



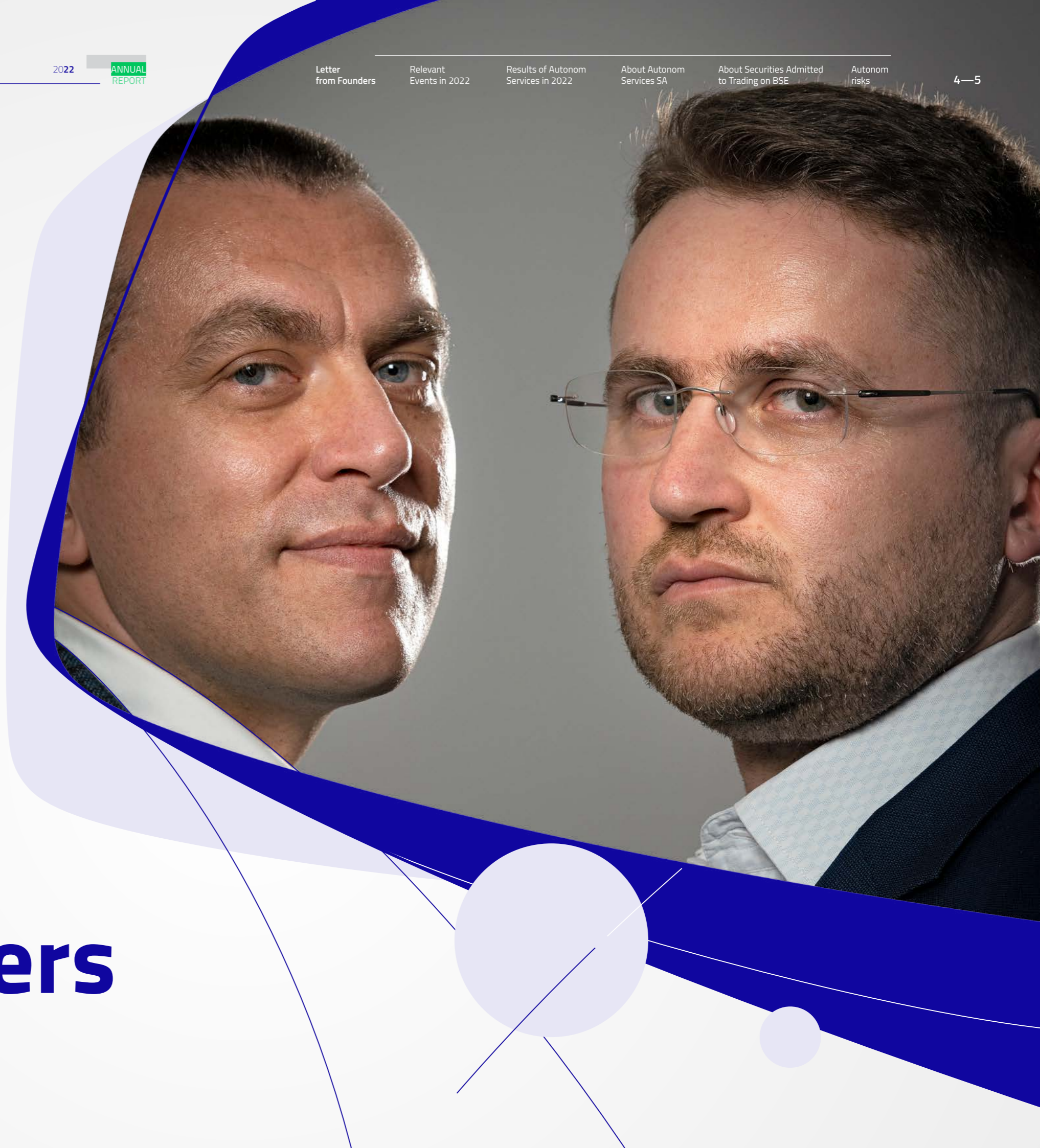
**Autonom** 

# Director's Report

2022  
Autonom Services S.A.

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# Letter from Founders

Dear Partners

We are pleased to report that 2022 was another great year for Autonom, with the 16th consecutive year of growth since the company's founding, with a compound average annual growth rate (CAGR) of 51%.

Since its very beginnings, Autonom has faced various crises and shocks, negative or positive, which have brought about frequent changes in direction due to economic, legislative and social factors. The latest major events, i.e. the outbreak of the pandemic crisis and the geopolitical uncertainties of the time, have challenged us to find **solutions to adapt, progress and take the Company to the next level.**

The last three years have seen volatility, unpredictability, complexity and ambiguity more than ever, with many disruptive factors that have (re)shaped the local and international economic environment. In this context, we have pursued a cautious strategy, we have carefully analyzed any possible scenarios and we have made responsible decisions for the future, together with our

partners. What is interesting is that the V.U.C.A. environment seems to be favorable to Autonom, as it continues to be a very agile organization, even at its current size.

In 2020, in a context where many global mobility operators encountered difficulties, Autonom recorded consolidated revenues of RON 327 million and a net profit of RON 7.2 million. In 2021, despite the circumstances still impacted by the pandemic, we kept growing and recorded revenues of RON 394.3 million (+16% compared to the reference year 2019) and a net profit of RON 22.5 million.

2022 was further marked by multiple shocks at the level of local and global economies: **steep inflation**, worsened by supply chain failures, soaring energy and raw material prices, rising bank loan interest rates and labor costs. We have also witnessed an increased sense of urgency in terms of decisions and actions in the climate crisis.

Nevertheless, for Autonom it was a year of sound performance and **revenues of RON 647.2 million, an increase of 64%** over 2021, and a net **profit of 57.8 million lei, up by 157%**. We continued to strengthen our market position, with 80% organic growth in 2022. Our non-current assets increased by 68% and were in excess of RON one billion for the first time, i.e. they reached RON 1.13 billion. Moreover, the rental fleet increased by 115% in terms of value, reaching RON 597.8 million, while the right-of-use assets increased by 29%, up to RON 480 million. We believe that, in the 16 years of business, we have built the largest mobility ecosystem in Romania, and all this is the direct result of **our long-term business strategy and our organizational culture** based on continuous learning, personal development and autonomy.

We are proud of our compound growth trajectory ("the most powerful force in the Universe"), considering that we made RON 800,000 in revenues in the first year of business, whereas now we bill the same amount **in the span of three hours.**

One of the projects of strategic importance in 2022 was the acquisition of **Tiriac Operating Lease**, a business with over RON 90 million in annual revenues and over RON 200 million in assets. As a result of this acquisition, our fleet grew by over 2,600 cars, marking the second major merger and acquisition in Autonom's history. The takeover was an exemplary performance of our Company's team, a renewed proof of our ability to effectively integrate other companies matching our business model.

Furthermore, we continued the tradition of launching financial firsts in the local market and announced a new financing partner, the **European Investment Bank**, with whom we will accelerate the transition to a green fleet. The EIB's first financing for green transport in Romania will support our efforts to transform mobility solutions for companies and to expand the electric and hybrid car fleet. Another first was the order of 200 Tesla electric cars (Model 3 and Model Y), of which the first lots have already been added to our fleet.



## Performance of business lines

All business lines, including secondary, experienced outstanding performance in 2022 and proved to be the driving force of the Company's growth.

The **Operating Lease** Division continued its positive evolution, with a significant increase of +58% in 2022, compared to the end of 2021, and with revenues of RON 293.9 million. We ended 2022 with a fleet of 10,949 vehicles under operating lease, up 52% compared to the end of 2021.

Our main operating lease customers have historically been small and medium-sized companies, but we are witnessing increasing demand from large customers, with Bergenbier being a great example of a company with complex needs which turned to our services last year. We believe that these results are testimony to the power of Autonom's full services, but also to our brand's becoming increasingly well-known and trusted.

**Autonom Rent-a-Car** also had a year of exceptional results. The Division's revenues increased by 52% in 2022 compared to 2021 and reached RON 104.7 million in 2022; its positive trend was the result of several factors. Firstly, the increase in tourism and passenger traffic on Romanian airports made a significant contribution to the increase in revenues, with Autonom being present in all the major airports across the country. According to data from the Romanian Airports Association (AAR), more than 21 million passengers transited Romanian airports, up 87% compared to 2021.

Secondly, the pressure in the automotive market, caused by delays of deliveries, allowed the market to take advantage of the high demand for temporary mobility solutions, resulting in very high use of assets and prices linked to supply. For Autonom, the occupancy of the rental fleet maintained at over 88% contributed significantly to the increase in revenues.

Another factor that contributed to the exceptional results of 2022 was the progress of the segment for replacement cars in case of accidents. Under Romanian laws, drivers suffering damages following road accidents are entitled to request a replacement car while their car is being fixed, with the costs being covered by the MTPL insurance of the driver at fault.

**Autonom's AutoRulate** car sales Division also recorded very good financial results in 2022. The total revenues from the sale of used vehicles amounted to RON 120.8 million, up 54% compared to 2021, mainly due to the 32% increase in the number of cars sold and the increase in used car prices.

Looking beyond the numbers, Autonom continued to play an active role in the community in 2022 by supporting initiatives that promote entrepreneurship, culture, sports and more. Despite working with various exceptional scenarios in mind, we have never considered the risk of war breaking out in Ukraine as being relevant. Nevertheless, as always, we adapted quickly to the circumstances and our **Help platform** - which we developed and used during the pandemic to provide help for transport - was up and running in less than 24 hours. More than 100 requests came through the platform, for more than transport, from across the country. We went from providing mobility solutions to acting as a link, thus showing our commitment to doing whatever it takes to support the community when we are needed. We even rented cars to journalists for them to get to the war zone to keep the public updated on the front line of the war and expand charity-related activities.

Another important event in 2022 was the 10-year anniversary of **Autonom Foundation** - 10 years of involvement in the community and good deeds, 10 years in which we carried out more than 840 projects with an impact on education. Last year alone, 202 educational projects were carried out, in which more than 300 "Autonom" volunteers were involved and which benefited more than

4,500 children in over 88 localities. Moreover, our personal development pilot program carried out in schools, **Devino Autonom**, reached out to over 450 children.

