

AUTONOM SERVICES SA

STANDALONE FINANCIAL STATEMENTS

Prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent modifications and clarifications.

31 December 2022

The English version of these Financial Statements represents a translation of the original Financial Statements issued in Romanian language

AUTONOM SERVICES SA
STANDALONE FINANCIAL STATEMENTS

Prepared in accordance with regulations of OMFP no. 2844/2016

31 December 2022

Contents

Statement of profit and loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the individual financial statements	7– 62

AUTONOM SERVICES SA
STATEMENT OF PROFIT AND LOSS
AND OF OTHER ITEMS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

	Notes	2022	2021
Operating lease income		199,852,378	126,237,550
Additional services income	5.1	94,048,178	59,405,906
Rent-a-car income		104,726,869	68,703,939
Income from sale of vehicles		95,463,103	37,207,159
Income from sale of vehicles from rental fleet and rental equipment		120,809,517	78,658,071
Other operating income	6	32,279,105	24,047,926
Total operating income	5	647,179,149	394,260,552
Fleet expenses	7	(107,648,738)	(64,955,367)
Cost of vehicles sold		(82,437,347)	(33,292,249)
Cost of the cars from the rental fleet sold and of the rental equipment		(98,735,295)	(71,815,599)
Employee benefit expenses	8	(45,506,114)	(33,393,071)
Administrative expenses	9	(5,189,707)	(3,596,548)
Amortization, depreciation and impairment of rental fleet and equipment assets, net	14	(175,150,654)	(112,425,077)
Amortization, depreciation and impairment of other non-current assets	14	(2,700,375)	(2,773,560)
Other operating expenses	10	(26,004,076)	(16,485,797)
Other (losses) / gains – net	11	(8,225,875)	(4,650,284)
Total operating expenses		(551,598,181)	(343,387,552)
Operating profit		95,580,968	50,872,999
Finance costs	12.1	(35,438,580)	(25,108,036)
Finance income	12.2	2,714,656	1,665,616
Other income	12.3	2,759,024	-
Profit before tax		65,616,068	27,430,580
Income tax expense	13	(7,823,924)	(4,941,208)
Net profit for the year		57,792,144	22,489,372
Other comprehensive income		-	-
Total comprehensive income		57,792,144	22,489,372
Basic and diluted EPS	28	28.90	11.24

These standalone financial statements on pages 3 to 62 were approved by the Board of Directors and were authorized for issue on 24.04.2023.

Mihaela Angela Irimia

Name

Chairman of the Board of Directors

Chartered accountant office Huian Angelica

Name: Huian Angelica

Professional body reg. no. 26325

The accompanying notes from 1 to 31 are an integral part of these financial statements.

AUTONOM SERVICES SA
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2022

All amounts in RON, unless otherwise stated

	Notes	31 December 2022	31 December 2021
Assets			
Non-current assets		1,130,865,246	672,280,828
Intangible assets	17	2,660,641	155,204
Rental fleet and rental equipment	14	597,827,538	278,145,403
Right-of-use assets	15	479,843,727	373,235,389
Other property, plant and equipment	14	11,653,069	2,450,245
Investment property	16	2,099,924	2,104,198
Investments in equity instruments		-	423,586
Trade receivables	21	535,532	443,281
Loans granted to related parties	26	36,244,814	15,323,521
Current assets		263,257,616	242,204,603
Inventories	20	29,918,953	4,147,256
Trade receivables	21	58,112,605	24,348,005
Other receivables and current assets	21	12,947,028	12,754,218
Prepayments	21	2,057,508	714,941
Cash and cash equivalents	22	160,221,521	200,240,184
Total assets		1,394,122,861	914,485,431
Equity and liabilities			
Equity			
Share capital called up	23	20,000,000	20,000,000
Other capital reserves	23	44,831,048	28,206,321
Retained earnings		122,519,704	81,172,289
Total equity		187,350,752	129,378,610
Long-term liabilities		902,632,663	634,902,324
Interest-bearing loans and borrowings	18	231,069,016	45,383,138
Bonds	18	334,582,598	334,028,717
Lease liabilities	15	296,540,294	227,527,655
Trade and other payables	24	5,955,733	4,173,800
Deferred income		15,059,722	10,757,817
Deferred income tax liabilities	13	19,425,299	13,031,196
Current liabilities		304,139,447	150,204,499
Interest-bearing loans and borrowings	18	110,351,267	28,728,746
Lease liabilities	15	133,181,152	92,313,731
Trade and other payables	24	41,864,567	22,022,414
Provisions		582,863	548,443
Deferred income		18,159,598	6,591,165
Total liabilities		1,206,772,109	785,106,823
TOTAL EQUITY AND LIABILITIES		1,394,122,861	914,485,431

These standalone financial statements on pages 3 to 62 were approved by the Board of Directors and were authorized for issue on 24.04.2023.

Mihaela Angela Irimia

Name

Chairman of the Board of
Directors

Chartered accountant office Huian
Angelica

Name: Huian Angelica

Professional body reg. no. 26325

The accompanying notes from 1 to 31 are an integral part of these financial statements.

AUTONOM SERVICES SA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

	Share capital called up	Other capital reserves	Retained earnings	Total equity
As at 1 January 2022	20,000,000	28,206,321	81,172,289	129,378,610
Profit for the period	-	-	57,792,144	57,792,144
Takeover of legal reserves and other reserves following the merger by absorption (Notes 4, 23)	-	180,000	-	180,000
Allocation of reserves for the reinvested profit. (Note 23)	-	16,444,727	(16,444,727)	-
As at 31 December 2022	20,000,000	44,831,048	122,519,704	187,350,752

	Share capital called up	Other capital reserves	Retained earnings	Total equity
As at 1 January 2021	20,000,000	14,412,586	64,032,676	98,445,262
Profit for the period	-	-	22,489,372	22,489,372
Takeover of legal reserves and other reserves following the merger by absorption (Note 4)	-	1,100,842	(1,100,842)	-
Allocation of reserves for the reinvested profit (Note 23)	-	12,294,048	(12,294,048)	-
Other movements in reserves	-	398,845	(398,845)	-
The net assets acquired following the merger (Note 4)	-	-	8,443,976	8,443,976
As at 31 December 2021	20,000,000	28,206,321	81,172,289	129,378,610

These standalone financial statements on pages 3 to 62 were approved by the Board of Directors and were authorized for issue 24.04. 2023.

Mihaela Angela Irimia

Name

Chairman of the Board of Directors

Chartered accountant office Huian Angelica

Name: Huian Angelica

Professional body reg. no. 26325

The accompanying notes from 1 to 32 are an integral part of these financial statements.

AUTONOM SERVICES SA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

	Notes	2022	2021
Operating activities			
Profit before tax		65,616,066	27,430,580
<i>Adjustments to reconcile the profit before tax with the net cash flows:</i>			
Depreciation of other property, plant and equipment	14	2,700,375	2,773,560
Depreciation and amortization of the rental fleet and rental equipment	14,15	175,150,654	112,425,077
Net foreign exchange differences	12.1	258,871	6,178,151
Loss on disposal of property, plant and equipment		-	71,254
Loss/(gain) on disposal of rental fleet - own resources		(21,334,082)	(6,913,727)
Finance income	12.2	(2,714,656)	(1,663,217)
Other income	12.3	(2,759,024)	-
Interest expense	12.1	35,179,708	18,929,885
Changes in provisions, net		(421,270)	477,043
Changes in current assets allowances, net	11	8,647,145	4,173,241
Working capital adjustments:			
Increase in trade receivables and prepayments		(23,911,128)	(6,665,294)
Increase/(Decrease) in inventories		(17,965,447)	(2,063,244)
Increase/(Decrease) in other receivable		418,910	(7,782,942)
Increase in deferred revenue		9,340,555	7,804,693
Increase in trade and other payables		57,890,700	15,275,802
Purchase of rental fleet and rental equipment	14	(272,251,322)	(169,089,324)
Amounts received for disposal of rental fleet and rental equipment		117,189,738	78,133,588
Interest received		2,685,177	642,687
Interest paid	19	(35,179,708)	(18,929,885)
Income tax paid		(366,451)	-
Net cash flows from operating activities		98,174,811	61,207,926
Investing activities			
Purchase of intangible assets		(314,134)	-
Purchase of other property, plant and equipment		(9,602,010)	(577,232)
(Purchases)/Reductions in equity instruments		-	110
Loans granted to related parties	26	(35,319,500)	(29,007,693)
Proceeds from borrowings granted to related parties	26	14,398,207	22,714,545
Dividend received		385,610	2,399
Acquisition of the Premium Leasing subsidiary, net cash obtained		(46,807,523)	-
Taking over the cash of the BT Operational Leasing subsidiary		-	7,709,016
Net cash flows used in investing activities		(77,259,350)	841,145
Financing activities			
Payment of finance lease liabilities	19	(110,380,967)	(107,198,933)
Proceeds from borrowings	19	238,524,466	187,259,012
Repayment of borrowings	19	(189,077,623)	(228,254,337)
Payment of bond issue costs		-	(1,824,900)
Issuance of bonds	19	-	239,231,243
Net cash flows used in financing activities		(60,934,124)	89,212,085
Net increase / (decrease) in cash and cash equivalents		(40,018,663)	151,261,157
Cash and cash equivalents as at 1th January	22	200,240,184	48,979,027
Cash and cash equivalents as of 31th December	22	160,221,521	200,240,184

These standalone financial statements on pages 3 to 62 were approved by the Board of Directors and were authorized for issue on 24.04.2023.

Mihaela Angela Irimia

Name

Chairman of the Board of Directors

Chartered accountant office Huian
 Angelica

Name: Huian Angelica

Professional body reg. no. 26325

The accompanying notes from 1 to 32 are an integral part of these financial statements.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

1. CORPORATE INFORMATION

These standalone financial statements are prepared by Autonom Services SA (hereinafter referred to as “the Enterprise” or “the Company”) and comprise the activities of the Company. The standalone financial statements of the Group were authorized for issue in accordance with a resolution of the directors on 19.04.2022.

Autonom Services SA is a privately owned, joint stock company with the main activity of renting and leasing of motor vehicles and light motor vehicles. The headquarters of the company is in Piatra Neamț, street Fermelor no. 4, with work points in multiple cities: Alba Iulia, Arad, Bacau, Baia Mare, Bistrita Nasaud, Botosani, Braila, Brasov, Bucuresti (Bucharest), Otopeni, Buzau, Cluj, Constanta, Craiova, Deva, Focsani, Galati, Iasi, Medias, Miercurea Ciuc, Oradea, Piatra Neamt, Pitesti, Pipera-Voluntari, Ploiesti, Resita, Ramnicu Valcea, Satu Mare, Sibiu, Slatina, Suceava, Targu Mures, Targu Jiu, Timisoara, Tulcea, Odorheiu Secuiesc, Targoviste.

Autonom Services SA is controlled by Autonom International SRL and ultimately by Ștefan Dan George and Ștefan Marius.

On 30 June 2018, Autonom Services SA acquired control over BT Operational Leasing SA (“BTOL”, “the Subsidiary”), after completing the purchase of a 99.85% interest in its share capital. In 2020, Autonom Services SA became the sole shareholder of BT Operational Leasing SA, holding 100% of its share capital. BTOL was previously a member of the Banca Transilvania Financial Company and was incorporated as a joint stock company in 2001. The Subsidiary’s main activity consisted in renting and leasing of motor vehicles and light motor vehicles and it had its headquarters in Neamț, Piatra Neamț, Fermelor street, no. 4.

Effective 1 January 2021, the merger by absorption of BT Operational Leasing by Autonom Services SA was approved, and the company BT Operational Leasing was deregistered from the Trade Register on 4 March 2021.

On 15 April 2022, Autonom Services SA acquired control over Premium Leasing SRL (“Premium”, “the Subsidiary”), after completing the purchase of a 100% interest in its share capital. Premium was previously a member of Unicredit Bank Financial Company, with its main activity being the renting and leasing of motor vehicles and light road vehicles, based in Bucharest, sector 1, Bdul. Expoziției nr.2, and from 17 May 2022, the head office is in Neamț, Piatra Neamț, str. 4. Effective May 1st, 2022, the merger project by absorption of Premium Leasing SRL was approved by Autonom Services SA, and the company Premium Leasing SRL was deregistered from the Trade Register starting with October 10th, 2022.

On 4 December 2019, the Company issued corporate bonds in the amount EUR 20 million which were admitted to trading on the Main Market of the Bucharest Stock Exchange, Bonds segment, trading under the symbol AUT24E. The bonds have a nominal value of EUR 1.000, a maturity of five years and a fixed interest rate 4.45%, p.a. payable annually (see Note 18).

On 23 November 2021, the Company issued corporate bonds in the amount EUR 48 million which were admitted to trading on the Main Market of the Bucharest Stock Exchange, Bonds segment, trading under the symbol AUT26E. The bonds have a nominal value of EUR 10.000, a maturity of five years and a fixed interest rate 4.11%, p.a. payable annually (see Note 18).

The Group’s number of employees as of 31 December 2022 was of 494 (on 31 December 2021 the number of employees was of 358).

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Order no. 2.844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards, with subsequent amendments and supplements.

These regulations are in accordance with International Financial Reporting Standards applicable to financial reporting as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) (IFRSs), with the exception of IAS 21 the effects of changes in foreign exchange rates on the functional currency, and the provisions of IAS 20 Accounting for Government Grants on the recognition of revenue from green certificates, with the exception of IFRS 15 Revenue from Contracts with Customers concerning revenue from fees from connection to the distribution network.

