payable for the year is shown as follows:

Ordinary profit / (loss) before taxation	(91 033 636)	(45 280 053)
Permanent differences	7 220	21 098
Change in temporary differences	<u>11 161 857</u>	<u>12 496 204</u>
Tax base for the year	(79 864 559)	(32 762 751)
Use of tax losses carried forward	79 864 559	32 762 751
Losses carried forward	-	-
Basis of tax payable	-	-
Tax payable, 22% this year, 22% last year	-	-



**RAC NORWAY AS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**NOTE 4 - TAXATION (continued)**

<b>Temporary differences:</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>
	<b>NOK</b>	<b>NOK</b>	<b>NOK</b>
Tangible fixed assets	47 840 340	53 438 581	(5 598 241)
Receivables	(30 283 009)	(7 982 026)	(22 300 983)
Other differences	(11 394 544)	(28 131 911)	16 737 367
<b>Net temporary differences</b>	<b>6 162 787</b>	<b>17 324 644</b>	<b>(11 161 857)</b>
Differences excluded from deferred tax	132 296 067	41 269 652	91 026 415
Carried forward losses	(138 458 854)	(58 594 296)	(79 864 558)
Basis for calculating deferred tax	-	-	-
Deferred tax asset, 22% this year, 22% last year	-	-	-

<b>Explanation of why the tax expense for the year is not made up of 22% of pre-tax profit:</b>	<b>2020</b>
	<b>NOK</b>
22% tax on profit before tax	(20 027 399)
Permanent differences (22%)	1 588
Interest limitation (22%)	-
Differences excluded from deferred tax	<u>20 025 811</u>
Estimated tax expense	-
Effective tax rate *	0.0%

(\* ) Tax expense in relation to pre-tax profit

**NOTE 5 - EMPLOYEES, ALLOWANCES, ETC.**

The following salary costs have been registered for the Company for the last two years:

	<b>2020</b>	<b>2019</b>
	<b>NOK</b>	<b>NOK</b>
Wages	70 937 165	95 116 292
Employer's costs	10 811 661	14 520 472
Pension costs	2 153 429	654 415
Other benefits	<u>1 574 427</u>	<u>4 628 383</u>
<b>Total labor costs</b>	<b>85 476 682</b>	<b>114 919 562</b>
Average number of employees	158	194
Tax deductions	3 252 404	8 103 549
Pension expense		
Ordinary contribution pension	<u>2 153 429</u>	<u>654 415</u>
<b>Total pension cost</b>	<b>2 153 429</b>	<b>654 415</b>



RAC NORWAY AS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5 - EMPLOYEES, ALLOWANCES, ETC. (continued)

The Company has defined contribution plans. The pension scheme is accounted for in accordance with NRS 6 for pension costs, expensed on an ongoing basis. The Company is obligated to have an occupational pension scheme in accordance with the Act on Compulsory Occupational Pensions and has a pension scheme that satisfies the requirements of this Act.

	CEO	Board
Benefits to senior executives		
Salary and bonus	-	-
Pension costs	-	-
Other benefits	-	-
Total labour costs	-	-

The CEO's benefits and remuneration are borne by a fellow group company.  
No loan / collateral has been granted to the general manager or board members.  
The board consists of internal resources.

Audit Fees	2020	2019
	NOK	NOK
Statutory audit, excluding VAT	747 562	470 076
Other attestation services, excluding VAT	-	-
Other services outside the audit, excluding VAT	-	-
Total audit fees	747 562	470 076

NOTE 6 - TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

	Rental vehicles	Other assets	Building assets	Intangible assets	Total current assets
	NOK	NOK	NOK	NOK	NOK
Acquisition cost 01.01.2020	134 661 168	28 737 485	8 435 077	29 682 590	201 516 320
Fixed assets acquisitions	68 630 117	315 440	217 950	-	69 163 507
Reclassifications	( 130 118)	( 295 511)	100 000	-	( 325 629)
Disposals of the year	(71 124 195)	(7 788 792)	-	-	(78 912 987)
A. Acquisition cost 31.12.2020	132 036 972	20 968 622	8 753 027	29 682 590	191 441 211
Accumulated depreciation 01.01.2020	(30 405 195)	(25 235 968)	(5 948 382)	(16 325 325)	(77 914 870)
Depreciation charges for the period	(14 818 854)	(1 818 045)	(1 202 309)	(5 936 518)	(23 775 726)
Reclassifications	-	60 444	( 60 444)	-	-
Depreciation on disposal	23 405 855	7 788 791	-	-	31 194 646
B. Accumulated depreciation per. 31.12.2020	(21 818 194)	(19 204 778)	(7 211 135)	(22 261 843)	(70 495 950)
Book value 01.01.2020	104 255 973	3 501 517	2 486 695	13 357 265	123 601 450
Book value 31.12.2020	110 218 778	1 763 844	1 541 892	7 420 747	120 945 261
Life expectancy	1-7 years	3 - 5 years	5-10 years	5 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	