Overall, 2022 was a year of intensive work that provided all parties involved with excellent results, both in terms of financial and non-financial performance. We would like to thank our teams for their dedication and contribution to Autonom's success, from establishment onwards. Our core values - **innovation, learning and sustainability, will guide us in 2023, too, in order to take Autonom to the next level.**

The main challenge we expect in 2023, in these times of economic uncertainty we are going through, concerns access to financing and its cost, which also comes with a slowdown in the global economy. Significant interest rate increases may influence our decisions regarding Autonom's financing structure. The decision we have made twice so far, to access significant funding on the capital market, helps us greatly now and in the coming period, as it means predictable financing costs and lower risks relating to the volatility of financing costs not transferable to revenues.

Looking forward and assessing our short, medium and long-term objectives, we remain committed to our growth strategy. We are expanding our existing business lines and looking to roll out new services and complementary business divisions as part of Autonom's portfolio to further build on this growth.

Our current vision aims at developing a **mobility and business growth solution hub** to meet the various needs of our customers, legal and natural persons alike, at the highest quality standards.

Thank you for your trust and for sticking with us on this journey!

**Marius Ștefan**

**Dan Ștefan**





# Relevant Events in 2022

## 1. Completion of acquisition of Tiriac Operating Leasing

One of last year's projects of strategic importance to Autonom was the acquisition of Tiriac Operating Lease (Premium Leasing SRL), agreed with Tiriac Group, a business with annual revenues of over RON 90 million, assets of over RON 200 million and a fleet of over 2600 cars. The takeover was an exemplary performance of our Company's team, a renewed proof of our ability to effectively integrate other companies into our business model. The strategic importance of this project is pointed out because, as a result of this acquisition, Autonom has consolidated its market position in the top three players.

## 2. Eur 15 million in funding from the European Investment Bank (EIB) as part of the green fleet transition program

Autonom has announced a new strategic financing partner, i.e. the European Investment Bank, with which it will speed up the transition to a green fleet. The funding amounts to Eur 15 million and aims at increasing the use of electric vehicles and of vehicles with reduced carbon footprint by Romanian companies.

In the mobility sector, where Autonom operates, green investments are key to the Company's sustainable development.

## 3. Management of the crisis in Ukraine and Help initiative

The outbreak of the war in Ukraine took us by surprise because we did not consider it a real risk, but we adapted quickly to the circumstances and our Help platform - which we developed and used during the pandemic - was up and running in less than 24 hours. More than 100 requests came through the Help initiative, and we managed to get involved at the national level, by doing more than just providing transport. We acted as a link, thus once again showing our commitment to doing whatever it takes to support the community when we are needed. We provided vehicles to journalists in order for them to get to the war zone to keep the public updated on the front line of the war.

We got over 100 requests in less than 24 hours after the outbreak of the war and we managed to get involved at the national level. We rented cars to journalists because it was very difficult for them to get to the war zone.

## 4. Community involvement projects

This year marked an important milestone for us and for Autonom Foundation as we celebrated 10 years of involvement in the community, 10 years in which we carried out more than 840 projects with an impact on education.

In 2022, we carried out a total of 202 different education projects, with over 300 Autonom volunteers, for 4500 beneficiaries, in over 88 localities. We are also proud to mention that Devino AutonOM Program included over 450 children from all over the country. A novelty of this program was the development of a sustainability topic.

## 5. Development of Autonom as a brand and supported events in 2022

An important objective pursued last year was the **development of Autonom as a brand**, by defining the positioning, the universe of the brand and the main directions of communication. Together with an external consultant, we outlined **Autonom's brand strategy** for the coming years.

A well-defined brand strategy helps to build a coherent and memorable image in the minds of consumers, achieve brand awareness and loyalty, and increase brand value in the market. By promoting our values through the Company's messages and marketing activities, brand strategy contributes to the creation of an emotional connection and long-lasting relations with customers, which can lead to long-term business success.

Also, a priority for us in 2022 was to increase the visibility of Autonom brand through existing channels, but also through new long-term partnerships to back us in our mission to support **local entrepreneurship, culture and sports**. Here are some of the initiatives we got involved in last year:

- **Business events:** in May, we resumed the series of events for entrepreneurs from all over the country, **Autonom Business Elite**, aiming at strengthening entrepreneurial communities. We successfully organized six editions in Braşov, Constanţa, Iaşi, Cluj, Timişoara and Craiova.
- **Cultural events:** Vast&Curious, George Enescu Festival, Sonoro, Sunscreen.
- **Sports events:** Bucharest Half Marathon and Marathon, Transmarathon, Galaţi Ultramarathon, Hope Run race, Casa Bună Cup, Transfier, Haiduci si Domniţe and more.

## 6. Awards in 2022

We are proud of the numerous awards and accolades we earned for our efforts in 2022. Here are some examples:

- **Capital Market Innovation Award** from Bucharest Stock Exchange for our sustainability-linked bond issue.
- **Gold Level Recognition** as part of **Romania CSR Index 2022** ranking for our performance in terms of sustainability governance, economic, environmental and social impact, as well as for our transparency in disclosing information in our 2021 Sustainability Report.
- **Mobility in New Markets Award** from Profit.ro in recognition of our vision of business integration, expansion into new markets and spectacular growth of our business.
- Last but not least, as a result of the feedback from our current and former co-workers, Autonom was included in the **Top 100 Best Employers** ranked by Undelucram.ro, the largest online community dedicated to employees in Romania.

# Key events in terms of ESG in 2022

## 7. Publication of the first Sustainability Report

In April, we published our first **Sustainability Report**, on a voluntary basis, in which we transparently shared our progress on the objectives set in our Sustainability Strategy. In 2022, we made good progress in reducing our carbon footprint, and the fact that the integration of the Premium Leasing fleet delayed our plan to meet the objectives for the current year pushed us even more to step up our efforts to meet our long-term commitments.

## 8. Joining UN Global Compact and Commitment to the Environment

We joined the UN Global Compact, committing to contribute to the achievement of the 17 Sustainable Development Goals and to support its ten principles concerning human rights, environment, labor and anti-corruption.

Autonom also joined the Commitment to the Environment, the first initiative which has brought together the business community in Romania in assuming a sustainable future and which has attracted over 50 signatories so far.

## 9. Electric car education and awareness projects

Two projects we got involved in to raise awareness of the benefits of hybrid and electric cars were Cars & Roads and RoCharge, projects organized by Autocritica, in which the latest hybrid and electric cars were tested for 9 days by journalists from the automotive press and during which we discussed for the first time about the Business Green solutions provided by Autonom.

## 10. Planting events

One of our community involvement areas in 2022 was the environment, because choosing a responsible lifestyle comes with awareness of our actions and of their long-term impact. We participated in 3 planting actions organized by the NGOs Act for Tomorrow and Viitor Plus, in Prahova (Brazi) and Dolj (Breasta) respectively, aiming at expanding the wooded areas in Romania. The desire to contribute to a greener future brought together more than 90 colleagues from several cities, and we spent a total of 17 hours interacting with the other volunteers, while also learning about the environment.







# Results of Autonom Services in 2022

# The results for 2022 point to the best year yet in Autonom's 16-year history, with double-digit growth across all major lines of business.

The total revenues amounted to RON 647.2 million, up 64% compared to 2021, and the net profit increased from RON 22.5 million to RON 57.8 million (+ 157%).



## Financial results for the 2022 financial year:

Total operating lease income:

**RON 293.900.556**  
(+58% compared to 2021)

Total rent-a-car income:

**RON 104.726.869**  
(+52% compared to 2021)

Total proceeds from used car sales:

**RON 120.809.517**  
(+54% compared to 2021)

Net profit for the period:

**RON 57.792.144**  
(+157% compared to 2021)

The **operating expenses** increased by 60%, mainly driven by the increase in car fleet expenses which increased by more than 3324 units on average, in administrative expenses and in salary expenses.

**Autonom's total assets** increased by 52% from December 31st, 2021, to December 31st, 2022, the recorded value being RON 1.394.122.861. The most significant increases were recorded by the car fleet, intangible assets, inventories, trade receivables and accrued expenses.

The **cash reserves** dropped by 20% due to the investments made from the money collected from the bond issue at the end of 2021.

The **equity** increased by 48% and the reinvested earnings amounted to RON16.444.727.

The **long-term liabilities** increased by 41% and the current liabilities increased by 108%.

**EBITDA** reached 3.42, up 7.54% compared to the previous period.

As a result of the merger registered on May 1st, 2022, the assets taken over from Premium Leasing contributed to the total revenues of Autonom Services for the reporting 8-month period.

# Evolution of Autonom Services fleet

At the end of 2022, Autonom operated a total fleet of 13.680 vehicles, up 41.43% compared to the end of 2021 and 58.04% respectively compared to December 31st, 2020.

There has been an increase in the number of hybrid and electric cars with a reduced carbon footprint in the total fleet of Autonom Services SA, given the substantial progress

in meeting Autonom’s commitment to reduce the carbon emissions of the operational fleet by 25% by 2025, and by 50% by 2030.

The number one priority for Autonom in 2023 is to help boost the share of electric and hybrid cars in Autonom’s total fleet to offset the impact of the added 2.600 cars from the Premium Leasing fleet, the majority of which is made up of vehicles with internal combustion engines.

## Fleet evolution as of December 31st 2022 and December 31st 2021 respectively

	as at December 31st	
	2022	2021
Total number of motor vehicles in the car fleet	13680	9.672
<b>Annual dynamics of the number of motor vehicles in the car fleet</b>	<b>41.43%</b>	<b>11.74%</b>
New motor vehicles added to the fleet	6329	2.776
Used motor vehicles removed from the fleet	2321	1760
<b>Share of the car fleet under operating lease of the total fleet</b>	<b>79.78%</b>	<b>74.78%</b>
<b>Share of the fleet under rent-a-car services of the total fleet</b>	<b>20.22%</b>	<b>25.22%</b>

## Engine

	2022	2021
Diesel	46%	60%
Petrol	41%	34%
Hybrid	11%	4%
Electric	2%	2%

# Results of Main Business Lines in 2022

## Operating lease

Operating lease is a vehicle fleet outsourcing tool aimed at optimizing operating expenses, suitable both for companies with large vehicle fleets and for small entrepreneurial firms that only operate a few vehicles.

even without drawing new customers, if the entire existing customer base were fully capitalized on and if they agreed to gradually operate the entire fleet under operating lease. Moreover, the customers of Autonom Group’s other divisions make up a representative growth base for the operating lease division, and vice versa.