The standalone financial statements have been prepared on a historic cost basis, except for equity investments measured at fair value through profit or loss. The standalone financial statements are presented in Romanian Lei ("RON"), which is also the Company's functional currency, except when otherwise stated.

Going concern

These standalone financial statements are prepared on a going concern basis.

During the year 2022, the company registered a profit in the amount of 57,792,144 RON (2021: profit in the amount of 22,489,372 RON), positive operational cash flow, and net current liabilities in the amount of 40,881,831 RON (December 31st, 2021: net current assets in the amount of 92,100,104 RON).

The situation according to which current liabilities exceed current assets is not unusual for companies in the field of car rental because the assets purchased for the purpose of renting to end customers are included in the category of fixed assets (mainly "Car fleet and equipment leased" and "The right to use assets") until the termination of the contract, when they are reclassified in the category of current assets ("Inventories") at their net book value (see note 2.3.8). By contrast, the liabilities related to the financing of these assets (mainly "Interest-bearing loans and borrowings", as well as "Leasing liabilities") have both a long-term debt component and a short-term debt component, related to the amounts that are to be paid within up to one year, even if the financed assets are fully presented as fixed assets.

Also, the Company has ongoing operational leasing contracts for periods longer than one year, for which the leasing payments are to be collected gradually, until the end of the contracts (see note 19).

As at December 31st, 2022, the Company had available unused in the credit facilities in amount of 39,368,810 RON and 38,951,615 EUR (December 31st 2021: 107,103,737 RON and 14,458,422 EUR) therefore being able to meet any unforeseen cash needs.

The Management believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The Management based their assessment on the Company's detailed cash flow projections for the period up to 28 February 2024, prepared based on the assumptions which include the estimated indirect impact of the crisis generated by the Ukrainian war taking into account the information available as at the end of December 2022. These projections take into account the current available cash resources of the Company as of 31 December 2022, the most recent projections of the contracted operating revenues, the anticipated additional operating income from new lease agreements to be concluded during the period covered by the projections, as well as the financing of current contracted debts and the current position of the financial debts as at the reporting date, rental fleet investments, and other commitments.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Legal merger of the company – parent company and subsidiary

From an International Financial Reporting Standards perspective, a legal merger is in essence an acquisition of assets for which the parent company paid consideration at an earlier point in time (when the parent company acquired or created the subsidiary) (a repurchase of shares held by the subsidiary in exchange for the net assets of the subsidiary). The relinquishment of shares for subsidiary assets essentially represents a change in the parent company's perspective on its investment from a "direct participation in equity" to "reported results and net assets."

Therefore, the values recognized in the consolidated financial statements become the cost of these assets for the parent company. As a result, the financial position and the results of the operations of the merged subsidiary should be reflected in the standalone financial statements only from the date on which the merger takes place.

Difference between: (1) the amounts allocated to assets and liabilities in the parent company's standalone financial statements after the legal merger and (2) the accounting value of the investment in the merged subsidiary before the legal merger, is directly accounted for in equity.

In the standalone financial statements, comparative information should no longer be restated to include the merged subsidiary. The financial position and operating results of the merged subsidiary are reflected in the standalone financial statements only from the date on which the merger took place.

The individual financial statements include the financial statements of the Company and the absorbed subsidiaries BT Operational Leasing (absorbed on January 1st, 2021) and Premium Leasing (absorbed on May 1st, 2022).

2.3 Summary of significant accounting policies

The following are the main accounting policies applied by the Company in preparing its standalone financial statements.

2.3.0 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the amount of the consideration transferred, which is measured at the acquisition date at fair value, and the value of any non-controlling interests in the acquisition.

For each combination, the Company chooses whether to measure non-controlling interests in the acquisition at fair value or at the proportionate share of the recognized amount of the identifiable net assets. Acquisition-related costs are expensed as incurred and included in the income statement.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions relevant at the date of acquisition.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the acquisition cost, then the difference is recognized in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Represents cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as long-term debt.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.2 Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the relevant notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3.3 Revenue recognition

Revenue includes vehicle rental income - operating lease, rent-a-car income, equipment rental income – operating lease, fees from services incidental to operating lease, sales of goods and other rental income.

A) Operating lease (vehicles and equipment) income, rent-a-car income and other operating lease income

Vehicle and equipment rental income

Rental income from operating lease agreements is accounted for on a straight-line basis over the lease terms, based on the total of the contractual payments divided by the number of months of the lease term.

Rent-a-car income is recognized proportionally over the period (number of days of rental in the accounting period) in which the vehicles are rented out based on the terms of the rental contract.

End of contract / termination fees consist of fees charged to clients upon early termination of the lease contracts and are included within this revenue stream.

Other operating lease income

Other rental income is recognized on a straight-line basis over the term of the rental agreement.

B) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from services additional to vehicle rental

Services additional to vehicle rental include fees charged for repair and maintenance services, tire changes, replacement car, and insurance services and other contract components. Such services qualify as standalone performance obligations and are generally recognized over the term of the contracts, based on the monthly lease instalment as the vehicle is continuously available to the customer and the service is utilized continuously or the customer will have access to the service during the contract term, except for tire changes, which are recognized at a point in time, when such services are provided.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income from sale of vehicles

Revenue from sale of vehicles refers to cars purchased for resale and is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the car.

Proceeds from sale of vehicles from the rental fleet

Revenue from sale of vehicles from the rental fleet (operating lease contracts and rent-a-car contracts) is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the car.

The Company considers whether there are other promises in the contract that are standalone performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables represent unpaid, current lease receivables under existing operating lease contracts or receivables related to inventory sales.

Refer to accounting policies of financial assets in section 2.3.12 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier) in the Advances from customers line. Contract liabilities are recognized as revenue when the Company performs under the contract. For the Company, advances from customers for cars to be sold qualify as contract liabilities, in accordance with the provisions of IFRS 15.

2.3.4 Foreign currencies

The Company's standalone financial statements are presented in RON.

Transactions in foreign currencies are translated into RON by applying the exchange rates prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at year-end are translated to RON at the exchange rates prevailing on that date. Realized and unrealized exchange gains and losses are recognized in profit or loss.

The main foreign currencies used by the Company are EURO ("EUR", "EURO") and American dollar ("USD"). The exchange rates on 31 December 2022 and 31 December 2021 for RON – EUR and RON – USD were:

	<u>31 December</u>	<u>31 December</u>
	2022	2021
RON – EUR	4,9474	4,9481
RON – USD	4,6346	4,3707

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.5 Tax

Current income tax

Current income tax assets and liabilities for the current period and for prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in Romania, the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Income tax deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for: all deductible temporary differences: the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and any unused tax losses that can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, no deferred tax is recognized, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss.

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax (VAT and similar taxes)

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.3.6 Rental fleet and other property, plant and equipment

The rental fleet, rented equipment, as well as property, plant and equipment for own use are measured at cost less accumulated depreciation and impairment losses.

Cost consists of the purchase price and directly attributable costs.

The assets subject to operating leases and rent-a-car agreements are presented in the balance sheet according to the nature of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a standalone asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All repair and maintenance costs are recognized in the profit or loss as incurred.

Depreciation method

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Rental fleet - Rental vehicles*	4
Rented equipment and machinery	3 – 10
Other furniture, fittings and equipment	3 – 24

*The rental fleet depreciated on a straight-line basis up to their estimated residual values at their expected date of disposal, after taking into consideration the expected conditions on the used car market.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The residual values, useful lives and methods of depreciation of rental fleet, leased equipment and property, plant and equipment, as applicable, are reviewed at each financial year end or during the year if needed and adjusted prospectively.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Upon termination of the lease or rental contract, when the Company obtains ownership of these fleet with a management decision to sell, the relevant assets are reclassified to the caption "Inventories" at their carrying amount, as per IAS 16 paragraph 68A recommendations, and the proceeds are recognized as revenues in accordance with IFRS 15.

The depreciation policy for depreciable leased assets (under contracts with a transfer of ownership or purchase option) is consistent with the Company's normal depreciation policy for similar assets.

2.3.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost, less accumulated depreciation and impairment.

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair accounting value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.8 Leasing

The Company assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets – see below. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- **Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The period ranges from 1.5 years to 4 years.

If ownership of the leased asset (vehicles and equipment) transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, the Right-of-use assets (vehicles and equipment) are depreciated following the depreciation method and estimates applied for owned similar items – please refer to paragraph 2.3.6.

Similar to own rental fleet, upon termination of the lease or rental contract and management decision to sell the vehicles, the relevant assets from right-of-use assets are reclassified to the caption “Inventories” at their carrying amount, as per IAS 16 paragraph 68A recommendations, most often, as simultaneously the vehicle becomes the ownership of the Company.

Right-of-use assets are subject to impairment, disclosed in Note 2.3.11. Refer to the accounting policies in the Impairment adjustments for non-financial assets section.

- **Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including fixed payments on the substance) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option if the Company has the reasonable certainty that it will exercise the option, and payments of the penalties for terminating a lease, if the lease term reflects the Company exercising an option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- **Subleases**

The Company is an intermediate lessor in transactions for which an underlying asset is re-leased by the Company to a third party and the lease between the head lessor and the Company remains in effect.

The Company classifies a sublease as a finance lease, or an operating lease as follows:

- a. if the main lease contract is a short-term lease contract, the sublease is classified as an operating lease contract;
- b. otherwise, the sublease is classified by reference to the right-of-use asset arising from the main lease contract.

For subleases classified as an operating lease, the Company continues to account for the lease liability and right-of-use asset on the head lease like any other lease. The lease payments from operating subleases are recognized as income on a straight-line basis.

As of 31 December 2022, the Company has no finance subleases.

- **Short-term leases**

The Company applies the short-term lease contracts recognition exemption to its short-term leases of vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

The company as lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease income are added to the carrying amount of the leased asset and depreciated over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The carrying amount of property and equipment under operating lease and rental fleet is depreciated during the lease term or the useful life of the asset. Depreciation is recognized in the statement of profit or loss. The operating lease instalments are recognized in the financial statements in their entirety on a straight-line basis over the lease term. The instalments are classified and presented in the "Operating lease income" revenue category of the statement of profit or loss and other comprehensive income. The Company leases assets to its clients for durations that normally range between three to four years. In all cases, the leased assets are returned to the Company.

2.3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are incurred in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business transaction represents their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized on a straight-line basis over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortizations periods are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Software, licenses and similar assets are depreciated using the linear method over a three-year period by the Company. The commercial relations with the clients are depreciated on a period of two and a half years.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

2.3.11 Adjustments for impairment of non-financial assets

At each reporting date, the Company reviews the net carrying amounts of property, plant and equipment (leased fleet and equipment and other property, plant and equipment) and intangible assets, right of use assets, investment property to determine whether there is any indication that these assets have suffered impairment losses. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount, which is determined as the higher of an asset's or CGU's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount, and the difference is recognized as an expense (impairment loss) in the statement of profit and loss and other comprehensive income.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

At the date of initial recognition, the Company classifies its financial assets as subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied practical cost are measured at transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company's financial assets are represented solely by loans to related parties and trade and lease receivables and cash and cash equivalents.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

Subsequent evaluation

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company and is represented by loans granted to related parties and trade and lease receivables.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included in "Finance income" in profit or loss. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category also includes investments of investment equity that the Company did not irrevocably choose to classify through other elements of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired.

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) Impairment of financial assets

Disclosures relating to impairment of financial assets are summarized in the following notes:

- Financial instruments risk management (Note 19)
- Trade Receivables (Note 21)

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Anticipated credit losses are recognized in two stages: For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. The value calculated at 12 months represents the loss from the receivable resulting from non-payment events that may occur in the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected from default events that may occur during the estimated life of a financial asset.

For trade receivables the Company applies a simplified approach to the calculation of expected credit losses.

Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Based on the historical data on the collection pattern for overdue receivables in time, the Company has determined a matrix for the provision for the receivables recorded at the reporting date, has adjusted these provisioning rates for factors specific to the debtors and applied this matrix to discount the provision related to the expected losses from receivables.

The provisioning rates are based on the analysis of the actual collection of the receivables, grouped according to relevant criteria in two recent time periods, to conclude on the stability and relevance of the determined loss ratios, as described below.

The following steps have been applied determine the historical rates of loss from receivables:

- Identification of open invoices not collected at the beginning of each collection interval,
- For the above invoices, determination of the remaining amounts to be collected at the end of each reporting interval.
- The expected losses from receivables are determined as amounts not collected at the end of a collection interval, on the assumption that the amounts collected after each interval analyzed can only marginally improve the loss rate.
- The loss rates from receivables are calculated for receivables grouped according to age, as the ratio between the amounts not collected at the end of the analysis interval and the amounts recorded at the beginning of the analysis period, for the same population of invoices.
- The average percentage of estimated loss for 12 months is used to determine the provisioning matrix at the reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities measured at amortized cost, net of directly attributable transaction costs.

The Company's financial liabilities include only trade payables measured at amortized cost (trade and other payables as well as loans and borrowings).

Subsequent measurement

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Trade and other payables with a maturity of 12 months or less are not discounted.

Derecognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.13 Inventories

Inventories, which include vehicles for resale, spare parts, consumables and materials in the form of small inventory, are stated at the lower of cost or net realizable value. At the end of the lease or rental contract the relevant assets become the property of the Company and they are reclassified from "Rental fleet" or Right of use assets to the caption "Inventories" at their carrying amount. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense and reported as a component of cost of sales or as part of fleet and other operating costs in the statement of comprehensive income in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the same component of the STANDALONE statement of profit and loss and other comprehensive income or, in the period the write-down or loss occurs, under the line "Other (losses) / gains – net".