**RAC NORWAY AS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**NOTE 7 - LEASES**

The leasing / lease agreements are considered operational and the agreements are not capitalized.

Leased assets	Vehicles	Vehicles
	2020	2019
Costs this year	172 472 843	205 546 148
Lease agreement duration	12 - 36 months	12 - 36 months

The Company has as at 31 December a fleet of operating leases. The Company has entered into agreements with various external suppliers. These agreements vary in duration from 6-36 months.

Non-capitalized leases	Rent of real estate	Rent of real estate
Costs this year	-	-
Remaining rental period	Running	Running

**NOTE 8 - LOAN WITH COMPANY IN THE SAME GROUP**

	Current receivables	Current receivables	Current payables	Current payables
	2020	2019	2020	2019
Avis Budget Denmark AS	-	462 915	( 424 002)	-
Sweden Rent A Car AB	348 501	683 094	-	-
ABG Scandinavia Holdings	-	-	(5 195 481)	(5 195 481)
Avis Budget Group	7 105 768	32 457 929	( 960 555)	( 587 079)
Avis Finance Company Ltd	16 834 134	61 376 516	-	(97 242 657)
Other internal receivables	2 591 586	230 516	-	( 720 728)
<b>Net balance</b>	<b>26 879 989</b>	<b>95 210 970</b>	<b>(6 580 038)</b>	<b>(103 745 945)</b>

The claim of 16,834,134 (2019: -35,866,141) from Avis Finance Company Ltd is a short-term interest-bearing liability.

**NOTE 9: SHARES AND SHARES IN OTHER COMPANIES**

Company name	Ownership	Nominal value	Investment value
Transfercar4u AS	100%	NOK 1 200	NOK 1 380 000

Sveins Bilutleie AS investment of NOK 1.38 million in its subsidiary, Transfercar4u AS, transferred in full to RAC Norway AS in 2017.

The Company is exempt under section 3 - 7 of the Accounting Act from the requirement to present consolidated financial statements as it is a wholly owned subsidiary undertaking of Avis Budget Group, Inc., a company incorporated in the United States of America, which itself prepares consolidated financial statements. These financial statements are for RAC Norway AS only.



RAC NORWAY AS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 10 - LONG-TERM DEBT, VEHICLE LOANS

Other long-term liabilities consist of:	2020	2019
	NOK	NOK
Vehicle loans secured by a lien on purchased vehicles	<u>119 421 151</u>	<u>103 931 456</u>
<b>Total long-term debt</b>	<b>119 421 151</b>	<b>103 931 456</b>

NOTE 11 - OTHER SHORT-TERM LIABILITIES

Other short-term liabilities consist of:	2020	2019
	NOK	NOK
Mandatory holiday pay and other payroll costs	7 298 413	9 787 271
Provisions for damages and other vehicle related costs	59 367 694	64 476 061
Other provisions for accrued costs and liabilities	41 972 845	47 699 077
Other short-term debt	<u>19 812 580</u>	<u>45 135 118</u>
<b>Total other current liabilities</b>	<b>128 451 532</b>	<b>167 097 527</b>

NOTE 12 - REVENUE

Per business area	2020	2019
	NOK	NOK
Vehicle rental - short term rentals	<u>436 001 178</u>	<u>647 991 303</u>
<b>Total</b>	<b>436 001 178</b>	<b>647 991 303</b>

Geographical distribution	2020	2019
	NOK	NOK
Norway	<u>436 001 178</u>	<u>647 991 303</u>
<b>Total</b>	<b>436 001 178</b>	<b>647 991 303</b>