### Total operating lease income:

**RON 293.9 million**

### YoY growth:

**58.3%**

In 2022, we continued to focus on small and medium fleets and managed, once again, to be one step ahead of the market because we had the necessary resources to provide services tailored to the context and in line with our customers’ needs and expectations. The share of customers with large fleets and complex needs in Autonom’s portfolio also increased, with Bergenbier being a relevant example in this respect.

We are concerned with the development of the business environment and local companies and our aim is to turn this concern into a strategic direction for Autonom team. We invest significant resources to support Romanian entrepreneurs to grow and with this in mind, in 2022, once the pandemic restrictions were lifted, we resumed our Autonom Business Elite networking and development events dedicated to local entrepreneurs. We were joined by more than 500 entrepreneurs and top management representatives of companies from the 6 cities we managed to cover - Braşov, Constanţa, Iaşi, Timişoara, Cluj and Craiova. This year we set out to cover more locations and grow Autonom community.

Our top priority in early 2022 was to integrate Premium Leasing into Autonom’s ecosystem. The previous experience from the integration of BT Operational Leasing taught us how to make this process easier and better, putting our focus on people, processes and distribution channels. The takeover of Ţiriac was completed within 1 month from the date of confirmation from the Competition Council, more precisely on May 1st, 2022.

We also got involved in projects, such as Cars & Roads and RoCharge, developed by Autocritica, to increase awareness of electric cars and of their benefits, but also of the changes in the behavior of users, given that the lack of the necessary information can be a barrier to embracing these cars. We also started designing a dedicated operating lease product - **Autonom Business Green** - with additional advantages for those who want to make the transition to an electric car but are still hesitant to take this step because of the range of these cars when it comes to long distances or because they are concerned that an electric car might not be suitable for them.

Autonom has the potential to substantially increase the volumes of business generated with current customers in the medium term, by increasing the number of cars and services outsourced by them. Basically, it would be possible to more than double the Company’s turnover in the operating lease segment in a certain length of time,

Another factor that influenced the positive result of the operating lease segment, but also of the other representative business segments, is the development of the partnership division and the increase in the number of collaborations with banking entities and car dealers.

## Rent-A-Car

Diversified range of short-term car rental services (from one day to 12 months). More than 85% of this division's turnover is generated by legal entities.

Total Rent-A-Car income:

**RON 104.726.869**

Occupancy:

**88%**

Number of agencies:

**46 agencies**

in 33 cities

Last year, the positive evolution was the result of several factors, where demand increased in all three business directions of the division, both from companies and individuals.

Firstly, the increase in tourism and passenger traffic on Romanian airports made a significant contribution to our success, with Autonom being present in all the major airports across the country. According to data from the Romanian Airports Association (AAR), more than 21 million passengers transited Romanian airports, up 87% compared to 2021. Henri Coandă Airport in Otopeni registered the highest number of travelers (12.5 million passengers), followed by Cluj-Napoca, Iași, Timișoara and Suceava Airports.

Secondly, the pressure in the automotive market, caused by delays of deliveries, allowed the market to maintain prices in line with supply levels. Companies appreciated more the flexibility of short and medium-term rental solutions provided to cover immediate mobility needs and thus, medium-term rental services were the perfect solution for companies with immediate transport needs or temporary mobility needs until the cars contracted under operating lease were delivered.

Another factor that contributed to the exceptional results of 2022 was the progress of the segment for replacement cars in case of accidents. Under Romanian laws, drivers suffering damages following road accidents are entitled to request a replacement car while their car is being fixed, with the costs being covered by the MTPL insurance of the driver at fault.

Furthermore, maintaining the fleet occupancy rate at over 88% significantly contributed to the increase in turnover and profitability of this business segment of Autonom Services. This is the result of the decisions to optimally size the fleet, but also to render the organizational model more efficient, by creating regional fleets.



## Used car sales

The cars in the Car Rental and Operating Lease fleets, which have reached the end of their depreciation period, become available to natural person and legal entity customers for purchase.

Total proceeds from Used Car sales:

**RON 120.8 million**

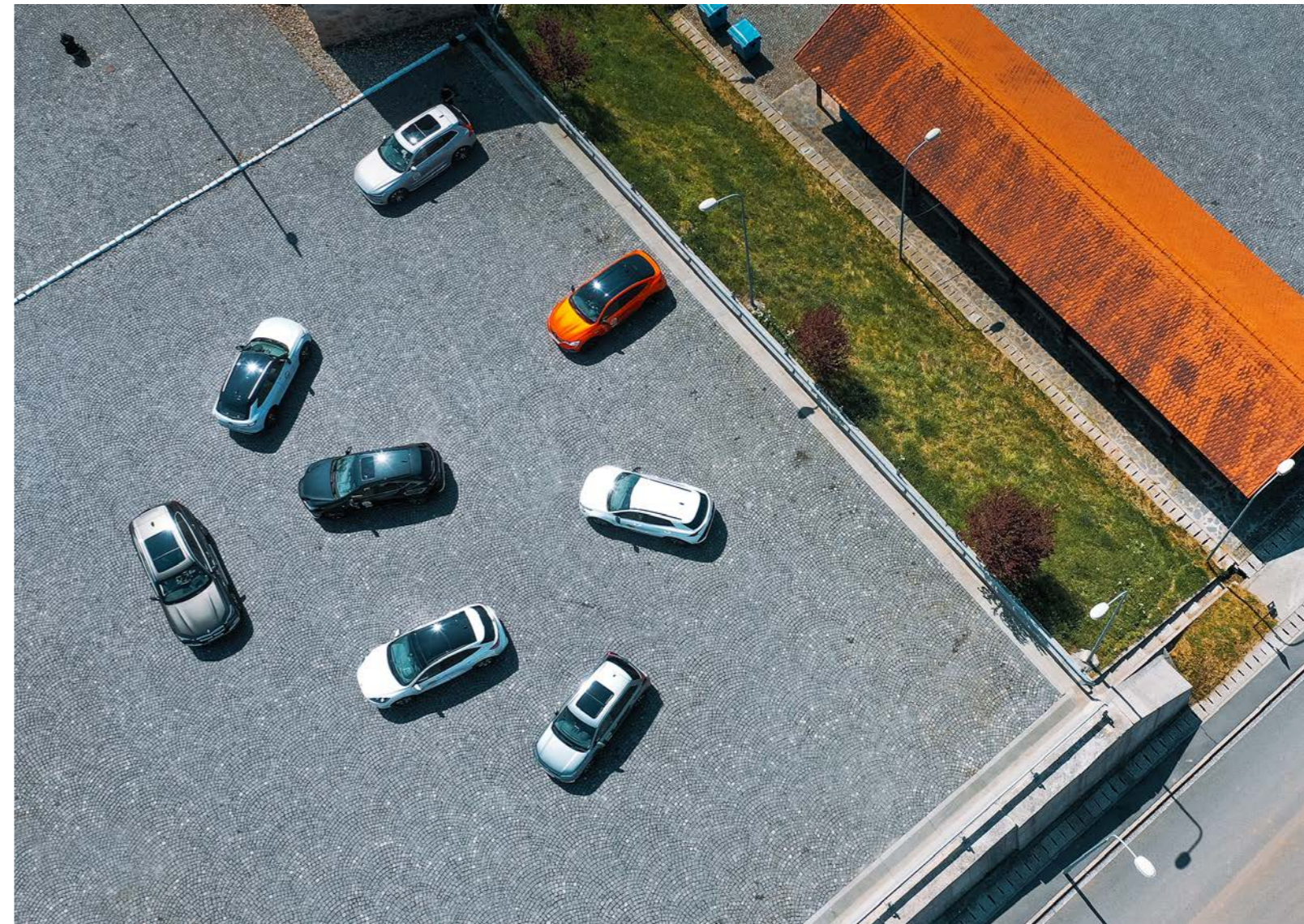
Total used cars sold in 2022:

**2321**

The total revenues from the sale of used vehicles amounted to RON 120.8 million, up 54% compared to 2021, mainly due to the 32% increase in the number of cars sold

and the increase in used car prices, brought about by supply chain challenges. They had a direct adverse impact on the availability of new cars and an indirect positive impact on the increase in demand for used cars. As apparent from our records, the prices of used vehicles increased in the last year by approximately 16.46%, the average price going up from RON 44.692 in 2021 to RON 52.051 in 2022 (excluding VAT).

Another factor that positively impacted the division's results was the 157% increase in the sale of motor vehicles for export, a secondary business line of the division, which brought additional revenues of RON 95.436.103.



# Analysis of Financial Results

The results for 2022 point to the best year yet in Autonom's 16-year history and are testimony to a sustainable long-term growth strategy. While still in an uncertain and unpredictable context generated by the worsened supply chain failures and the protracted conflict in Ukraine, to which the effects of the energy crisis, the increase in the price of raw materials, the galloping inflation and the climate crisis were added, we registered growth in all business lines in 2022 and achieved the highest profit so far.

The results for 2022 are the consequence of Autonom's sound business model, built to withstand external shocks, but also of the management team's experience and the involvement of all team members. Autonom's total revenues in 2022

amounted to RON 647 million, an increase of RON 253 million (64%) compared to 2021, and the net profit rose from RON 22.4 million to RON 57.8 million (+ 157%).

We continued to strengthen our market position both through organic growth, by 80%, and through new acquisitions, such as Premium Leasing, Ţiriac Group's operating lease division, which had a 20% impact in increasing the turnover.

In 2022, the operating lease business saw an increase in its revenues by 58% compared to 2021, the revenues from short-term rentals increased by 52%, and the proceeds from the sale of used cars increased by 54%, an outstanding performance when transposing significant events over the year into figures.

## Dynamics of operating income in 2022

Autonom's operating income in 2022 increased by 64% compared to 2021, and the factors that drove the revenue increase were addressed in the previous chapter.