2.3.14 Cash and cash equivalents

Cash, cash equivalents and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.3.15 Prepayments

Prepayments are carried out at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year.

Prepayments to acquire current assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company.

Prepayments to acquire property, plant and equipment are classified as other receivables and current assets. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods, or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognized in profit or loss. As at December 31st, 2022, impairment tests were performed for the Company's goods and assets.

2.3.16 Equity

Share capital called up!

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recognized as additional paid-in capital.

Dividends

The Company recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized, and the distribution is no longer at the discretion of the Company.

As per the corporate laws of Romania, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.17 Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

2.3.18 Employee benefits

The Company, in the normal course of business, makes payments on behalf of its employees for pensions (defined contribution plans), health care, employment and personnel tax which are calculated according to the statutory rates in force during the year, based on gross salaries and wages. Food allowances, travel expenses and holiday allowances are also calculated according to the local legislation.

The cost of these payments is charged to the statement of profit or loss and other comprehensive income in the same period as the related salary cost. Accruals are created for holiday allowances if there are non-used holidays according to the local legislation.

The Company does not operate any other pension scheme or post-retirement benefits plan and consequently, has no obligation in respect of pensions.

2.4. Changes in accounting policies starting 1 January 2022

The accounting policies adopted are consistent with those of the previous financial year except for the following amended to the International Financial Reporting Standards (IFRS) which have been adopted by the Company as of 1 January 2022.

- IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018–2020 (amendments)
The amendments are effective for annual periods beginning on or after January 1st, 2022, with early application permitted. The IASB issued amendments to the IFRS standards as follows:
 - IFRS 3 Business Combinations (Amendments) updates a reference in IFRS 3 to the previous version of the IASB's Financial Reporting Conceptual Framework to the current version issued in 2018, without significantly changing the accounting requirements for business combinations.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- IAS 16 Tangible assets (amendments) prohibits an entity from deducting from the cost of tangible assets any proceeds from the sale of goods produced while the said asset is brought to the location and under the conditions necessary for it to be able to function according to management's decision. Instead, an entity recognizes such sales revenue and selling costs in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendments) specifies what costs an entity includes in determining the cost of performing a contract to determine whether a contract is onerous. According to the amendments, costs directly related to a contract for the provision of goods or services include both incremental costs and an allocation of costs directly related to contractual activities.
- Annual improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Biological assets and the illustrative examples accompanying IFRS 16 Leases
The application of these Amendments had no impact on the position or financial performance of the Company.
- IFRS 16 Leases – Covid 19 related rent concessions after 30 June 2021 (amendments)
The Amendments apply to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, through the amendments brought, the Council offers exemption to tenants from the application of the IFRS 16 provisions for the changes that appear as a direct consequence of the Covid-19 pandemic. Following the change, the practical solution now applies to rent concessions for which any rate reduction only affects payments originally due on or before 30 June 2022, provided the other conditions for the practical measure are met.

The application of these Amendments had no impact on the position or financial performance of the Company.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING 1 JANUARY 2022 AND NOT EARLY ADOPTED

• **IFRS 17: Insurance Contracts**

The standard is effective for annual periods beginning on or after January 1st, 2023, with early adoption permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. This is a new accounting standard for insurance contracts, covering recognition, measurement and presentation requirements. IFRS 17 applies to all types of insurance contracts issued, as well as certain guarantees and financial instruments with discretionary participation.

The company has no contracts within the scope of IFRS 17; therefore the application of this standard has no impact on the Company's financial performance, financial position or cash flows.

• **IAS 1 Presentation of financial statements and Practice Statement 2: Presentation of accounting policies (amendments)**

The amendments are effective for annual periods beginning on or after January 1st, 2023, with early application permitted. The amendments provide guidance on the application of materiality judgments to the disclosure requirements of accounting policies. In particular, the amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company.

• **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (amendments)**

The amendments become effective for annual reporting periods beginning on or after January 1st, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The changes introduce a definition of accounting estimates, namely the monetary values from the financial statements that are subject to measurement uncertainty, if they do not result from a correction of the error of the previous period.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company.

- **IAS 12 Corporate income tax: Deferred tax on assets and liabilities arising from a single transaction (amendments)**

The amendments are effective for annual periods beginning on or after January 1st, 2023, with early application permitted. The amendments narrow the scope and provide further clarity on the initial recognition exception under IAS 12 and specify how entities should account for deferred tax assets and liabilities arising from a single transaction, such as leases and site restoration obligations. The amendments clarify that, where payments extinguishing a debt are tax deductible, it is a matter of judgement, by taking into consideration the applicable tax law, whether such deductions are attributable for tax purposes to the debt or asset related to the transaction. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to temporary differences that are both taxable and deductible. It only applies if the recognition of a lease asset and a lease liability give rise to taxable and deductible temporary differences that are not equal. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company.

- **IAS 1 Presentation of financial statements: Classification of liabilities into current liabilities and long-term liabilities (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1st, 2024, with early application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles of IAS 1 for classifying liabilities as current or long-term.

The amendments clarify the meaning of the contractual right to delay the settlement of a liability, the requirement that this right exists at the end of the reporting period, the fact that management's intention regarding a possible settlement does not affect the classification, and the fact that the counterparty's options that could lead to settlement based on equity instruments does not affect the classification. Also, according to the amendments, only the clauses in loan agreements that an entity must comply with on or before the reporting date will affect the classification of liability. Also, additional information presentations are required for long-term liabilities represented by loan contracts where there are clauses that must be complied with within twelve months of the reporting period. These Amendments have not yet been approved by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company,

- **IFRS 16 Leases: Lease liability in a sale and take-back contract (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1st, 2024, with early application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring lease liabilities arising from a sale and leaseback transaction under IFRS 16, while not changing the accounting for leases that do not relate to sale and leaseback transactions. In particular, the seller-lessee determines "lease payments" or "revised lease payments" in such a way that the seller-lessee does not recognize any amount of gain or loss related to the right of use that it retains. The application of these requirements does not prevent the seller-lessee from recognizing in the profit or loss account any gain or loss related to the partial or total termination of a leasing contract. A seller-lessee applies the amendment retroactively, in accordance with IAS 8, to sale and leaseback transactions concluded after the date of initial application, as it is the beginning of the annual reporting period for which an entity first applied IFRS 16. These Amendments have not yet been approved by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: the sale or contribution of assets between an investor and its associate or joint venture**

The amendments address a known inconsistency between the requirements of IFRS 10 and those of IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the changes is that a gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of this amendment indefinitely, pending the outcome of its research project on the equity method.

These Amendments have not yet been approved by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company,

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

JUDGEMENTS

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Classification of lease agreements – Company as a Lessor

The Company has entered into rental agreements on its vehicles' portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the vehicles and the present value of the minimum lease payments not amounting to substantially all of the fair value of the vehicle, that it retains all the significant risks and rewards of ownership of the vehicles and accounts for the contracts as operating leases.

The same judgment is applicable for the portfolio of equipment agreements.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Review of useful lives and residual values of rental fleet assets.

The basis for the depreciation of an item of the fleet of rented vehicles owned by the Company under operating lease contract is the acquisition cost less the estimated residual value, in combination with the estimated useful life of the item.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

The management is required to assess the residual value and the useful life of an asset at least at each financial year-end and evaluate if there are any specific impairment adjustments required. Depending of the results of such analysis, changes may be accounted for as a change in accounting estimate through prospective depreciation or as a specific impairment.

The determination of any impairment adjustment with regard to operating lease assets (rental feet) is primarily dependent on how the residual value that may be obtained at the end of the lease is affecting the recoverable value. These estimates may have a material impact on the amount of the carrying values of assets rented to clients (rental feet) and on depreciation recognized in the income statement.

The Company closely monitors changes in the contractual residual values used in operating leases, both for the rental feet owned by the Group and for the rental feet resulting from leases classified as right of use assets (for which the transfer of ownership or an option to purchase is provided).

The residual values are estimated based on the sale value at the end of the contracts and are largely influenced by the number of kilometers traveled by the car, by the manufacturer, the condition of the vehicle, as well as of the second-hand vehicle markets at the time the vehicles are sold, etc. The company reviewed the residual values of its fleet used for rental as at December 31st, 2022, taking into account both internal and external factors, including the impact of the pandemic on the second-hand market.

Similar estimates are made for vehicles that are obtained under lease contracts (Company as lessee) for which the Company has the right to obtain ownership at the end of the lease agreements and intends to exercise this right.

Such right-of-use assets are depreciated on similar policy as the one described above, with similar estimates when it comes to residual value and estimated useful lives of the items.

As of 31 December 2022, the residual value is between 15% and 57% (31 December 2021: 15% and 57%) RON.

Adjustments for the impairment of cars from the rental fleet

In the annual assessment of whether there is any indication that an asset may be impaired, the Company considers both external as well as internal sources of information. If such indication for impairment exists, an analysis is performed to assess whether the carrying value of the asset (rental feet owned or disclosed as right-of-use assets) exceeds the recoverable amount, which is the higher of the fair value less costs to sell and the value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use is determined as the present value of the future cash flows expected to be derived from the item or cash generating unit.

In 2021, the Company recorded a net impairment adjustment (as decrease) in amount of RON 79,000, for both the fleet owned and the vehicles purchased under lease agreements (right-of-use assets).

During 2022, the Company recorded a net impairment adjustment in amount of RON 1,460,000, for both its own fleet of cars and rental equipment, as well as the vehicles purchased under lease agreements (right-of-use assets).

For details, please refer to Note 14.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Inventories – cars – net realizable value

The inventories are valued considering their net realizable value. Such values are determined based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. After reclassification from Property, Plant and Equipment or from Right-of-Use Assets the impairment adjustments are recorded under "Other gains/losses – net".

Losses from impairment of trade receivables

The measurement of the ECL allowance for financial assets is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Judgement is required from management for applying appropriate models and setting assumptions for the measurement of ECL.

The methodology and assumptions, including any forecasts of future economic conditions, are reviewed regularly by management. Details about the assumptions and estimation techniques used in measuring ECL for operating lease receivables and trade receivables from operating lease contracts are further provided in section "Credit risk" in Note 19. The impairment models are subject to annual review to ensure they remain current and fit for purpose and the use and performance continue to meet the Company's standards.

4.1 LEGAL MERGER IN 2021 WITH SUBSIDIARY BT OPERATIONAL LEASING SA

Autonom Services SA acquired BT Operational Leasing SA on 30 June 2018 for an initial purpose of merging the two entities and benefiting from the synergies. Due to operational reasons related to the different counties the two entities operate in, that required changing vehicle id cards (administrative procedures that need to be completed with the State's authorities and required immobilizing the entire fleet of BT Operational Leasing SA for several days), BT Operational Leasing SA continued its own operations until 1 January 2021 – see below. Since the acquisition date, the management's intention was that, gradually, customers would be transferred to Autonom Services entity (parent entity) as existing lease contracts end in the subsidiary.

Starting 17 September 2020, Autonom Services became the sole shareholder of BT Operational Leasing, redeeming the shares held by minority shareholders. Effective 1 January 2021, the merger by absorption of BT Operational Leasing by Autonom Services SA was approved, and the company BT Operational Leasing was deregistered from the Trade Register on 4 March 2021. Under this action, the absorbed company's assets and liabilities as of 1 January 2021 were taken over in full.

This reorganization had no impact on the consolidated financial statements for the fiscal year ended on 31 December 2021, but in the standalone financial statements, the financial position and results of operations of the absorbed subsidiary have been reflected only as of the date the merger took place (1 January 2021), while the comparative information only includes the financial position and results of operations of the Company.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

4.1 LEGAL MERGER IN 2021 WITH SUBSIDIARY BT OPERATIONAL LEASING SA (continued)

The result of the merger is shown in the table below:

Category	Notes	Assets	Debts	Equity
Intangible assets	17	51,224		
Rental fleet and rental equipment	14	57,286,570		
Right-of-use assets	15	657,596		
Trade receivables		3,629,630		
Other receivables and current assets		327,158		
Prepayments		310,746		
Cash and cash equivalents		7,709,016		
Interest-bearing loans and borrowings	19		44,226,769	
Lease liabilities	15		779,901	
Trade and other payables			1,574,363	
Deferred income			277,352	
Deferred income tax liabilities	13		398,804	
Provisions			71,400	
Share capital called up				3,494,000
Other capital reserves				1,100,842
Retained earnings				18,048,509
Total		69,971,940	47,328,589	22,643,351
Previously held equity securities				(14,199,375)
The net assets acquired following the merger				8,443,976

4.2 ACQUISITION IN 2022 AND LEGAL MERGER WITH PREMIUM LEASING SRL SUBSIDIARY

Acquisition

The Competition Council authorized on April 8th, 2022, the transaction by which Autonom, the most important independent Romanian-owned company in the automotive operational leasing and rent-a-car markets in Romania, takes control of Țiriac Operating Lease (Premium Leasing SRL).

Țiriac Operating Lease, an operational leasing service provider with 19 years of experience in Romanian market, is a 100% entrepreneurial company, distinguished by flexibility and responsiveness. The company provides mobility services for corporate clients, SMEs, self-employed professionals and authorized individuals, providing assistance in selecting the right vehicles for the most diverse and demanding needs and handling all services necessary for hassle-free use of the contracted vehicles.

Founded in 2003 under the name Premium Leasing, the company was rebranded in 2017, adopting the Țiriac brand to highlight its affiliation with the local Group.