The factors that drove the revenue increase of Autonom's main business lines were addressed in the previous chapter

	2022	2021	Evolution
Operating lease income	199.852.378	126.237.550	58%
Additional services income	94.048.178	59.405.906	58%
Rent-a-car income	104.726.869	68.703.939	52%
Income from sale of vehicles	95.463.103	37.207.159	157%
Income from sale of vehicles from rental fleet and rental equipment	120.809.517	78.658.071	54%
Other operating income	32.279.105	24.047.926	34%
<b>Total operating income</b>	<b>647.179.149</b>	<b>394.260.552</b>	<b>64%</b>

## Dynamics of operating expenses and operating result in 2022

	2022	2021	Evolution
Fleet expenses	(107.648.738)	(64.955.367)	66%
Cost of vehicles sold	(82.437.347)	(33.292.249)	148%
Cost of cars from rental fleet sold and rental equipment	(98.735.295)	(71.815.599)	37%
Employee benefits expenses	(45.506.114)	(33.393.071)	36%
Administrative expenses	(5.189.707)	(3.596.548)	44%
Depreciation, amortization and impairment of rental fleet and equipment assets, net	(175.150.654)	(112.425.077)	56%
Depreciation, amortization and impairment of other non-current assets	(2.700.375)	(2.773.560)	(3%)
Other operating expenses	(26.004.076)	(16.485.797)	58%
Other (losses) / gains – net	(8.225.875)	(4.650.284)	77%
<b>Total operating expenses</b>	<b>(551.598.181)</b>	<b>(343.387.552)</b>	<b>61%</b>

Autonom's operating expenses increased by 61% in 2022 compared to the similar period of 2021, mainly driven by the 38.37% increase in the average number of motor vehicles being operated.

Of the total expenses in 2022 in the amount of RON 551.6 million, the share of the main cost categories was the following:

- **Expenses incurred for fleet maintenance:** 20% - expenses for repairs, parts, fuel, insurance, parking, car washes and other expenses; up 66%, in line with the increase in the number of cars at the end of the periods under review. This type of expense is a challenge in the current context of inflation, particularly given that the rent set out in operating leases is fixed, regardless of the economic circumstances. Its level is a direct reflection of the operational excellence put into practice to optimize flows.
- **Employee costs:** 8%, up 36% compared to the previous year, driven by a 28% increase in personnel and by salary increase. With the growth of the business, it is only natural that salary costs would go down in terms of percentage

as revenues go up. Considering the importance we attach to human resources, we decided to increase the cost side of salaries with the growth of the business.

- **Expenses incurred for amortization, depreciation and impairment of the car fleet and equipment** - they accounted for 32% of the total expenses and were up 56%, following the same trend as the car fleet.
- One of the factors that impacted the dynamics of operating profitability concerns the amounts entered under "Other net losses/gains" which includes provisions for the impairment of trade receivables. In 2022, there was an effect of impairment of receivables in the amount of RON 8.25 million compared to RON 4.65 million. Fluctuations are, for the most part, caused by specific situations (e.g. unlikely collection of receivables previously identified to be at risk of non-collection or customers for which matters were identified during the period under review that led to making additional adjustments) which impacted the various categories of receivables, including full provisions for existing receivables from Euroins.

## Net profit in 2022

The net profit achieved in 2022 amounted to RON 57.8 million, up 157% compared to 2021. This result is due to the maximization of revenues by optimizing the use of available resources, but also by increasing the customer base and the rates charged.

	2022	2021	Evolution
Operating profit	95.580.968	50.872.999	88%
Finance costs	(35.438.580)	(25.108.036)	41%
Finance income	2.714.656	1.665.616	63%
Other income	2.759.024	-	-
<b>Profit before tax</b>	<b>65.616.068</b>	<b>27.430.580</b>	<b>139%</b>
Income tax expense	(7.823.924)	(4.941.208)	58%
<b>Profit for the period</b>	<b>57.792.144</b>	<b>22.489.372</b>	<b>157%</b>

## Elements of dynamics of assets, liabilities and equity in 2022

Assets	2022	2021	Evolution
<b>Non-current assets</b>	<b>1.130.865.246</b>	<b>672.280.828</b>	<b>68%</b>
Intangible assets	2.660.641	155.204	1.614%
Rental fleet and rental equipment	597.827.538	278.145.403	115%
Right-of-use assets r	479.843.727	373.235.389	29%
Other property, plant and equipment	11.653.069	2.450.245	376%
Investment propertiesi	2.099.924	2.104.198	0%
Investments in equity instruments	-	423.586	-
Trade receivables	535.532	443.281	21%

Assets	2022	2021	Evolution
Loans granted to related parties	36.244.814	15.323.521	137%
<b>Current assets</b>	<b>263.257.616</b>	<b>242.204.603</b>	<b>9%</b>
Inventories	29.918.953	4.147.256	621%
Trade receivables	58.112.605	24.348.005	139%
Other receivables and current assets	12.947.028	12.754.218	2%
Prepayments	2.057.508	714.941	188%
Cash and cash equivalents	160.221.521	200.240.184	(20%)
<b>Total assets</b>	<b>1.394.122.861</b>	<b>914.485.431</b>	<b>52%</b>

Equity	2022	2021	Evolution
Share capital called up	20.000.000	20.000.000	0%
Other capital reserves	44.831.048	28.206.321	59%
Retained earnings	122.519.704	81.172.289	51%
<b>Total equity</b>	<b>187.350.752</b>	<b>129.378.610</b>	<b>45%</b>
<b>Long-term liabilities</b>	<b>902.632.663</b>	<b>634.902.324</b>	<b>42%</b>
Interest-bearing loans and borrowings	231.069.016	45.353.138	409%
Bonds	334.582.598	334.028.717	0%
Lease liabilities	296.540.294	227.527.655	30%
Trade and other liabilitiesi	5.955.733	4.173.800	43%
Deferred income	15.059.722	10.757.817	40%
Deferred income tax liabilities	19.425.299	13.031.196	49%
<b>Current liabilities</b>	<b>304.139.447</b>	<b>150.204.499</b>	<b>102%</b>
Interest-bearing loans and borrowings	110.351.267	28.728.746	284%
Lease liabilities	133.181.152	92.313.731	44%
Trade and other liabilities	41.864.567	22.022.414	90%
Provisions	582.863	548.443	6%
Deferred income	18.159.598	6.591.165	176%
<b>Total liabilities</b>	<b>1.206.772.109</b>	<b>785.106.823</b>	<b>54%</b>
<b>Total equity and liabilities</b>	<b>1.394.122.861</b>	<b>914.485.431</b>	<b>52%</b>

The main assets of Autonom Services are represented by the fleet under operation; the two balance sheet items that account for the dynamics of these assets used in operating lease and rent-a-car services are "Rental fleet and rental equipment" and "Right-of-use assets", where the first item reflects the motor vehicles purchased using operational cash-flows, bank loans or bond issue, and the second item reflects the motor vehicles purchased under financial leases.

The aggregate value of the two items moved forward by 66% as at December 31st 2022 compared to December 31st 2021, which reflects the growth dynamics of the fleet operated by Autonom Services in both business lines.

Autonom is the largest car buyer in Romania. In 2022, 6.329 cars were added to Autonom's fleet, including by acquiring Premium Leasing, making up a 41.43% increase in the total fleet.

The cash and cash equivalents amounting to RON 60.2 million as of December 31st 2022 point out Autonom's solid financial position. The 20% (- RON 40 million) decrease relative to the level in 2021 is justified by the investments made by the Company to purchase assets. Autonom unlocked the cash vehicle purchases in order to capitalize on the opportunities arising from the increase in 2022 in sustainable demand for short and long-term rental services in the market niches targeted by the business model systematically refined by Autonom team over the years.

Autonom also received considerable financial resources in the amount of Eur 15 million from a European Investment Bank financing.

As for the means of fleet financing, i.e. debt instruments, as at December 31st 2022, Autonom opted for a balance between short-term and long-term financial liabilities as follows: corporate bonds (30%), financial lease (39%) and bank loan (31%).

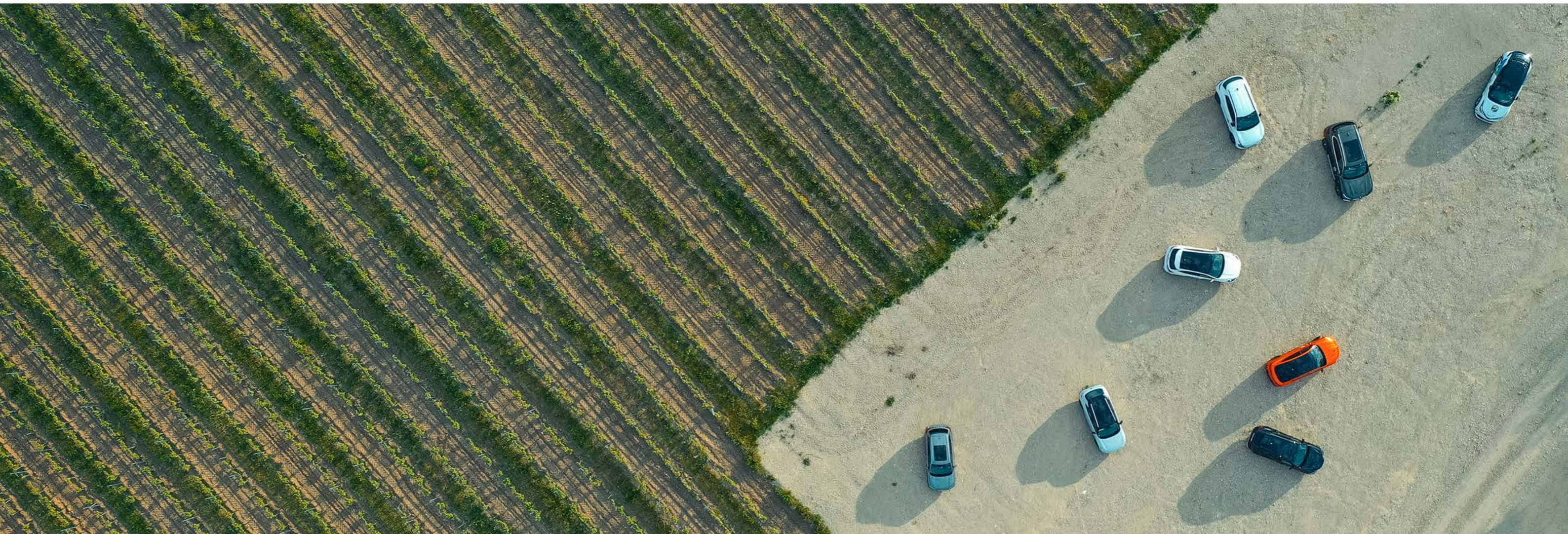
In terms of dynamics, the financial liabilities of Autonom Services as at December 31st 2022 amounted to RON 1.106 million compared to RON 728 million at the end of last year, up 52%, in line with the car fleet growth dynamics.

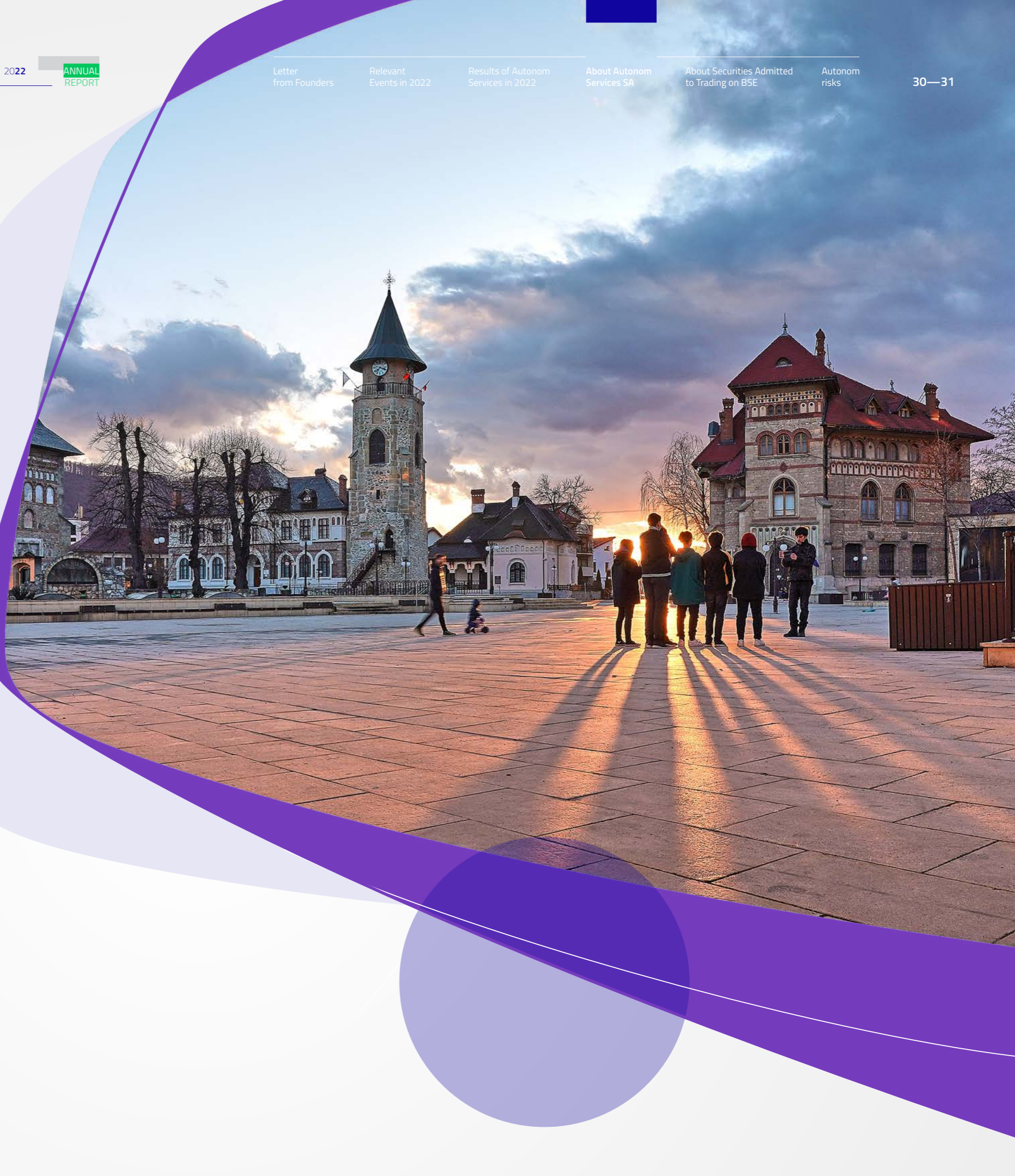
Another important source of financing is equity, which increased by 45% compared to the previous year and reached RON 187 million from RON 129 million. In order to ensure the sustainable growth of its business, Autonom decided not to pay dividends.

Another important aspect is the achievement of financial indicators agreed with investors. The challenge in 2022 was to integrate Premium Leasing, i.e. to incorporate 8 months of EBITDA in the results, considering that the loans had been fully recognized.

Rising purchase prices and new car delays have caused us to build car inventories so we can promptly accommodate our customers' mobility needs.

Therefore, significant cash outflows were redirected to the purchase of cars, and the cash reserves at the end of 2022 were RON 160.2 million, down 20% compared to 2021.





# About Autonom Services SA



Through Autonom Services SA, Autonom Group is the most important Romanian-owned independent player on the operating car lease and rent-a-car market in Romania. Autonom Services SA is an integrated provider of modern mobility solutions, tailored to its customers' needs. The Company owns the most extensive mobility network in Romania and, based on its turnover, is in the top 5 players in the main business sectors: operating lease and car rental.

- Integrated provider of mobility solutions, for companies and individuals;
- National network of 46 agencies in 33 cities in Romania, a business model that stands out compared to its competitors';

- Vehicle fleet as at December 31st 2022: 13680 motor vehicles (10,949 under operating lease, 2731 under rent-a-car services);
- Actual number of employees as at December 31st 2022: 474;
- Romanian-owned independent player: Autonom International is the majority shareholder of Autonom Services SA, with 98% shareholding. The shareholders of Autonom Internațional are Marius Ștefan and Dan Ștefan, with equal shareholdings.

## From start-up to prominent national player in the mobility service market

- Autonom Services SA is a 100% Romanian owned company, established in 2006 in Piatra Neamț;
- Based on its turnover, Autonom Services SA is a top 5 player in its main business segments: operating lease and car rental;
- In 2018, Autonom acquired BTOL, a company founded in 2001, aiming at strengthening its customer portfolio, at realizing economies of scale and at optimizing costs. The Company thus increased its market share and entered into a 5-year distribution agreement with Banca Transilvania. BTOL was taken over by Autonom on January 1st 2021;
- Autonom International is the majority shareholder of Autonom Services, with 98% shareholding. The shareholders of Autonom Internațional are Marius Ștefan and Dan Ștefan, with equal shareholdings;
- In 2018, Autonom became the first company in Romania to be included in the EBRD Blue Ribbon Program, which includes 30 companies from 20 countries where the EBRD is present;
- Autonom was selected in the first edition of "Made in Romania" run by the Bucharest Stock Exchange, in the league of 15 companies of reference for the growth of the Romanian economy;
- Autonom Services is the only local company to be awarded the title of Best Employer for 5 years in a row (2014-2018), according to AON Hewit's global survey, and to be recognized twice as business champion by Business Review;
- Autonom is among the 123 organizations recognized worldwide by WorldBlu, a company which promotes democratic principles and advocates for freedom at work.
- In 2019, the Company changed its visual identity and completed its first bond issue, listed on the Bucharest Stock Exchange;
- In June 2022, Fitch Ratings, one of the top three rating agencies worldwide, awarded Autonom Services SA the IDR (Long-Term Issuer Default Rating) "B+" rating. The corporate bond issue traded under the symbol AUT24E was given a separate rating of "B-".
- In 2021, Autonom announced the publication of its Sustainability Strategy and the issuance of the first Sustainability-Linked Bonds, a first on the Romanian capital market, worth Eur 48.03 million and part of an MTN program amounting to a total of Eur 250 million. The targets set by means of the Framework Document were seen as "ambitious" by Sustainalytics, and the chosen key performance indicator was considered to be "very strong"; Sustainalytics also acknowledged the alignment with the ICMA (International Capital Market Association) Principles.
- In 2022, it published its first Sustainability Report presenting the results for 2021 in terms of environmental, social and governance matters.
- In 2022, Autonom acquired Țiriac Operating Lease (Premium Leasing SRL), a business with annual revenues of RON 90 million, assets of over RON 200 million and a fleet of over 2600 cars and managed to exceed the threshold of 10,000 cars under operating lease and to strengthen its position on the market.
- Autonom received Eur 15 million in funding from the European Investment Bank, funds that will allow to increase the use of electric vehicles and vehicles with reduced carbon footprint by Romanian companies.



# Main Business of the Company

## Operating lease:

The main category of services provided by the Group under contracts with durations from 12 to 57 months.

Operating lease is an outsourcing product, aiming at optimizing operating expenses; the contracts are full service and are hard to reverse because customers develop high dependency.

Careful commercial risk management policy through the Financial and Risk Department.

High granularity of customers, focus on SME customers (average fleet/customer ~ 5 motor vehicles).

The operating lease business accounts for 45% of Autonom Services SA's total revenues for 2022

## Rent-A-Car

Diversified range of short-term car rental services (from one day to 12 months).

The car rental business accounted for 16% of Autonom Services S.A.'s total revenues for 2022.

## Used car sales

Wide range of cars in our car rental and operating lease fleets: motor vehicles and commercial vehicles for natural and legal person customers.

The used car sale business accounted for 19% of Autonom Services S.A.'s total revenues for 2022.