The acquisition was completed on April 15th, 2022 for a price of EUR 11.23 million, by full acquisition of all social shares.

According to IFRS 3 Standard "Business Combinations", all business combinations must be accounted for using the acquisition method. Therefore, the acquirer recognizes the identifiable assets, liabilities and contingent liabilities of the acquired entity at fair value on the acquisition date, as well as the goodwill.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

4.2 ACQUISITION IN 2022 AND LEGAL MERGER WITH PREMIUM LEASING SRL SUBSIDIARY
(continued)

The table below shows the fair value of the assets acquired, the liabilities assumed as well as the goodwill recognized on the date of the acquisition of the Premium Leasing subsidiary:

	Fair value on the date of acquisition
Assets	241,710,285
Intangible assets	190,254
Rental fleet and rental equipment	218,338,112
Trade receivables	11,184,421
Other receivables and current assets	973,244
Prepayments	2,304,756
Cash and cash equivalents	8,719,499
Liabilities	188,270,842
Interest-bearing loans and borrowings	172,069,977
Trade and other payables	7,965,392
Deferred income	6,529,783
Deferred income tax liabilities	1,250,000
Provisions	455,690
Total identifiable net asset, at fair value	53,439,442
Total acquisition price transferred	55,527,024
Resulting goodwill	2,087,582
 Cash flow at acquisition	
Cash transferred for the acquisition of the branch	55,527,024
Less cash taken over with the branch	<u>(8,719,499)</u>
Net cash flow at acquisition (included in cash flows from investing activities)	<u>46,807,525</u>

The identifiable net assets acquired do not include the loan owed to the former shareholder (including interest) with a nominal value of RON 3,958,400, which was assigned to the Company. For the purpose of allocating the purchase price, this loan is considered to be part of the equity. Therefore, the purchase price, as presented, includes the price paid both for the acquired subsidiary's shares and for the transfer of the loan from the former shareholder.

The goodwill of RON 2,087,582 includes the value of the expected synergies arising from the acquisition and intangible assets that did not qualify for separate recognition at the acquisition date (for example, the workforce acquired with the subsidiary). Goodwill is not tax deductible.

The fair values presented above, of the assets acquired and the liabilities assumed, are based on an evaluation performed by an independent appraiser on April 30th, 2022.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

4.2 ACQUISITION IN 2022 AND LEGAL MERGER WITH PREMIUM LEASING SRL SUBSIDIARY
(continued)

The evaluation of fixed assets was carried out by applying the cost approach (net replacement cost method) in the case of all fixed assets with the exception of vehicles whose evaluation was performed using the market approach. In the case of the historical cost approach, the estimated durations of operation varied between 24 and 72 months, and the gross replacement cost was considered to be the purchase cost in euros.

The fair value of the trade receivables recognized upon acquisition was RON 11,184,421. The gross contractual amount of due receivables was RON 12,831,731, out of which RON 2,836,324 was expected to be uncollectible.

The acquisition costs of the subsidiary, representing mainly legal expenses, amounted to RON 192,970 and were included in administrative expenses.

Legal merger

Since the acquisition date, the management's intention was that, gradually, customers would be transferred to Autonom Services entity (parent entity) as existing lease contracts end in the subsidiary.

Effective 1 May 2022, the Neamt Court approved the merger by absorption of Premium Leasing SRL by Autonom Services SA, and the company Premium Leasing was deregistered from the Trade Register on October 10th, 2022.

Under this action, the absorbed company's assets and liabilities as of 1 May 2022 were taken over in full. Within this merger, the financial position and the results of operations of the absorbed subsidiary were reflected from the date the merger took place (May 1st, 2022).

The table below shows the accounting value of the balance sheet items taken over from the Premium Leasing subsidiary on the date of the merger, May 1st, 2022, which corresponds to the values presented above in the table with the identifiable net assets acquired upon the acquisition of the subsidiary:

Category	Notes	Assets	Debts	Equity
Goodwill resulting from acquisition*		2,087,582		
Intangible assets	17	90,254		
Rental fleet and rental equipment	14	218,338,112		
Trade receivables	21	11,184,421		
Inventories	20	361,520		
Other receivables and current assets		611,720		
Prepayments		2,304,756		
Cash and cash equivalents	22	8,719,499		
Interest-bearing loans and borrowings	19		172,069,977	
Trade and other payables	24		7,965,392	
Deferred income			6,529,783	
Deferred income tax liabilities	13		1,250,000	
Provisions			455,690	
Share capital called up				180,000
Other capital reserves				
Retained earnings				
Total		243,797,868	188,270,842	180,000
The net assets acquired following the merger				55,527,026
Capital elements taken over following the merger*				180,000
Removal of previously held participation titles			(51,568,624)	
Removal of loan owed by the subsidiary			(3,958,400)	

* Upon the merger, the Company adjusted the value of the goodwill resulting from the acquisition of the Premium Leasing subsidiary in the amount of RON 2,087,582 with the value of the capital elements taken over following the merger in the amount of RON 180,000, resulting in an adjusted value of the goodwill in the amount of RON 2,267,582.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

5. REVENUE

Details of the Company's revenues by type of goods and services are included directly in the statement of profit and loss and comprehensive income, where revenues from operating leases, fees from services incidental to operating lease (see also details in Note 5.1), rent-a-car income, revenues from the sale of goods and other operating revenues (see also details in Note 6) are disclosed separately.

The Company has a large portfolio of clients (there is no client with a share of 10% or more of the revenues).

During the year 2022, revenues in amount of RON 9,689,525 were recorded from amounts previously recorded as income in advance. To elevate the advance income position in the balance sheet, the amount of RON 6,529,783 represents the takeover of Premium Leasing's assets and liabilities (see Note 4).

Below table presents Company's revenues based on the geographical location of the clients:

	2022		2021	
	Operating leasing income, rent-a-car income, additional service income and other operating income	Income from the sale of motor vehicles (from the car fleet and rental equipment)	Operating leasing income, rent-a-car income, additional service income and other operating income	Income from the sale of motor vehicles (from the car fleet and rental equipment)
Domestic	<u>428,239,143</u>	<u>92,150,806</u>	<u>275,816,692</u>	<u>73,198,820</u>
External, out of which:	<u>2,667,387</u>	<u>124,121,814</u>	<u>2,578,630</u>	<u>42,666,410</u>
European	<u>2,667,387</u>	<u>124,121,814</u>	<u>2,578,630</u>	<u>42,666,410</u>
Austria	65,974	-	7,490	-
Belgium	-	3,168,690	(2,815)	1,586,387
Bulgaria	19,648	116,982	96,068	1,432,107
Cyprus	-	-	33,724	-
The Czech Republic	117,885	-	95,694	-
Germany	-	27,554,921	134,697	21,224,734
Denmark	210,694	-	-	-
Estonia	147,480	-	34,907	1,305,881
France	82,516	69,374,527	181,869	6,848,864
Greece	-	3,161,734	5	2,269,783
Croatia	38,180	-	38,012	-
Hungary	246,074	2,425,906	195,488	-
Ireland	1,421,350	-	1,239,157	-
Italy	21,040	969,985	74,002	5,092,053
Lithuania	5,873	-	1,958	-
Luxembourg	-	1,602,888	18,619	-
Latvia	188,292	-	238,779	-
The Netherlands	39,893	4,755,197	39,743	-
Poland	62,487	10,990,983	62,280	689,410
Portugal	-	-	88,954	2,217,191
TOTAL OPERATING INCOME:	430,906,530	216,272,620	278,395,322	115,865,230

The increase in turnover in the country is due to the increased base of assets used for rental, both from the takeover and merger with Premium Leasing SRL (see Note 4) and from the acquisition of new assets.

Foreign sales are mainly of the nature of new and second-hand car sales, while services have only registered a slight increase.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

5.1 INCOME FROM ADDITIONAL SERVICES

	2022	2021
Income from maintenance, repairs, insurance and road taxes	75,238,542	47,524,725
Other contractual components	18,809,636	11,881,181
Total	94,048,178	59,405,906

Revenues from additional services are included in the total under Note 5.

6. OTHER OPERATING INCOME

	2022	2021
Penalties	2,061,159	1,951,542
Car damage compensation	8,593,968	7,918,468
Grant income received	189,658	142,984
Other income	21,291,256	13,602,387
Other rental income	143,064	432,544
Total	32,279,105	24,047,926

Other income relates to various different amounts invoiced to clients and fuel re-invoicing, as well as sundry re-invoicing to related parties.

Other operating revenues are also included in the total under Note 5.

7. RENTAL FLEET EXPENSES

	2022	2021
Fuel	17,520,810	7,097,261
Spare parts	34,873,781	17,934,053
Repairing, maintenance, reconditioning	23,957,327	19,130,084
Rental fleet operation expenses	4,661,739	4,700,616
Insurance expenses	23,581,633	14,376,957
Other consumables expenses	307,519	114,670
Car registration and other fees	683,286	529,821
Vehicle sanitization	1,779,450	997,560
Parking fees expenses	283,193	74,345
Total	107,648,738	64,955,367

The increase in expenses with the car fleet is due to the increased base of assets used for leasing, both from the takeover and merger with Premium Leasing SRL (see Note 4) and from the acquisition of new assets.

8. EMPLOYEE BENEFIT EXPENSES

	2022	2021
Salaries	42,446,625	31,297,522
Social security contributions and other taxes	1,215,554	785,848
Meal ticket expenses	1,843,935	1,309,701
Total	45,506,114	33,393,071

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

9. ADMINISTRATIVE EXPENSES

	<u>2022</u>	<u>2021</u>
Telecommunication expenses	383,316	310,541
Head office expenses	1,102,199	611,029
Sales and marketing expenses	1,267,806	1,144,115
Administrative offices rent	2,436,385	1,530,863
Total	<u>5,189,707</u>	<u>3,596,548</u>

10. OTHER OPERATING EXPENSES

	<u>2022</u>	<u>2021</u>
Other third-party services (Note 10.1)	11,833,119	6,709,913
Fees and taxes	3,455,707	800,324
Transport of goods and personnel	681,265	357,301
Travel expenses	1,063,946	592,570
Bank and similar fees	1,059,229	617,172
Other taxes, duties and similar charges	5,945,668	4,178,507
Sundry expenses	576,544	67,539
Donations and subsidies granted	1,243,255	3,127,937
Other expenses	145,343	34,534
Total	<u>26,004,076</u>	<u>16,485,797</u>

10.1. Third-party services expenses

	<u>2022</u>	<u>2021</u>
Training courses	1,581,604	522,016
IT Services	2,119,056	1,634,749
Legal services	730,252	391,546
Medical services	245,001	220,663
Protocol	948,145	389,231
Human resources services	79,905	15,890
Audit and consultancy	1,507,510	1,015,831
Security	513,323	430,814
Other services	4,108,323	2,089,172
Total	<u>11,833,119</u>	<u>6,709,913</u>

11. OTHER (LOSSES) / GAINS - NET

	<u>2022</u>	<u>2021</u>
Provisions for risks and expenses, net	(421.270)	612,322
Allowances for inventories reversal	-	(284.272)
Expected credit losses	8,647,145	4,322,234
Total	<u>8,225,875</u>	<u>4,650,284</u>

Inventory reversal adjustments represent the amount recognized in the prior year from the measurement at the lower of cost and net realizable value for cars that were sold during 2021.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

12. FINANCE INCOME / COSTS

12.1. Finance costs

	<u>2022</u>	<u>2021</u>
Interest for liabilities and loans	23,782,791	9,478,083
Interest for lease liabilities	11,396,918	9,451,802
Foreign exchange loss	258,872	6,178,151
Total finance costs	<u>35,438,580</u>	<u>25,108,036</u>

The variance in interest expenses from 2021 to 2022 takes into account the larger number of vehicles for which Autonom Services SA obtained financing as of December 31st, 2022, including the takeover of the vehicles of the subsidiary Premium Leasing SRL (see Note 4).

The foreign exchange losses relate to the entity having loans in EUR and a large balance of lease liabilities, most of which are denominated in EUR, and which are revalued at the functional currency at the end of the period.

The table below shows a comparison between the average EUR/RON exchange rate and the spot rate in the current period and in the comparative period of the prior year.

Exchange rate/Date	<u>2022</u>	<u>2021</u>
Spot	4.9474	4.9481
Variance	(0.01)%	1.02%
Average	4.9315	4.9204
Variance	0.22%	1.02%

12.2. Finance income

	<u>2022</u>	<u>2021</u>
Interest income	2,714,656	1,665,616
Total finance income	<u>2,714,656</u>	<u>1,665,616</u>

The variance in the interest income from 2021 until 2022 takes into account the effective interest rate on loans granted to related parties.