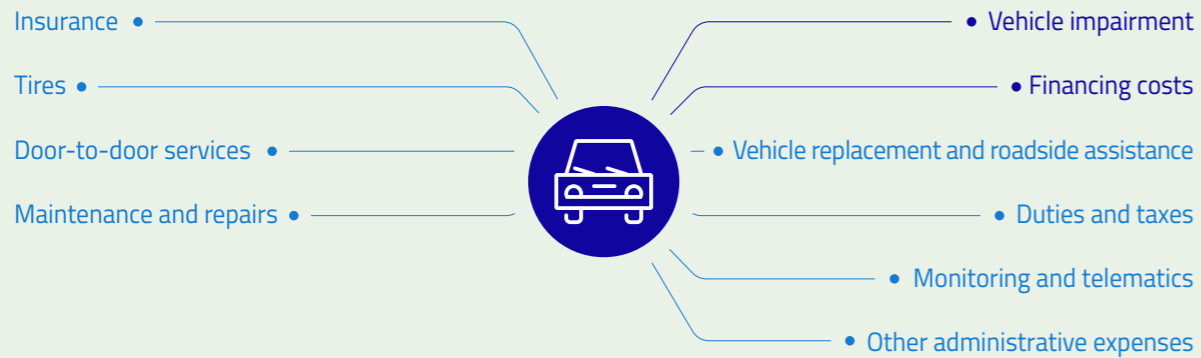
## Distribution channels for the operating lease, rent-a-car and used car sale business lines:

The main method of attracting customers is through the Company's direct sales force. The Company also uses the following distribution channels:

- Internet portals built for market education and lead generation, including: [www.leasingoperational.ro](http://www.leasingoperational.ro), [www.leasingoperational.com](http://www.leasingoperational.com), [www.autonom.ro](http://www.autonom.ro), [www.autonom.com](http://www.autonom.com), [www.autoinlocuire.ro](http://www.autoinlocuire.ro) or [www.rentavan.ro](http://www.rentavan.ro). Furthermore, the Company also owns over 200 relevant Internet domains, in various stages of development;

- Partnerships with financial-banking institutions, car importers and dealers, equipment importers/distributors, financing and insurance brokers.

## Fixed monthly payment components



## Benefits

- Lower operating expenses
- Optimized balance sheet
- High flexibility and focus on core business
- Predictability of car fleet expenses
- Simplified internal processes



# Positioning of the Company

Autonom Services SA is a major integrated provider of mobility solutions, with operations across the country, to which companies can outsource their mobility services, in whole or in part.

From its privileged position, the Company provides various mobility solutions to SMEs and entrepreneurial companies in Romania, with fleets of up to 100 passenger or commercial vehicles, via its network of 46 agencies present in 33 cities in Romania.

## Romanian markets where Autonom operates

The operating lease and rent-a-car markets are dominated by multinational companies. Autonom Group is the most important independent operator on the operating lease and rent-a-car market in Romania.

Multinational licensees active in the rent-a-car industry have primarily targeted airport locations, while the Group has developed an extensive nationwide agency network across 33 cities, which has enabled it to have access to various customers.

### Operating lease market in Romania

According to the latest data provided by ASLO (Association of Operating Lease Companies) in March 2023, the number of vehicles operated under operating lease increased by 5% compared to the end of 2021, thus exceeding the threshold of 80,000 units being managed.

As at present, there is no relevant data on the size of the rent-a-car market in Romania in 2022. Autonom estimates that the rental market in Romania has reached the threshold of 10,000 cars.

According to data centralized by the Association of Operating Lease Companies, the top 5 member companies include: Arval Service Lease România, LeasePlan România, ALD Automotive, Autonom Services and New Kopel (SIXT Group Romania).

### Used car market

The used car market is extremely fragmented - there are sales conducted through dedicated websites, specialized suppliers, car dealers, leasing and rent-a-car companies, as well as individual sales. The import of used cars in Romania is quite significant. Therefore, Autonom's market share is difficult to estimate.

### Rent-A-Car market in Romania

The rent-a-car market is also dominated by multinational groups in the industry present on the mature markets in Europe and the United States (Avis, Europcar, Sixt, Hertz, Enterprise).

According to ACAROM, the number of second-hand cars registered in Romania for the whole year of 2022 was 316,332 units, down 20% compared to 2021, i.e. 395,759 units.

# Autonom Management: Direction, Management and Supervisory Bodies

## General

The Company is directed by a Board of Directors made up of 3 (three) directors appointed by the General Meeting of Shareholders for a 4 (four) year term. According to the Company's Articles of Incorporation, the majority of the Company's directors is non-executive directors, at any time.

each employed by the Company as Managing Director (COR code 112028), both have a decision-making role and a decisive contribution in terms of Company strategy and development direction.

The management of the Company is delegated by the Board of Directors to a managing director. The current managing director of the Company is Ms. Mihaela-Angela Irimia ("Managing Director"), appointed for an indefinite period on November 1st, 2014. The Company is represented by its Managing Director in dealings with third parties and in court. Mr. Marius Ștefan and Mr. Dan George Ștefan,

Autonom Services SA's share capital is held as follows: (i) Autonom Internațional S.R.L. owns 1,960,000 shares, accounting for 98%, (ii) Marius Ștefan owns 20,000 shares, accounting for 1%, and (iii) Dan-George Ștefan owns 20,000 shares, accounting for 1%. Autonom International S.R.L. is controlled in equal parts (50%) by the brothers Dan-George Ștefan and Marius Ștefan, who exercise control over the Company.

Last name and first name	Capacity	Date of appointment	Expiration date of term of office
Mihaela-Angela Irimia	Chair of the Board of Directors	March 13th 2013	November 6th 2026
Elena-Gianina Gherman	Member of the Board of Directors	November 7th 2014	November 6th 2026
Dan Iacob	Member of the Board of Directors	November 7th 2014	November 6th 2026

The professional office of each member of the Board of Directors and of the Managing Director is in Municipiul Piatra-Neamț, str. Fermelor nr. 4, județul Neamț.

The Managing Director's duties are as follows (i) to employ and dismiss the Company's personnel, (ii) to approve receipts and payments up to the amount set by the Board of Directors in this regard and (iii) to carry out the Board of Directors' decisions.

## Managing Director's duties

The Company's operational management rests with the Managing Director, who is responsible for taking all measures relating to the management of the Company, while complying with the powers reserved to the Board of Directors and the General Meeting of Shareholders.

The Managing Director has the obligation to inform the Board of Directors on a regular basis about the operations undertaken and any other matters envisaged, including any irregularities found during the performance of their duties.

## Board of Directors' duties and decisions

The Board of Directors supervises the Managing Director's work and any member of the Board of Directors has the right to request information on the Company's operational management from the Managing Director.

The members of the Board of Directors are responsible for (i) the performance of all obligations regarding the actual payments made by the Company's shareholders, (ii) the actual existence of the dividends paid, (iii) the existence of registers required by law and their correct keeping, (iv)

the due fulfillment of the General Meeting of Shareholders' decisions and (v) the performance of any other duties required by law or the Articles of Incorporation.

The Chair of the Board of Directors coordinates the Board of Directors' work and reports to the General Meeting of Shareholders on the Board of Directors' work.

The Board of Directors may validly decide in the presence of the majority of its members, with a majority of votes. In case of a tie, the vote of the Chair of the Board of Directors is decisive.

## Company employees

At the end of 2022, Autonom Services team consisted of 474 employees, compared to 370 employees as at December 31st 2021.

All Autonom employees have higher education or in the process of completing their studies. The Company pays special attention to the education of its employees. To this end, the Company provides tailored learning experiences through training, coaching, courses and support from the Company leaders.

Autonom employees are not organized as a union.

Autonom implemented a succession plan for the organization's most important managers. Autonom's management team is very stable, with little personnel turnover.

A key point of the remuneration policy is that the members of the sales team are paid a fixed salary, without any individual performance bonuses. The Company implemented an annual team bonus policy, where each employee's bonus is a share in the profit, for each financial year. In this regard, it should be noted that, on average, 20% of an employee's total actual annual remuneration is the variable part of the remuneration "supplied" by the employee profit share fund.



# Management team

## Marius Ștefan

Mr. Marius Ștefan is one of the current shareholders of the Company and participated in founding it in 2005; he is also a key decision-making factor in the Company's management as he serves as CEO. He currently has an MBA in marketing from the University of Maryland - Robert H. Smith School of Business and a master's degree in management from SNSPA (National School of Political Studies and Public Administration) (2001); he also graduated from the Academy of Economic Studies in Bucharest, majoring in International Transactions (1999). In 2013, he became a member of the Young Presidents Organization and is currently also a member of the European YPO Board. In 2015, he became a Board member of Teach for Romania, and in 2017, he became a member of the Entrepreneurship Academy Board and Vice-chair of the Romanian Business Leaders Board.

## Dan-George Ștefan

Mr. Dan-George Ștefan is one of the current shareholders of the Company and became one of the Company's shareholders in 2006; he is also a key decision-making factor in the Company's management as he serves as Managing Partner. Mr. Dan-George Ștefan held the position of Purchasing Consultant with IAC, Paris, for 4 years. He graduated from the "International Business" master's program of the University of Paris 1 Sorbonne and the "International Economics" master's program of the University of Orleans, as well as from the Academy of Economic Studies in Bucharest, majoring in International Trade (2001). He is a member of YPO Romania and is part of the Advisory Board of Bittnet Systems (since 2012), the Advisory Board of CEO Clubs (since 2016) and the Board of Directors of Family Business Network Romania (since 2018). Since 2014, he has been a management professor at the Romanian-Canadian MBA of the Bucharest Business School.

## Mihaela-Angela Irimia

Ms. Mihaela-Angela Irimia is the Chair of the Company's Board of Directors and the current Managing Director of the Company. She joined the Company in 2006. She graduated from Alexandru Ioan Cuza University in 2006, with a degree in Statistics and Economic Forecasts. She

currently coordinates the Operations Department, managing car purchases, dealings with financiers, payment making and the HR Department.

## Elena-Gianina Gherman

Ms. Elena-Gianina Gherman is one of the Company's directors and Chief Financial Officer of the Group. She joined the Company since its establishment. She graduated from Petre Andrei University in 2005, with a degree in Finance - Accounting, and in 2011, she became a chartered accountant licensed by the Body of Chartered Accountants and Certified Accountants. Prior to joining the Company, she worked as Chief Financial Officer of multiple companies. She currently coordinates the Accounting Department and prepares the reports for the senior management.

## Dan Iacob

Mr. Dan Iacob is one of the Company's directors and joined the Company since its establishment, serving as Chief Operating Officer. He graduated from the University of Polytechnics in Bucharest in 1994, with a degree in Automation and Computers. After graduation, he worked as a consultant for a publishing house and later on he became the manager and owner of two companies engaged in the field of trade. He currently coordinates the operational work for the Company's subsidiary and the companies in which the Company has minority shareholdings and, together with Dan Ștefan and Marius Ștefan, defines the strategic directions for the Company's development.