12.3. OTHER INCOME

	<u>2022</u>	<u>2021</u>
Income from dividends related to capital investments sold	385,610	-
Income from the sale of capital investments	2,373,414	-
Total Other income	<u>2,759,024</u>	<u>-</u>

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

13. INCOME TAX

The main components of income tax expense for years ended on 31 December 2022 and 31 December 2021 are:

	<u>2022</u>	<u>2021</u>
Current income tax:		
Current income tax charge	(2,679,821)	-
Deferred tax:		
Relating to initial recognition and reversal of temporary differences	(5,144,103)	(4,941,208)
Income tax expense reported in the statement of profit and loss and other comprehensive income	<u>(7,823,924)</u>	<u>(4,941,208)</u>

A reconciliation between tax expense and the product of accounting profit multiplied by Romania's domestic tax rate for the years ended on 31 December 2022 and 31 December 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Accounting profit before income tax	65,616,068	27,430,580
At statutory income tax rate of 16%	10,498,571	(4,388,893)
Non-deductible expenses for tax purposes	(709,268)	(2,519,363)
Other profit tax exemptions	3,383,914	1,967,047
Income tax reported in statement of profit and loss and other comprehensive income(expense)	<u>(7,823,924)</u>	<u>(4,941,208)</u>

Reconciliation of net deferred tax liabilities

	<u>2022</u>	<u>2021</u>
1 January – liability	<u>(13,031,196)</u>	<u>(7,691,184)</u>
Tax expense/ credit during the period recognized in profit or loss	(5,144,103)	(4,941,208)
Taking over the deferred income tax of the subsidiary at the merger (Note 4)	(1,250,000)	(398,804)
31 December – liability	<u>(19,425,299)</u>	<u>(13,031,196)</u>

Income tax deferred

The deferred tax reconciliation with corresponding items in the statement of comprehensive income is as follows:

	<u>Statement of financial position</u>		<u>Statement of comprehensive income</u>	
	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>2022</u>	<u>2021</u>
Taking over the deferred income tax of the subsidiary Premium Leasing at the merger (from tangible fixed assets) (Note 4)	(1,250,000)	(398,804)		
Property, plant and equipment and right-of-use assets	(18,175,299)	(12,632,392)	5,144,103	3,653,962
Intangible assets	-	-	-	-
Trade receivables impairment	-	-	-	478,240
Deferred income	-	-	-	608,065
Other	-	-	-	200,941
Deferred tax expense/ (income)			<u>5,144,103</u>	<u>4,941,208</u>
Net deferred tax liabilities	<u>(19,425,299)</u>	<u>(13,031,196)</u>		

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

14. PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2022, the gross book value of fully depreciated property, plant and equipment that were still in use is RON 242,987,800 (31 December 2021:). RON 98,216,992).

	<u>Land</u>	<u>Furniture and fittings</u>	<u>Rental fleet and rental equipment</u>	<u>Constructions in progress (CIP)</u>	<u>Total</u>
Cost					
Balance at 1 January 2021	564,542	2,594,535	184,822,122	23,000	188,004,199
Additions	879,237	144,603	167,593,048	541,927	169,158,815
Acquisition by merger of BT Operational Leasing subsidiary's assets (Note 4)			129,639,557		129,639,557
Transfers to inventories	-	-	77,741,508	-	77,741,508
Disposals		231,146	5,107,764	-	5,338,910
Balance on 31 December 2021	1,443,779	2,506,991	399,205,454	564,927	403,721,152
Additions	-	485,888	264,834,653	9,010,086	274,330,627
Acquisition by merger of Premium Leasing subsidiary's assets (Note 4)	-	214,775	219,950,105	-	220,164,880
Transfers to inventories	-	-	121,121,487	-	121,121,486
Disposals	-	429,551	-	-	429,551
Balance at 31 December 2022	1,443,779	2,778,103	762,868,727	9,575,013	776,665,622
Accumulated depreciation and impairment					
Balance at 1 January 2021	-	2,134,607	40,011,360	-	42,145,968
Depreciation charge	-	161,992	48,555,959	-	48,717,952
Acquisition by merger of BT Operational Leasing subsidiary's assets (Note 4)			72,352,987		72,352,987
Impairment expense, net	-	-	1,020,986	-	1,020,986
Transfers to inventories	-	-	38,488,625	-	38,488,625
Disposals	-	231,146	2,392,618	-	2,623,764
Balance on 31 December 2021	-	2,065,454	121,060,051	-	123,125,505
Depreciation charge	-	321,211	97,547,134	-	97,868,345
Acquisition by merger of Premium Leasing subsidiary's assets (Note 4)		186,713	1,640,056		1,826,769
Impairment expense, net	-	-	1,192,784	-	1,192,784
Transfers to inventories	-	-	56,398,835	-	56,398,835
Disposals	-	429,551	-	-	429,551
Balance at 31 December 2022	-	2,143,826	165,041,189	-	167,185,015
Net book value as of 31 December 2021	1,443,779	441,538	278,145,403	564,927	280,595,648
Net book value as of 31 December 2022	1,443,779	634,277	597,827,538	9,575,013	609,480,607

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

14. PROPERTY, PLANT AND EQUIPMENT (continued)

As of 31 December 2022, from the total rental fleet and rental equipment, RON 109,002 thousand represent rental equipment and RON 488,826 thousand represent rental fleet vehicles.

As of 31 December 2021, from the total rental fleet and rental equipment, RON 63,142 thousand represent rental equipment and RON 215,004 thousand represent rental fleet vehicles.

Property, plant and equipment impairment

In 2021, following the management's analysis, net depreciation adjustments amounting to RON 79,000 (as decrease) were recorded for the entire fleet of cars and equipment – including those disclosed as right of use.

In 2022, following the management's analysis, net depreciation adjustments amounting to RON 1.460.000 were recorded in relation to its own fleet of vehicles and equipment and assets related to the right of use as a result of the change in the average transaction prices of used cars and equipment, as well as due to general market developments.

The computer chip shortage has led to a drop in the production of new cars and therefore in the dealers' stocks and to very long delivery times of even above 12 months for some producers. Buyers have therefore turned to the second-hand market, and the increased demand has led to a slight increase in prices during 2022 as well.

The summary of depreciation, amortization and impairment of non-current assets for the financial years 2022 and 2021 is included in the table below:

	<u>2022</u>	<u>2021</u>
Depreciation of rental fleet and rented equipment	97,547,134	48,555,959
Amortization of right-of-use assets	76,143,127	63,948,053
Adjustments for the impairment of right-of-use assets and rental fleet, net	1,460,393	(78,936)
Depreciation and impairment adjustment for rental fleet and equipment	<u>175,150,654</u>	<u>112,425,077</u>
Depreciation of investment properties	82,250	67,329
Amortization of right-of-use assets for buildings	2,030,382	2,374,489
Depreciation of other assets	321,211	161,992
Depreciation of other non-current assets	266,533	169,749
Depreciation, amortization and impairment of other non-current assets	<u>2,700,375</u>	<u>2,773,560</u>
Total	<u>177,851,029</u>	<u>115,198,636</u>

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

15. RIGHT-OF-USE ASSETS

Below are detailed the carrying amounts of the right-of-use assets and lease liabilities and the changes during the period:

	Right-of-use assets			Lease liabilities
	Buildings	Tangible assets - fleet	Total	
As of 1 January 2021,	3,717,069	319,595,688	323,312,756	278,034,667
Additions	1,625,259	144,481,670	146,106,929	146,106,929
Acquisition by merger of BT Operational Leasing subsidiary's assets (Note 4)		657,596	657,596	779,901
Depreciation charge	(2,374,489)	(63,948,053)	(66,322,542)	-
Adjustments for the impairment of right-of-use assets, net	-	1,099,922	1,099,922	-
Transfer to inventories (net)	-	(30,049,423)	(30,049,423)	-
Disposals	(22,231)	-	(22,231)	-
Interest expense	-	-	-	9,451,803
Early termination of lease agreements	-	(1,547,619)	(1,547,619)	(1,547,619)
Foreign exchange rate	-	-	-	3,666,440
Payments of principal and interest	-	-	-	(116,650,736)
As at 31 December 2021	2,945,608	370,289,781	373,235,389	319,841,386
<i>Out of which:</i>				
Current				92,313,731
Long term				227,527,655

	Right-of-use assets			Lease liabilities
	Buildings	Tangible assets - fleet	Total	
As of 1 January 2022,	2,945,608	370,289,781	373,235,389	319,841,386
Additions	4,027,463	218,203,876	222,231,339	222,231,339
Depreciation charge	(2,030,382)	(76,143,127)	(78,173,509)	-
Adjustments for the impairment of right-of-use assets, net	-	(267,609)	(267,609)	-
Transfer to inventories (net)	-	(34,752,784)	(34,752,784)	-
Disposals	-	-	-	-
Interest expense	-	-	-	11,396,918
Early termination of lease agreements	-	(2,429,099)	(2,429,099)	(2,429,099)
Foreign exchange rate	-	-	-	458,788
Payments of principal and interest	-	-	-	(121,777,885)
As at 31 December 2022	4,942,689	474,901,038	479,843,727	429,721,446
<i>Out of which:</i>				
Current				133,181,152
Long term				296,540,294

As of 31 December 2022, the amounts pledged are of RON 527,671,755 – at acquisition value (31 December 2021: RON 588,457,051).

The Group recognized rent expenses from short-term leases amounting to RON 1,774,182 (at 31 December 2021: RON 1,122,581). No leases of low-value assets nor variable lease payments for the period ended on 31 December 2022.

At the end of the lease agreement the vehicles recorded as right-of-use become the property of the Company and they are used for rent-a-car activity or transferred to inventories to be sold. The assets acquired under finance leases are pledged in favor of the leasing companies.

The available amounts not drawn and related to the lease agreements signed with financial leasing institutions as of 31 December 2022 amount to EUR 10,969,104 (as of 31 December 2021: EUR 17,649,052).

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

16. INVESTMENT PROPERTY

	<u>Investment property</u>
Cost	
As at 1 January 2021	<u>1,737,160</u>
Additions	580,001
Disposals	-
As at 31 December 2021	<u>2,317,161</u>
Additions	77,975
Disposals	-
As at 31 December 2022	<u>2,395,136</u>
As at 1 January 2021	<u>145,633</u>
Depreciation charge	67,329
Disposals	-
As at 31 December 2021	<u>212,962</u>
Depreciation charge	82,250
Disposals	-
As at 31 December 2022	<u>295,212</u>
Net book value	
As at 31 December 2021	2,104,198
As at 31 December 2022	2,099,924

The fair value of the investment property on 31 December 2022 amounts to RON 2,392,300 for buildings (at 31 December 2021: RON 2,251,600).

Investment property refer to buildings rented to related parties of the Company. Rental income from investment property is presented in Note 7 "Other operating income", under "Other rental income".

Investment properties are impaired on a straight-line basis over a period between 32-60 years.

The fair value of investment properties was determined, by an independent authorized valuator, using the income approach, with the most significant unobservable inputs being the rent per square meter (ranging between EUR 10 – 37) and the capitalization rate used of 11%.

The investment property is pledged in favor of a bank as a guarantee for the financing received.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

17. INTANGIBLE ASSETS

	Goodwill	Licenses and other intangibles	Total
Cost			
As at 1 January 2021	-	852,564	852,564
Additions	-	-	-
Acquisition by merger of BT Operational Leasing subsidiary's assets (Note 4)	-	409,946	409,946
Disposals	-	-	-
As at 31 December 2021	-	1,262,511	1,262,511
Additions	-	316,876	316,876
Acquisition by merger of Premium Leasing subsidiary's assets (Note 4)	2,267,582	1,318,471	3,586,053
Disposals	-	830,276	830,276
As at 31 December 2022	2,267,582	2,067,581	4,335,163
Cumulated amortization			
As at 1 January 2021	-	578,835	578,835
Depreciation charge	-	179,749	179,749
Acquisition by merger of BT Operational Leasing subsidiary's assets (Note 4)	-	348,723	348,723
As at 31 December 2021	-	1,107,306	1,107,306
Depreciation charge	-	266,533	266,533
Acquisition by merger of Premium Leasing subsidiary's assets (Note 4)	-	1,134,630	1,134,630
Disposals	-	833,947	833,947
As at 31 December 2022	-	1,674,522	1,674,522
Net book value			
As at 31 December 2021	-	155,205	155,205
As at 31 December 2022	2,267,582	393,059	2,660,641

During the period January 1 – December 31, 2022, the increase in the gross value of intangible assets was RON 2,438,900, the amount of RON 2,267,582 represents the value of the goodwill recorded at the merger with Premium Leasing, and the amount of RON 190,254 is generated by the merger with the Premium Leasing subsidiary.

18. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2022	31 December 2021
Long-term loans and borrowings		
Long-term loans	231,069,016	45,383,138
Bonds – unsecured fixed rate	334,582,598	334,028,717
Sub-total	565,651,614	379,411,855
Current		
Accrued interest for bonds	1,721,164	1,636,978
Short-term bank loans and accrued interest	108,630,103	27,091,768
Sub-total	110,351,267	28,728,746
Total interest-bearing loans and borrowings	676,002,881	408,140,601

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Bank	Type	Maturity for the last instalment	Balance in bank currency at 31 December 2022	Currency	Balance in RON at 31 December 2022		
					Short term	Long term	
Bank K	TS car purchase line	10/10/2023	304,096	EUR	1,504,482	1,504,482	-
Bank F	Car purchase line	02/28/2025	327,252	RON	327,252	73,219	254,033
Bank G	Car investment loan	07/05/2023	5,897	RON	5,897	5,897	-
Bank G	Equipment investment loan	11/27/2026	31,303	EUR	154,870	153,778	1,093
Bank B	Credit for leasing operations	12/10/2028	6,727,375	EUR	33,283,017	14,127,640	19,155,377
Bank C	Car purchase line	11/05/2024	5,028,564	EUR	24,878,319	7,005,655	17,872,665
Bank H	Car purchase line	10/03/2026	4,656,254	EUR	23,036,351	5,943,067	17,093,284
Bank I	Car purchase line	30/06/2023	96,768	RON	96,768	96,768	-
Bank D	Investment loan	84 months from the contract signing date but no later than 10/07/2025	1,148,148	EUR	5,680,347	2,198,845	3,481,503
Bank D	The multi-product facility	10/07/2025	5,444,361	EUR	26,935,430	6,828,877	20,106,553
Bank M	Car and equipment purchase line	05/06/2024	223,596	RON	223,596	200,375	23,220
Bank E	Equipment line	02/10/2025	544,750	RON	544,750	437,900	106,850
Bank M	Car and equipment purchase line	31/12/2024	163,039	EUR	806,617	395,712	410,905
Bank P	Car purchase line	22/02/2027	16,281	EUR	80,550	12,235	68,315
Bank B	Credit line	10/12/2023	1,092,327	EUR	5,404,180	5,404,180	-
Bank O	Credit line	29/05/2026	161,475	EUR	798,880	233,819	565,061
Bank I	Credit line	30/06/2027	10,015,859	EUR	49,552,460	17,836,045	31,716,415
Bank G	Credit line	29/11/2027	7,769,789	EUR	38,440,252	12,505,648	25,934,604
Bank R	Credit line	10/06/2027	4,998,408	EUR	24,729,126	6,722,936	18,006,190
Bank S	Credit line	30/04/2027	5,075,233	EUR	25,109,208	9,862,917	15,246,291
Bank T	Investment loan	22/12/2027	15,000,000	EUR	74,211,000	14,842,200	59,368,800
Bank F	Car purchase line	31/08/2027	730,353	EUR	3,613,346	1,955,492	1,657,854
Bank H	Car purchase line	31/03/2023	366,834	RON	366,834	366,834	-
Bank B	Interest on bonds		330,830	EUR	1,636,748	1,636,748	
	AUT24E bonds		20,000,000	EUR	98,565,186	-	98,565,186
	AUT26E bonds		48,030,000	EUR	236,017,412		236,017,412
Total:				RON	676,002,881	110,351,269	565,651,611

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

Bank	Type	Maturity for the last instalment	Balance in bank currency at 31 December 2021	Currency	Balance in RON at 31 December 2021	Short term	Long term
Bank K	Car purchase line	08/09/2023	851,137	EUR	4,211,512	2,727,163	1,484,349
Bank F	Car purchase line	28/02/2025	4,567,365	RON	4,567,365	2,137,332	2,430,033
Bank G	Equipment investment loan	28/07/2025	161,025	EUR	796,771	115,495	681,276
Bank G	Car investment loan	07/05/2023	148,192	RON	148,192	140,155	8,037
Bank B	Car purchase line	30/01/2026	31,886,355	RON	31,886,355	7,318,913	24,567,442
Bank C	Car purchase line	17/08/2026	5,295,847	RON	5,295,847	1,681,916	3,613,931
Bank H	Car purchase line	10/03/2026	1,162,720	EUR	5,753,254	2,311,387	3,441,867
Bank I	Car purchase line	31/03/2026	501,140	RON	501,140	95,455	405,685
Bank D	Investment loan	84 months of the contract signing date but not later than 10/07/2025	1,592,592	EUR	7,880,304	2,199,156	5,681,149
Bank M	Car and equipment purchase line	05/06/2024	990,766	RON	990,766	396,306	594,460
Bank E	Equipment line	02/10/2025	1,198,658	RON	1,198,658	312,693	885,965
Bank N	Car and equipment purchase line	28/11/2025	243,022	EUR	1,202,499	307,021	895,478
Bank B	Investment loan	30/11/2023	1,430,824	EUR	7,079,858	7,079,858	-
Bank B	Credit line	12/11/2022	65,952	RON	65,952	65,952	-
Bank O	Credit line	29/06/2026	181,167	EUR	896,432	202,966	693,466
Bank B	Interest on bonds		330,830	EUR	1,636,978	1,636,978	
	AUT24E bonds		20,000,000	EUR	98,387,780	-	98,387,780
	AUT26E bonds		48,030,000	EUR	235,640,937		235,640,937
Total:				RON	408,140,601	28,728,746	379,411,855

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Unsecured corporate bonds

In November 2019, the Company issued a EUR 20 million unsecured Eurobond. The five-year euro-denominated Bonds mature on 5 November 2024 and carries a fixed interest rate 4.45%. The first interest coupon was settled on 5 November 2020.

On November 2021, the Company issued corporate bonds in the amount EUR 48 million which were admitted to trading on the Main Market of the Bucharest Stock Exchange, Bonds segment, trading under the symbol AUT26E. The bonds have a nominal value of EUR 10.000, a maturity of five years and a fixed interest rate 4.11%, p.a. payable annually.

This round of bonds includes a step-up adjustment mechanism. This adjustment mechanism is linked to a certain level of CO2 emissions per vehicle (115.13 gCO2/km per vehicle) which must be reached by 31 December 2025 in order to maintain the interest rate of 4.11% inclusive for the final year. If the CO2 emission level is above 115.13 gCO2/km on 31 December 2025, the Company will pay an interest rate of 4.41% for the last year (base rate of 4.11% plus 0.30%). Within 4 months time from the Performance Observation deadline the Company will have to report on the level of emissions, which will be audited by Sustainalytics.

Financial covenants on unsecured fixed rate bonds are calculated using the financial information from the standalone financial statements of the Company and include the Consolidated Interest Coverage Ratio, with minimum value of 4% and Net Financial Debt / EBITDA which should be at most 3.5 or equal to this value for the AUT24E bonds and at most 4 or equal to this value for the AUT26E bonds.

Sustainability performance target: reducing average CO2 emissions across the operational fleet by 25% by 2025, which is a medium term objective.

The financial covenants related to the bond are assessed on an annual basis and were met as of 31 December 2021 and as of 31 December 2022.

Interest rate:

The interest rates for the borrowings in local currency are ROBOR 1M and ROBOR 3M plus fixed margin as negotiated with the banks. For the borrowings denominated in foreign currency are EURIBOR 3M and EURIBOR 6M plus fixed margin negotiated with the banks.

Interest bearing loans and borrowings covenants (other than bonds):

For most of the Company's credit agreements with banks addendums were signed, so that all provisions relating to financial ratios are aligned with the provisions of the bond issue prospectus, i.e. the ratios in the financial statements will be taken into account, i.e. the Interest Coverage Ratio, which must be at least 4% and Net Financial Debt/EBITDA, which must be at most 3.5 or equal to this value.

Breaches in meeting the covenants would permit the Banks to immediately call loans and borrowings.

As of 31 December 2021, the ratios related to the covenants in the loan agreements signed with the banks and which are, most of them, assessed on an annual basis as of 31 December, were met.

As of 31 December 2022, the ratios related to the covenants in the loan agreements signed with the banks and which are, most of them, assessed on an annual basis as of 31 December, were met.

Pledges:

Except for the bonds, which are unsecured, all loans with the banks are secured with pledges on property, plant and equipment (Note 14), investment property (Note 16), cash and cash equivalents (Note 22) and receivables (Note 21).

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

As at December 31st, 2022, the Company had available unused in the credit facilities in amount of 39,368,810 RON and 38,951,615 EUR (December 31st 2021: 107,103,737 RON and 14,458,422 EUR) therefore being able to meet any unforeseen cash needs.

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, including finance leases and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets are represented by loans to related parties and shareholder, trade and other receivables and cash and short-term deposits that derive directly from its operations, as well as long-term deposits to guarantee rent payables.

The Company is exposed to interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management ensures that the Company's financial risk activities are performed under appropriate procedures and that financial risks are identified, measured and managed in accordance with Company's risk appetite.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Trade and other receivables and payables are non-interest-bearing financial assets and liabilities. The borrowings are usually exposed to interest rate risk through market value fluctuations of interest-bearing long-term and short-term credit facilities. Except for the bonds contracted by the Company, interest rates on the Company's debt finance are variable. The interest rates on credit facilities of the Company are disclosed in Note 18. Changes in interest rates impact primarily loans and borrowings by changing their future cash flows (variable rate debt). Management policy is to resort mainly to variable rate financing. However, at the time of rising new loans or borrowings management uses its judgment to decide whether it believes that fixed or variable rate would be more favorable to the Company over the expected period until maturity.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates. With all other variables kept constant, the Company's profit before tax and equity is affected by the impact on floating rate borrowings, as follows:

	Increase in basis points	Effect on profit before tax
2022	1%	(7,711,417)
RON		(85,989)
EUR		(7,625,428)
2021	1%	(3,913,941)
RON		(454,106)
EUR		(3,459,834)

The Company does not hedge its interest rate risk.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. An equal decrease of the interest rate would have the same effect but of opposite impact.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's financing activities, loans and leases, as the financing obtained by the Company is expressed in EUR. contracted by the Group is Euro based. Most revenues, expenses, trade and other receivables and payables is in RON. The Company monitors the currency risk by following changes in exchange rates in currencies in which its intercompany balances and external debts are denominated. The Company does not have formal arrangements to mitigate its currency risk.

The Company holds the following assets and liabilities in foreign currency.

31 December 2022

	Total RON Equivalent	EUR	USD	GBP	HUF	RON
Trade receivables	58,112,605	1,912,816	646,392	-	-	55,553,397
Cash and cash equivalents	160,221,521	89,665,937	4,034,826	532	23	66,520,204
Interest-bearing loans, bonds and borrowings	676,002,881	674,522,195	-	-	-	1,480,686
Lease liabilities	429,721,446	422,603,190	-	-	-	7,118,256
Trade debts	24,469,363	529,890	1,100	-	-	23,938,373
Contract Guarantees Retained	7,673,799	1,033,867	-	-	-	6,639,932

31 December 2021

	Total RON Equivalent	EUR	USD	GBP	HUF	RON
Trade receivables	24,348,005	922,172	196,307	-	-	23,229,526
Cash and cash equivalents	200,240,184	193,093,922	864,831	750	25	6,280,656
Interest-bearing loans, bonds and borrowings	408,140,601	366,076,851	-	-	-	42,063,750
Lease liabilities	319,841,386	316,545,167	-	-	-	3,296,219
Trade debts	12,410,578	194,851	2,687	31,783	-	12,181,257
Contract Guarantees Retained	5,217,324	267,438	-	-	-	4,949,886

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EUR exchange rate. The Company's exposure to foreign currency changes for all other currencies is not material. With all other variables held constant the Company's profit before tax and equity are affected as follows:

	Change in EUR rate	Effect on profit before tax
31 December 2022	1%	(11,025,543)
31 December 2021	1%	(4,877,320)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily lease and trade receivables) and from its investing activities, including deposits with banks and financial institutions. The Company's credit risk is primarily attributed to lease and trade receivables, loans to related parties and balances with banks. The carrying amount of trade receivables and loans to related parties, net of allowance for impairment (Note 21) plus loans to related parties (Note 26) and balances with banks (Note 22) represent the maximum amount exposed to credit risk. Management believes that there is no significant risk of loss to the Company beyond the allowance already recorded.

The Company invests cash and cash equivalents with highly reliable financial institutions. The Company has only plain vanilla deposits with reputable banks, none of which has experienced any difficulties in 2022 or up to the date of these consolidated financial statements. The company has deposits with BCR, BRD, Banca Transilvania, Garanti Bank or ING among the banks with the largest assets on the local market.

The loans to related parties have no significant exposure to the credit risk because they include a loan to the Company shareholder, which is not in financial difficulty.

There is no significant concentration of credit risk in respect of lease and trade receivables, as the Company has a large portfolio of customers.

To identify exposure to credit risk, the Company performs assessments of the financial position of the contracting parties. The Company has internal rules and procedures regarding the analysis and approval of operational leasing contracts, differentiated by the level of the exposures.

The Company has internal rules and procedures for monitoring the concentration of exposures by sectors of activity, by type of clients, by geographical areas, by type of funded assets, by risk categories, etc.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the history of collections from the respective customer. Outstanding customer receivables and contract assets are regularly monitored and collection or recovery plans are discussed with customers as soon as significant payments become overdue.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Receivables in relation to certain clients, for which, following the grouping according to specific risk factors (such as the total number of days overdue and the number of repeatedly overdue amounts) as well as the legal aspects identified were analyzed on an individual basis. Based on the historical data on the collection pattern for overdue receivables in time, the Company has determined a matrix for the provision for the remaining receivables recorded at the reporting date in which the population represented by outstanding receivables was segmented based on similar characteristics related to the line of business and has applied this matrix to discount the provision related to the expected losses from receivables.

The provisioning rates are based on the analysis of the actual collection of the receivables, to which these relevant analysis criteria are applied and grouped according to relevant criteria related to days overdue and type of services invoiced.

Based on the internal history of the collection pattern in an observation period for overdue receivables, Autonom has updated a matrix of provisioning rates for receivables recorded at the reporting date. The observation period applied was 12 months and two points in time were used to verify the stability of the historical rates, including a point in time containing more recent and, therefore, relevant data for the economic situation generated by the 2020 pandemic.

Autonom has applied this matrix to discount the provision related to the expected loss on overdue receivables, while for clients classified as litigious, a provision was set for the full amount of the receivables recorded at the reporting date.

Provisioning rates are based on the analysis of the actual collection of receivables grouped by relevant criteria: days past due and nature of the debt (either related to MTPL or commercial).

The detailed analysis is described below.

The following steps have been applied to determine the historical rates of loss from receivables:

- - Identification of open invoices not collected at the beginning of each 12 month observation period,
- - For the population of invoices determined at the step above, determination of the remaining amounts to be collected at the end of each 12 month observation period.
- - The expected losses from receivables are determined each interval of days past due as the ratio between the amounts outstanding at the end of the observation period to the amounts recorded at the beginning of the observation period, for the same population of invoices.
- - The average percentage of estimated loss for two points in time is used to update the provisioning matrix
- - The provisioning matrix updated this way is applied to the receivables recorded at the reporting date, taking into account the same criteria for grouping receivables used to determine the matrix.