None of the members of the Board of Directors or the Executive Team have been forbidden by a court to perform as a member of the Board of Directors or Supervisory Board of a company, in the last 5 years. There have been no cases of insolvency, liquidation, bankruptcy or special administration of companies whose Boards of Directors or Supervisory Boards include one of the members of Autonom's Board of Directors or Executive Team, in the last 5 years. There have been no disputes or administrative proceedings involving any of the members mentioned above with respect to their work with the Company, or proceedings regarding their ability to perform their duties with the Company, in the last 5 years.

# Sustainable mobility - strategic directions for 2025

Since the beginnings of the Company's, Autonom's vision has been to serve as an authentic business model and to have a positive impact on society and the environment. Involvement with our communities is an integral part of our organizational culture.

In the 10 years of activity of Autonom Foundation, through which we develop educational and environmental projects, we managed to get involved in more than 840 projects in our communities. Because we all want to contribute to the development of education, our team of volunteers is, in fact, made up of Autonom Group's employees. Last year

alone, the foundation carried out 202 different education projects, with over 300 Autonom volunteers, for 4500 beneficiaries, in over 88 localities. In addition, our pilot program, Devino AutonOM, developed by the foundation, reached many schools and children and got more than 473 volunteers involved, who held workshops in schools and high schools around the country.

In 2021, we developed and published our Sustainability Strategy for the coming years, putting an emphasis on the environmental component which represents an important direction for our actions and decisions.

## Strategic Sustainability directions of Autonom Services

Autonom's Sustainability Strategy is aligned with the performance matrix of its organizational culture and with the environmental, social and governance (ESG) principles. It is built around three pillars: "environment", "people and community" and "sustainable business and governance".

Regarding the **environment**, our attention is turned to the responsible consumption of the resources required to conduct our activities. The need for this is confirmed

by the fact that the emissions generated by the operating fleet (operating lease and rent a car), calculated as CCF, although indirect for Autonom, account for 99% of the Company's total emissions.

Therefore, our main priority is to reduce the carbon emissions of the operating fleet by 25% by 2025 and by 51% by 2030, in particular by increasing the share of green cars in our operating fleet.

The **second important direction for us is the people and the community**. Since the beginnings of the Company, our desire has been to develop a framework in which to enable people to evolve every day and make a positive change in the communities where we are present, by supporting education and by reducing our impact on the environment. With a view to carrying out our educational projects, we set out to invest a minimum of 2% of our net profit, while for the personal development of our employees, we aim at providing at least 50 hours of annual training per employee.

Last but not least, **we want to build a sustainable future together with our partners**. Therefore, the involvement of all categories of stakeholders in joint projects in the area

of sustainability, customer satisfaction (measured by NPS) and the increase in the number of digitized processes are some of our clear actions at this stage.

Starting from the Sustainability Strategy, in which we defined the materiality and relevance of the identified matters, the main measure foreseen is the increase of the share of "Green" cars in our operating fleet and the promotion of environmentally-friendly vehicles.

The indicator chosen in monitoring carbon emissions at the level of the operating fleet, aligned with the European Directives on transport, is "average WLTP CO2". For this indicator we calculated the carbon footprint for the last 3 years and set medium-term (2025) and long-term (2030) targets.

Objective/target	Definition of KPIs	Actual 2018	Actual 2019	Benchmark 2020	2021	2022	2023	2024	2025	2030
<b>Average</b>										
Reducing fleet generated CO <sub>2</sub> emissions by 25% by 2025 and by 51% by 2030	Fleet average WLTP CO <sub>2</sub>	149.71	154.14	153.57	144.51	136.48	130.26	124.86	115.13	75.87

The results for 2022 can be found in the second Sustainability Report that will be published by Autonom and available here: <https://www.autonom.com/sustainability>

Also here you can find more information about Autonom's Sustainability Strategy and further updates.



### Environment

#### Friendly with our Planet

- Reducing our ecological footprint will be driven by a responsible consumption of different resources that we need for our operations.
- According to climate change awareness, we settled priorities, in order to reduce the Corporate Carbon Footprint.



### People & Community

#### Friendly with our People and Community

- Community involvement represents a big part of what we are engaged in regarding society's needs; We are developing different kind of actions through Autonom Group, actions closely related to ESG education, sports, youth engagement and general community support.
- Our people are the most important assets for us and we are committed to develop our people thus to have an agile organization.



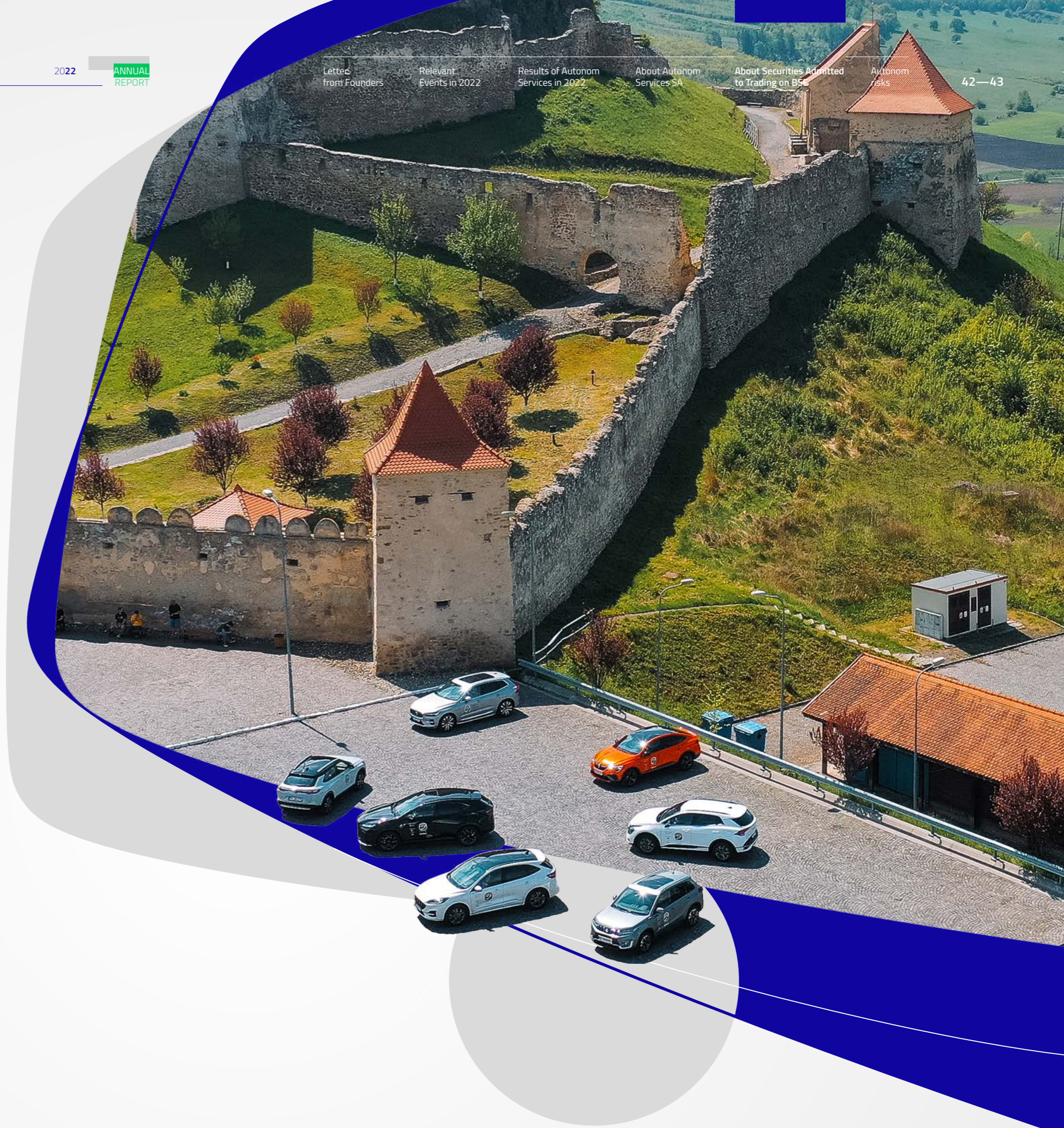
### Sustainable Business & Governance

#### Friendly with our Partners

- Our business is driven by values with a strong sense of ethics, transparency and integrity. These being the major aspects we will follow and respect in all our actions, and the only ways which will lead us to a successful business.
- We aim to offer to our customers sustainable mobility solutions.



# About Securities Admitted to Trading on BSE



Two bond issues of Autonom Services SA are currently admitted to trading on the Bucharest Stock Exchange: AUT24E and AUT26E.



## AUT24E - Autonom Services 2024 bonds

Autonom Services S.A. corporate bonds in the amount of Eur 20 million were admitted to trading on the Main Market of the Bucharest Stock Exchange, bonds segment, on December 4th 2020 and are traded under the symbol AUT24E. The bonds have a nominal value of Eur 1,000, a maturity of five years and a fixed interest rate of 4.45%, p.a. payable annually. Following the private placement, the AUT24E bond issue had a balanced structure of subscribers, with both institutional investors and individual investors.

In 2022,  
**40 transactions**  
were carried out in a total amount of RON 476,905.68.

In H1 2020, Dan Ștefan, in charge of management activities at Autonom Services, purchased AUT24E bonds. The issuer reported the transactions concerned in the market, as required by art. 19 MAR of the market abuse regulation.

The maturity of the AUT24E issue is November 12th 2024 and the second coupon payment took place on November 12th 2021. The interest was paid to the holders of AUT24E bonds registered in the Bondholder Register of Depozitarul Central S.A. as at the reference date of October 22nd 2020.

On June 3rd 2021, Fitch Ratings, one of the top three rating agencies worldwide, awarded Autonom Services S.A. the IDR (Long-Term Issuer Default Rating) "B+" rating. The corporate bond issue traded under the symbol AUT24E was given a separate rating of "B-".

## AUT26E - Autonom Services 2026 bonds

Autonom Services S.A. corporate bonds in the amount of Eur 48 million were admitted to trading on the Main Market of the Bucharest Stock Exchange, bonds segment, on December 8th 2021 and are traded under the symbol AUT26E.

The bonds have a nominal value of Eur 10,000, a maturity of five years and a fixed interest rate of 4.11%, payable annually, adjustable according to the step up mechanism by 0.30 percentage points per year in case of failure to meet the sustainability performance objectives detailed in the PROSPECTUS.

In 2022,  
**1 transaction**  
was carried out in a total amount of RON 18,914,379.73.