The client base of entities within the Company was found to be homogenous from a credit risk characteristics perspective, hence the following criteria was used for segmenting the trade receivables:

- Grouping category (i.e., trade receivables and contract assets were analyzed in separate segments for each entity based on a similar expected credit loss estimation methodology); and
- relevant aging buckets.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

- The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security. Moreover, there are no credit enhancements obtained by the Company that would significantly alter credit risk or impact the booked allowance for credit risk.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Below is the information about the credit risk exposure on the Company's trade receivables and contract assets (excluding unpaid receivables) using a provisioning matrix:

31 December 2022	Trade receivables						Total
	Days past due						
	Current	1 – 30	31 – 60	61 – 90	91 – 120	above 120	
Expected credit risk loss rate	4.37%	9.97%	22.75%	22.18%	61.51%	76.80%	
Gross carrying amount - third parties	18,937,932	9,455,912	5,190,834	3,116,289	698,057	37,355,029	74,754,053
Gross carrying amount - related parties	8,645,806	384,872	152,236	30,200	198,566	14,677	9,426,358
Total gross carrying amount	27,583,737	9,840,785	5,343,070	3,146,489	896,623	37,369,706	84,180,411
Expected credit loss	1,205,862	981,386	1,215,394	697,836	551,495	28,701,586	33,353,559

31 December 2021	Trade receivables						Total
	Days past due						
	Current	1 – 30	31 – 60	61 – 90	91 – 120	above 120	
Expected credit risk loss rate	1.51%	7.15%	19.34%	26.70%	44.83%	90.72%	
Gross carrying amount - third parties	10,950,867	4,621,345	2,698,725	2,016,716	1,277,293	21,363,058	42,928,005
Gross carrying amount - related parties	628,814	32,179	7,647	4,551	3,744	34,195	711,130
Total gross carrying amount	11,229,197	4,653,525	2,706,372	2,021,267	1,281,037	21,747,737	43,639,135
Expected credit loss	169,965	332,746	523,470	539,596	574,277	19,730,035	21,870,090

Liquidity risk

The Company has adopted a prudent financial liquidity management approach, assuming that sufficient cash and cash equivalents are maintained, and that further financing is available from guaranteed funds from credit lines. The tables below summarize the maturity profile of the Group's financial liabilities, including principal amounts and future interests according to contractual terms, on 31 December 2022 and on 31 December 2021, based on contractual undiscounted payments.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

31 December 2022	On Demand	Less than 3 months	3 – 12 months	1 – 5 years	>5 years	Total
Interest-bearing loans and borrowings and financial leases	-	36,888,152	86,174,620	579,427,190	-	702,489,962
Lease liabilities	7,283,620	27,257,851	149,897,602	382,108,722	-	566,547,796
Trade and other payables	4,050,718	21,793,594	343,117	5,955,733	-	32,143,162
Total:	11,334,338	85,939,597	236,415,339	967,491,646	-	-1,301,180,920

31 December 2021	On Demand	Less than 3 months	3 – 12 Months	1 – 5 years	>5 years	Total
Interest-bearing loans and borrowings and financial leases	-	13,102,788	35,494,947	429,408,993	-	478,006,728
Lease liabilities	3,487,751	24,569,492	71,146,411	239,269,077	-	338,472,730
Trade and other payables	2,278,326	6,032,413	5,143,363	4,173,800	-	17,627,902
Total:	5,766,077	43,704,693	111,784,720	672,851,870	-	834,107,360

As at December 31st, 2022, the Company had available unused in the credit facilities in amount of 39,368,810 RON and 38,951,615 EUR (December 31st, 2021: 107,103,737 RON and 14,458,422 EUR) therefore being able to meet any unforeseen cash needs.

Outstanding lease payments to be received on an annual basis maturity analysis is as following (no amount is currently scheduled above 5 years):

31 December 2022	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Total:	252,711,637	195,584,287	134,821,822	75,311,823	15,547,803	673,977,372

31 December 2021	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Total:	164,257,607	124,771,517	85,338,739	41,868,983	8,874,156	425,111,001

Capital management

Capital includes equity attributable to equity holders of the Company.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company may monitor capital using a gearing ratio, which is net financial debt divided by total equity—please refer to Note 28.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. For the financial ratios related to the covenants in force as at 31 December 2021 and 31 December 2022, please refer to Note 18.

Fair values

The Company has no financial instruments carried at fair value in the statement of financial position except for investments in own equity instruments (which no longer exist in the balance as of December 31, 2022).

The carrying amount of the interest-bearing loans and borrowings approximate their fair value. Management estimates that the margin applicable over ROBOR or Euribor at the balance sheet date would be similar to the ones at the dates of each previous withdrawal, due to the fact that the Company maintained over the past years a stable financial condition, and also based on the statistics published by the National Bank of Romania. For bonds also, the carrying amount as of 31 December 2022 and 31 December 2021 approximates their fair value.

Financial instruments which are not carried at fair value on the statement of financial position also include deposits to guarantee rent, trade and other receivables, cash and cash equivalents, and trade and other payables.

The carrying amounts of these financial instruments are considered to approximate their fair values, due to their short-term nature (in the majority) and low transaction costs of these instruments.

	Finance lease liabilities	Short term loans	Long term loans	Total
Balance on 1 January 2022	319,841,386	28,728,746	379,411,855	727,981,987
Drawings	222,231,339	51,942,122	186,582,344	460,755,805
Interest expense	11,396,918	14,569,294	9,213,496	35,179,709
Early termination of lease agreements	(2,429,099)	-	-	(2,429,099)
Payments	(110,380,967)	(72,204,942)	(116,872,681)	(299,458,590)
Interest paid	(11,396,918)	(14,569,294)	(9,213,496)	(35,179,708)
Taking over the debts of the Premium Leasing subsidiary (Note 4)	-	55,186,028	116,883,949	172,069,977
Overdraft withdrawals	-	46,545,377	-	46,545,377
Changes in exchange rates	458,788	153,936	(353,852)	258,872
Balance on 31st December 2022	429,721,446	110,351,267	565,651,615	1,105,724,328

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

	Finance lease liabilities	Short term loans	Long term loans	Total
Balance at 1 January 2021	278,034,667	46,951,024	130,385,301	455,370,992
Drawings	146,106,929	110,861,507	46,142,437	303,110,873
Issuance of bonds	-	-	239,231,243	239,231,243
Transaction costs – bonds related	-	-	(1,824,900)	(1,824,900)
Interest expense	9,451,802	6,171,279	3,306,804	18,929,885
Early termination of lease agreements	(1,547,619)	-	-	(1,547,619)
Payments	(107,198,933)	(186,039,506) *	(54,560,053)	(347,798,492)
Interest paid	(9,451,802)	(6,171,279)	(3,306,804)	(18,929,885)
Taking over the debts of the BT Operational Leasing subsidiary (Note 4)	779,901	26,481,285	17,745,484	45,006,670
Overdraft withdrawals	-	30,255,068	-	30,255,068
Changes in exchange rates	3,666,440	219,368	2,292,343	6,178,151
Balance on 31 December 2021	319,841,386	28,728,746	379,411,855	727,981,987

20. INVENTORIES

	31 December 2022	31 December 2021
Cars for sale	28,120,726	4,147,256
Tires in stock	1,792,436	-
Allowances for inventories	-	-
Total inventories	29,918,953	4,147,256

Inventories consist mainly of cars for sale and the revenues from these sales are pledged under the financial lease agreements that the Company has in force with lease companies.

Inventories consisting of new tires are stored for the purpose of subsequent attaching on cars purchased during 2023.

The value of the inventories taken over during the merger with the Premium Leasing subsidiary is RON 361,520.

Carrying value for the inventories for which allowances for inventories were recorded at 31 December 2022 is in amount of RON 0 (on 31 December 2021: RON 0).

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

21. TRADE RECEIVABLES AND OTHER RECEIVABLES, CURRENT ASSETS AND PREPAYMENTS

Trade receivables

	31 December 2022	31 December 2021
Trade receivables	74,754,053	42,928,005
Trade receivable from related parties	9,426,357	711,130
Less allowance for impairment of trade receivables	(33,353,559)	(21,870,090)
Unbilled receivables	7,285,754	2,578,960
Trade receivables, net	58,112,605	24,348,005
Guarantees – long term	535,532	443,281
Total	58,648,137	24,791,286

Other receivables and current assets

VAT and other taxes	172,602	100,648
Advance to suppliers	12,442,985	5,508,858
Other receivables	331,441	7,144,712
Total	12,947,028	12,754,218
Prepayments	2,057,508	714,941

Terms and conditions relating to related party transactions are described in Note 26.

The value of the receivables taken over during the merger with the Premium Leasing subsidiary is RON 11,184,421. Also, prepayments in the amount of RON 2,304,756 were taken over.

Trade receivables are non-interest bearing and 70-80% are on terms of 10 - 40 days and the remaining 20-30% have its due dates higher than 40 days.

Allowance for expected credit losses

	Total
As at 1 January 2021	8,078,374
Provision taken over in the merger with BT Operational Leasing	9,469,483
Charge for expected credit losses	6,184,733
Unused amounts reversed	(1,862,500)
As at 31 December 2021	21,870,090
As at 1 January 2022	21,870,090
Charge for expected credit losses	9,615,608
Provision taken over in the merger with Premium Leasing	2,836,324
Unused amounts reversed	(968,463)
As at 31 December 2022	33,353,559

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

22. CASH AND CASH EQUIVALENTS

	<u>31 December 2022</u>	<u>31 December 2021</u>
Cash at bank in RON	46,462,897	6,030,457
Overnight/bank deposits	20,000,000	-
Cash at banks in foreign currency	93,492,598	193,927,257
Cash on hand in RON	142,994	192,015
Cash on hand in foreign currency	44,278	32,271
Other cash equivalents	78,754	58,184
Total	<u>160,221,521</u>	<u>200,240,184</u>
Cash and cash equivalents for the purpose of the cash flow statement	<u>160,221,521</u>	<u>200,240,184</u>

The amount of cash taken over during the merger with the Premium Leasing subsidiary is RON 8,719,499.

Except for an amount of RON 262,152, all cash accounts are pledged in favor of banks (remaining amount of cash accounts that were not pledged in favor of banks as of 31 December 2021 is RON 243.606).

23. ISSUED CAPITAL AND RESERVES

The shareholding structure on 31 December 2022 and on 31 December 2021 is:

Shareholders	Number of shares	Amount (RON)	%
Stefan Dan George	20,000	200,000	1
Stefan Marius	20,000	200,000	1
Autonom International	1,960,000	19,600,000	98
Total:	<u>2,000,000</u>	<u>20,000,000</u>	<u>100</u>

The value of the authorized capital on December 31, 2022 was RON 20,000,000 (December 31, 2021: RON 20,000,000) representing 2,000,000 shares (December 31, 2021: 2,000,000 shares). All shares are common, subscribed and paid in full on 31 December 2022. All shares have the same voting right and have a nominal value of RON 10/share (31 December 2021: RON 10/share). The shares of Autonom International are also held by the two individual shareholders in Autonom Services SA (i.e.: Stefan Dan George and Stefan Marius each owns 50% of the shares in Autonom International).

Capital reserves and profit distribution

For the year ended on 31 December 2022, the Board of Directors submitted for the Shareholders' General Meeting approval the following distribution of the net profit of the Company:

- Setting up a tax reserve in accordance with legal regulations on income tax exemption for investment purposes in amount RON 16,444,727 as of 31 December 2022 (2021: RON 12,294,048). These reserves cannot be distributed.
- The remaining profit will be allocated to retained earnings.

Other capital reserves

The increases in "Other capital reserves" relate to the set-up of the legal reserve and the set-up of the re-invested profit tax facility reserve. The reserve for re-invested profit tax facility is non-distributable. The Company does not intend to distribute the reserves from the balance sheet as of 31 December 2022. The legal reserve is set in accordance with the provisions of the Romanian Company Law, which requires that 5% of the annual accounting profit before tax is transferred to the legal reserve until the balance of this reserve reaches 20% of the share capital of an entity. The legal reserve established by the absorbed Premium subsidiary is RON 180,000.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

24. TRADE AND OTHER LIABILITIES

	31 December 2022	31 December 2021
Trade payables of goods or services	11,759,639	2,470,911
Trade payables of fixed assets	8,198,872	7,688,375
Accruals	1,147,744	715,988
Trade and other payables to related parties	3,363,108	1,535,304
Salaries and other employee related liabilities	2,382,222	3,609,170
Employee related taxes and contributions	1,387,856	971,891
Corporate income tax due	2,221,293	
VAT and taxes payables	6,440,009	26,640
Advances from customers	3,245,758	3,960,611
Lease deposits and securities, out of which:	7,673,799	5,217,324
<i>Current portion</i>	1,718,066	1,043,524
<i>Non-current portion</i>	5,955,733	4,173,800
Total, out of which:	47,820,300	26,196,214
Total trade payables and other short-term liabilities	41,864,567	22,022,414
Total trade payables and other long-term liabilities	5,955,733	4,173,800

As at 31 December 2022, and as at 31 December 2021, advances from customers refer to amounts invoiced in advance or amounts received in advance under a payment order, settled during the following year under invoices for services rendered. These are contractual liabilities according to IFRS 15.

The value of the debts taken over during the merger with the Premium subsidiary is RON 7,965,392.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 days;
- Terms and conditions relating related party transactions are described in Note 26.