The corporate bond issue AUT26E received from Fitch Ratings the senior unsecured credit rating of "B(EXP)/RR5" assigned for the entire bond issue program proposed by Autonom.



# Autonom risks



# Risks related to the Company's business and the industry in which it operates

## Price risk and liquidity risk

The price risk stems from the fact that car leasing and rental companies are exposed to potential losses from car sales operations when the sale price is lower than the residual value. Any change in prices in the used car market may therefore negatively impact the revenues that the Company is able to derive from the sales of used cars.

The liquidity risk is associated with the Company's holding of non-current assets. The Company takes the risk of the residual value of the vehicles which it operates under the operating lease and short-term rental (rent-a-car) service

and which it sells at the end of the operating lease, i.e. usually after 24-48 months of use, within short-term rental activities. The Company carries out these sales operations systematically for a significant proportion of the car fleet in its portfolio, thus generating profit or loss from such activities. The proceeds from the sale of a used car, as well as the risk that the sale price of a used car will be lower than its book value at the end of the operating lease or its service life in the case of short-term rentals, are mainly determined by external factors.

## Credit risk

The credit risk is the risk that the Company's debtors will not be able to comply with their obligations on maturity due to the deterioration of their financial situation. The Company manages this risk mainly by diversifying its business lines, customers, degree of exposure in a certain industry or a

certain geographical area. In addition, financial flows and statements of receipts and payments for each partner are monitored and controlled at all times, while maintaining a real connection with them.

## Cash-flow risk

The Company requires a significant amount of cash to service its debt and to make planned capital expenditures, and its ability to generate cash or refinance its debt depends on many factors beyond its control. The Company borrows considerable amounts on an annual basis, in accordance with the development of its operations, through finance leases,

bank loans and short-term credit facilities to finance its purchases of new cars. In order to manage risks, the Company has implemented a prudent financial management aiming at having significant cash reserves, which will ensure sufficient working capital even where receipts are delayed or reduced over a long period of time.

## The Company is exposed to interest rate fluctuation risks

Most of the Company's financing contracts provide for a variable interest rate, dependent on EURIBOR or ROBOR. Therefore, the Company is exposed to the risk that these interest rates will increase during financing contracts, which

could result in the payment of higher interest and could have a material adverse effect on the Company's business, financial standing and results of its operations.

## Exceptional risk

The COVID19 pandemic and the war in Ukraine are two disruptive factors that have (re)shaped the local and international economic environment, but which few have seen as becoming part of the current reality. Investors are encouraged to take into account that such events can have an adverse impact on the Company's business.

Regarding the COVID19 pandemic, movement restrictions were completely lifted in 2022, but the risk of new outbreaks is still present. For preventive purposes, Autonom maintained

the minimum requirements to prevent the spread of respiratory infections according to the legal recommendations in force.

The rapid adaptation to the new reality, which contributed to diminishing the negative effect of the pandemic and the war on Autonom's business, has already prepared the management for an adequate response in such situations.

## The Company's business may be impacted by a negative evolution of economic circumstances

The dynamics of the Company's business and profitability are sensitive to the general conditions of the economic environment in Romania and a slowdown or recession of the local economy would reflect negatively on the vast majority of operational parameters.

### Risks of non-compliance with legislation:

We make sure that we are up to date with the applicable employee health and safety legislation, environmental legislation, personnel legislation, financial legislation, agency operation legislation, and that we appropriately control risks across all our operations. We have quality management, occupational health and safety management and environmental management standards (ISO 9001, ISO 14001 and ISO 45001) in place. We have established strict

rules for compliance with all relevant internal and external regulations and we constantly strive to minimize the risk of non-compliance. We are aware of these risks, but we manage them by keeping ourselves informed at all times on the applicable legal requirements, by monitoring the strict compliance with various operational aspects of our business and by providing our employees with intensive training and evaluating them on a regular basis.

### Risks related to decrease in tourism and disruptions in the operation of air transport industry

Part of the Group's business, more specifically the short-term car rental service, is seasonal and may be impacted by the evolution of tourism in Romania and by the restrictions on travels from other countries to Romania. In event of an extended state of emergency or general restrictions on

air traffic from or in Romania, the rent-a-car business line may be adversely impacted. In order to manage this risk, the management constantly monitors the work of agencies across the country, particularly those located in airports, to control the operating costs related to their operations.

## The Company may not be able to sell its used cars at the intended prices, which could result in losses

The Company assumes the risk of the residual value of the vehicles it operates as part of the operating lease and short-term rental (rent-a-car) service and that it sells at the end of the operating lease.

### The Company's business is dependent on the activity of motor vehicle manufacturers and distributors

The Company purchases motor vehicles from more than 50 vehicle manufacturers and distributors, being dependent on the supply of popular vehicle models, high-end products, in sufficient numbers to maintain operations and to purchase them based on attractive terms. There can be no assurance that the Company will be able to maintain a long-term

relation with these manufacturers and distributors in order to provide certainty regarding the Company's future vehicle purchases, and the Company may have difficulty replacing these manufacturers and distributors with other suppliers to deliver the motor vehicles needed for the Company's business under the same favorable terms.

### The global shortage of semiconductors and chips could lead to delays in vehicle deliveries by manufacturers or distributors

The COVID-19 pandemic has created a global shortage that is expected to continue in the semiconductor and chip industry, and therefore along the automotive manufacturing and distribution chain. The Company's manufacturers and distributors may experience significant delays in the delivery of the motor vehicles ordered by the Company. Therefore, the Company may be faced with a lower capacity to renew its fleet as per the time limits set out in the contracts with its partners and at a level matching the evolution of demand. Any limitation in the Company's ability to renew its fleet may lead to an increase in the service life of cars and a decrease in the customer satisfaction regarding the vehicles' consistency with

the expectations. Moreover, an extended service life of motor vehicles may have a negative impact on the second-hand sale price of the vehicles concerned.

## Environmental risks

Sustainability and related performance concerns have offered a strong foundation for a rapid implementation of a proper climate risk management process. In this respect, Autonom committed to and met the RS2021 statement according to which it announced that it was going to start the process for alignment with TCFD (Task Force on Climate-related Financial Disclosures).

Starting from the specifics of our business and considering the market situation, the regulations and the trends in the field in which we operate, we identified 13 risks and 1 transition opportunity, which resulted from the way in which climate change influences today's society, such as the development of new regulations to address climate change, the adaptation/lack of technology to cope with new technical requirements resulting from adaptation to climate change, the changes in market dynamics, the changes in consumer interests, the development of new reputation values for companies.

Using recognized databases and platforms for modeling the evolution of climate parameters, we have identified two categories of climate risks with direct effect on our business: acute (short-term effects, generally resulting from extreme climate phenomena) and chronic (long-term effects, generally resulting from changes in the main climate parameters).

After identifying the risks and opportunities and analyzing the potential impacts, we also carried out a series of quantitative assessments in order to determine the appropriate response methods. To this end, we used international platforms specialized in climate projections depending on specific scenarios. The results obtained enabled a better understanding of the specific climate change risks and provided us with a map of climate risks and financial impact scenarios for those physical and transition risks that could affect the Company's business.

More information on how we carried out the assessment and on the responses determined to address climate risks can be found in the second Sustainability Report, available [here](#).

For more information on climate risk assessment you can see the full document here: [Autonom TCFD](#).

## Other risks

Investors should take into account that the risks presented above are the most significant risks known to the Company as at the time of preparing the report. However, the risks in this section do not necessarily include all the risks associated with the business of the issuer, and the Company cannot guarantee that it includes all relevant risks. There may be other risk factors and uncertainties of which the Company is not aware as at the time of preparing the report and which may change the actual results, the financial conditions, the performance and achievements of the issuer in the future and may lead to a decrease in the price of the Company's bonds. Investors should also undertake the necessary prior verifications to make their own assessment of the investment opportunity.

There are no disputes pending and no disputes are expected to arise in relation to the protection of the environment.

For a full assessment of the risks and the manner in which the issuer manages them, we recommend that investors read the dedicated section of the listing prospectus, available here: <https://www.autonom.com/assets/uploads/investitori/Autonom-Service-Prospect-admitere-la-tranzactionare-27.11.2019-VF.pdf>, section which should not be treated as exhaustive.

# Risk management

- The Group pays special attention to how it selects and monitors its customers for its operating lease services;
- The decision-making for financing customers and the monitoring of their payment behavior are carried out by the Finance and Risk Department;
- In 2017, Autonom Services received assistance from the EBRD to refine its commercial risk policy;
- Scoring methods are used for placing in the risk category and the financing terms and the requested guarantees are determined according to them;
- Customers are classified into four categories: very low risk (blue-chip), regular with low risk, regular with medium risk, high risk (not financeable);
- The risk analysis includes the analysis of financial information, as well as specific elements such as the experience of the management, the legal history of the shareholders and directors, the customers' seniority in conducting their business, the verification of the CIP (Payment Incident Register), the verification of the existence of debts to the state, the verification of pending cases as debtor etc.;
- For customers who are not in the blue-chip category, the Group makes sure that payments are made on time by requesting personal guarantees from directors and shareholders by means of promissory notes personally endorsed by them;
- The Company discourages exceeding payment deadlines by charging high late payment penalties (up to 1%/day after exceeding the due date);
- High customer granularity (average fleet/customer ~ 5 vehicles, share in top 10 customers less than 30% of total operating lease and rent-a-car turnover for 2022);
- The Company regains possession of the vehicles within a maximum of 2 months of delay from the due date of the lease payment;
- The Group decides to sell or use the cars returned early from operating leases within the rent-a-car services, especially if the event occurred during the first part of the contract;
- The complementarity of business lines through the flexibility of moving assets between the two categories of services is a major competitive edge for the Group from a risk management standpoint.

# Management Statement

According to the best information available, we confirm that the financial statements provide a true and fair view of the financial position of Autonom Services S.A. (the "Company") as at December 31st 2022, the financial and cash flow performance for the 12-month period then ended, as per the applicable accounting standards, and that the Management Report for the period from January 1st 2022 to December 31st 2022, submitted to the capital market operator - BVB - as well as to the Financial Supervisory Authority, provides a correct and complete disclosure of the Company's information.

**Mihaela Angela Irimia**

Chair of the Board of Directors