25. COMMITMENTS AND CONTINGENCIES

Taxation

All amounts due to State authorities for taxes have been paid or accrued at the balance sheet date. The tax system in Romania undergoes a consolidation process and is being harmonized with the European legislation. Different interpretations may exist at the level of the tax authorities in relation to the tax legislation that may result in additional taxes and penalties payable. Where the State authorities have findings from reviews relating to breaches of tax laws, and related regulations these may result in: confiscation of the amounts in case; additional tax liabilities being payable; fines and penalties (that are applied on the total outstanding amount). As a result, the fiscal penalties resulting from breaches of the legal provisions may result in a significant amount payable to the State. The Company believes that it has paid in due time and in full all applicable taxes, penalties and penalty interests in the applicable extent.

The Romanian tax authorities have carried out audits regarding the calculation of the corporate income tax for Autonom Services SA until March 31st, 2011, for the absorbed subsidiary BT Operational Leasing SRL is until September 18th, 2014 and for the absorbed subsidiary Premium Leasing SRL is until January 31st, 2016. In Romania, the fiscal year remains open for audits for a period of 5 years.

Transfer Pricing

According to the applicable relevant Romanian tax legislation, the tax assessment of related party transactions is based on the concept of market value for the respective transfers. Following this concept, the transfer prices should be adjusted so that they reflect the market prices that would have been set between unrelated companies acting independently (i.e. based on the “arm’s length principle”). It is likely that transfer pricing reviews will be undertaken in the future in order to assess whether the transfer pricing policy observes the “arm’s length principle” and therefore no distortion exists that may affect the taxable base of the Romanian tax payer.

Commitments for purchase of goods

As of 31 December 2022, Company has commitments for the purchase of vehicles and equipment in amount of EUR 26 mil. for vehicles and EUR 3.5 mil. for equipment (as of 31 December 2021: commitments in the amount of EUR 33 mil.).

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

26. RELATED PARTY DISCLOSURES

During the period 1 January 2022 – 31 December 2022 and 1 January 2021 – 31 December 2021 respectively, the Company has carried out transactions with the following related parties:

Related party	Country of incorporation	Nature of relationship	Nature of transactions
ELS Retail SRL	Romania	entity under joint control	Sale/acquisition of goods and services
Stefan Autoservice SRL	Romania	entity under joint control	Sale/acquisition of goods and services
Stefan si Compania SRL	Romania	entity under joint control	Sale/acquisition of goods and services, loans granted
Autonom International SRL	Romania	shareholder	Sale/acquisition of goods and services, loans granted
Autonom Hungary KFT	Hungary	entity under joint control	Sale/acquisition of goods and services
VMS (Vehicle Management Solution)	Romania	entity under joint control	Sale/acquisition of goods and services, loans granted
Carcentric SRL	Romania	entity under joint control	Sale/acquisition of goods and services
Autonom Assistance SRL	Romania	entity under joint control	Sale/acquisition of goods and services
Clockwise SRL	Romania	entity under joint control	Sale/acquisition of goods and services, loans granted
3D Clean Services SRL	Romania	entity under joint control	Sale/acquisition of goods and services
Autonom Protect SRL	Romania	entity under joint control	Sale/acquisition of goods and services
MGA Alpha Protect SRL	Romania	entity under joint control	Sale/acquisition of goods and services
Millenium Insurance Broker SA	Romania	entity under joint control	Sale/acquisition of goods and services
ATM Ventures SRL	Romania	entity under joint control	Sale/acquisition of goods and services

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Related party	2022	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Stefan si Compania		2,169,117	15,761,516	373,758	2,728,140
Autonom Hungary KFT		1,534,980	169,928	1,185,783	-
VMS		4,074,846	3,229,642	206,311	-
Autonom Assistance SRL		13,056,124	1,948,567	4,787,372	11,072
Stefan Autoservice SRL		181,012	572,601	-	193,309
Carcentric SRL		349,933	1,563,544	33,136	430,241
Clockwise SRL		10,166	-	-	-
ELS Retail SRL		-	42,017	-	-
3D Clean Services SRL		-	96,100	-	-
Autonom Protect SRL		13,275	-	9,026	-
MGA Alpha Protect SRL		9,956	-	1,052	-
Millenium Insurance Broker SA		256,649	-	3,500	-
Autonom International SRL		2,800,073	-	2,826,374	-
ATM Ventures SRL		1,060	-	45	-
Total		24,457,191	23,383,915	9,426,357	3,362,762

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

26. RELATED PARTY DISCLOSURES (continued)

Related party	2021	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Stefan si Compania		1,248,792	11,777,011	-	519,421
Autonom Hungary KFT		47,909	32,097	68,602	-
VMS		2,743,377	306,006	561,633	29,506
Autonom Assistance SRL		630,139	2,265,672	73,210	(612,280)
Stefan Autoservice SRL		132,843	1,196,274	-	258,057
Carcentric SRL		305,884	1,044,546	-	116,040
Autonom Serbia DOO		-	1,427	190	-
Clockwise SRL		2,697	-	-	-
Marius Stefan		-	-	573	-
Standard Marketing		49,018	-	-	-
Field Insight CEE		76,737	-	6,921	-
Total		5,237,456	16,623,033	711,130	310,744

	31 December 2022	31 December 2021
Loan carrying amount		
Autonom International SRL	36,244,814	15,323,521
Total	36,244,814	15,323,521

Starting with January 2022, the interest rate of the loan granted by the Company to the parent company, Autonom International SRL, was increased to 4.45% per year, on the outstanding balance. During the year, from the initial balance on 1 January 2022, the amount of RON 14,398,207 was repaid, and additional loans were granted in the amount of RON 35,519,500 RON. The accounting value of the loan is approximately the same as the fair value.

Compensation of key management personnel of the Company:

	2022	2021
Short-term employee benefits	1,176,635	1,056,627
Total compensation paid to key management personnel	1,176,635	1,056,627

The amounts disclosed in the table are the amounts recognized as an expense during each reporting period.

27. EBITDA AND OTHER NON-IFRS RATIOS

EBITDA is one of the key performance measures monitored by senior management and computed according to the information in the table below. EBITDA normalized to exclude any significant one-off items (either revenues or expenses) is another ratio monitored by the management. The non-recurring elements of the nature of revenues recorded during 2022 that influenced EBITDA are reflected in the table below.

Additionally, the Company presents two other performance indicators below: Interest Coverage Ratio (computed as EBITDA//total interest expense) and Gearing Ratio (computed as Net financial debt/Equity) as these may prove useful for potential investors.

Consolidated EBITDA is reconciled in other comprehensive income, as follows:

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

27. EBITDA AND OTHER NON-IFRS RATIOS (continued)

	Notes	2022	2021
Net profit		57,792,144	22,489,372
Adjustments to bridge net profit to EBITDA:			
Finance costs minus financial revenues	12.1, 12.2	32,723,924	23,444,819
Income tax expense	13	7,823,924	4,941,208
Depreciation, amortization and impairment of non-current assets	14	177,851,029	115,198,636
EBITDA		276,191,021	166,074,036
Normalized EBITDA			
Non-recurring elements			
Income from dividends related to capital investments sold	12.3	385,610	-
Income from the sale of capital investments	12.3	2,373,414	
Total other non-recurring income		2,759,024	
Normalized EBITDA		273,431,997	166,074,036
Interest expense		35,179,709	18,929,885
Interest coverage ratio		7.77	8.77
		31 December 2022	31 December 2021
Interest-bearing loans and borrowings, including interest on bonds	18	341,420,283	74,111,884
Bonds	18	334,582,598	334,028,717
Finance lease liabilities	15	429,721,446	319,841,386
Cash and cash equivalents	22	160,221,521	200,240,184
Net financial liabilities		945,502,806	527,741,803
Net/EBITDA financial liabilities		3.42	3.18
Net financial liabilities/normalized EBITDA		3.46	3.18
Equity		187,350,752	129,378,610
Net financial liabilities/Equity		5.05	4.08

28. EARNINGS PER SHARE

	2022	2021
Profit attributable to ordinary equity holders of the parent	57,792,144	22,489,372
Number of ordinary shares	2,000,000	2,000,000
Earnings per share, basic and diluted (RON / share)	28.90	11.24

There are no dilutive instruments to be considered.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

29. AUDITOR'S FEES

The auditor of the Company is Ernst & Young Assurance Services SRL.

The fee for the audit of the annual standalone financial statements as of 31 December 2022 of Autonom Services SA prepared in accordance with MOF 2844/2016 was EUR 122,000 (excluding VAT).

30. EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events that require presentation.

31. OTHER MATTERS

In October 2022, Fitch Ratings took the decision to maintain the IDR (Long-Term Issuer Default Rating) "B+" rating for Autonom Services. More importantly, Fitch kept the outlook stable, in the context of Autonom's good profitability in 2022, supported by a business model with limited reliance on short-term rentals, good asset quality and an experienced management team. In addition, the moderate exposure to businesses based on tourism and air traffic contributed to reducing vulnerability in case of future lockdown periods and decreases in the number of international trips.

In 2022, Autonom recorded increases in all business lines. Local companies, as well as international ones, show an increased interest in investing in operational leasing services. On the rent-a-car side, Autonom recorded an 88% rental rate, similar to the level reached in 2021. The company continues to work with different case scenarios to be able to quickly adapt to any last-minute changes. The results obtained by the Company in 2022 and 2021 demonstrate that the situation is evolving according to the positive scenario thought by Autonom.

Management's position is that the measures currently adopted will ensure the continuity of the activity and, therefore, the principle of continuity of activity remains applicable for these financial statements (see note 2.1 "continuity of activity").

The ongoing military conflict

In the context of the conflict between Russia and Ukraine, which began on February 24, 2022, various sanctions were imposed against Russia, including financing restrictions on certain Russian banks and state companies, as well as personal sanctions against a number of people. Considering the geopolitical tensions, starting from February 2022 there was an increase in the volatility of the financial markets and the pressure of depreciation of the exchange rate.

It is expected that these events will continue to affect activities in different sectors of the economy, resulting in additional increases in energy prices and an increased risk of supply chain disruptions. The company has no direct exposure to affiliated parties and/or clients or key suppliers from those countries. From an operational point of view, energy and fuel purchases for the Company's fleet are made mainly from the domestic market; the availability, provenance and delivery of resources could be influenced by the dynamics of the conflict in the region.

The consequences of the ongoing conflict in Ukraine, the European energy crisis and the resulting regulatory measures and other economic disruptions currently being observed, as well as other regulatory interventions, as well as the extent and duration of their economic impact cannot be reliably estimated in this stage. The company responds to the situation with specific measures to protect its economic stability. Because events are ongoing, the long-term impact can affect cash flows and profitability. However, as of the date of these financial statements, the geopolitical context determined by the ongoing conflict in Ukraine does not have a significant negative impact on the financial statements as of December 31, 2022.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

31. OTHER MATTERS (continued)

The macroeconomic context

Global and regional economic conditions, respectively the economic context at national, regional and international level that could negatively influence the Company's activity refer to factors such as: inflation, recession, changes in fiscal and monetary policy, tighter loans, higher interest rates, new tariffs or increasing, currency fluctuations, the increase in the price of raw materials (electricity, natural gas), etc.

The year 2022 was marked by the side effects of the continuation of the war in Ukraine and persistent inflationary pressures that reached a significant level both globally and locally, in the context of a global economic slowdown.

At the local level, the latest figures on Romania's GDP dynamics showed an economic growth of 4.8% in 2022, marked by a slowdown in consumption, but with an accelerated investment component.

From the perspective of the unemployment rate, Romania ended 2022 with an unemployment rate of 5.6% and approximately 10,000 fewer unemployed than a year ago, arguing that the labor market remains robust. Inflation remained at a fairly high level of 16.4% in December and it is expected to return to a downward trend starting next year.

However, in the medium term, inflation will probably be significantly above the target level set by the National Bank, which will continue to put pressure on monetary policy.

In order to continue the efforts to moderate further price increases, the BNR Board of Directors decided in the October and November meetings on new increases in the monetary policy rate, ending the fourth quarter with a key rate of 6.25%. However, given the current level of inflation and the current uncertainties in the economy, further increases in the monetary policy rate are expected. The EUR/RON exchange rate registered a slight increase in the fourth quarter of the year, fluctuating, on average, around the level of 4.92.

The Company's revenues may be affected by particular movements in the global financial markets. The Company's revenues or the value of its assets may be affected by specific movements in the global financial markets.

The company regularly reviews its risks to interest rates and currency fluctuations. As of the date of these financial statements, the Company considers that the impact of these changes would not affect its ability to continue its activity, with appropriate measures taken in order to reduce the potential risks with a major impact on the Company's revenues or assets.

Climatic aspects

Understanding the impact of human activities on climate change due to the activities carried out is the starting point for the Company's efforts to reduce the CO₂ emissions generated by our activity, directly and indirectly. We consider that the actions in this sense are very important for the resilience of the business.

Starting from this awareness, in 2021, in the process of defining the Sustainability Strategy, we calculated, with the support of the consulting company Denkstatt, the carbon footprint of the organization (CCF).

The footprint was calculated by evaluating Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (indirect emissions). The methodology used for the inventory of CO₂ emissions was the GHG Protocol standard, and the evaluation and quantification extended over a period of 3 years (2018, 2019, 2020). Moreover, since the share of the operational fleet is significant in the direct use of our customers (rental

- short and medium term and operational leasing - long term), we undertook to extend this exercise beyond the direct control over our own fleet, at the level of the value chain. We considered this aspect to be the most correct approach from the point of view of our business.

This initiative was a very good moment to understand the structure of the emissions generated by our activity and the limitations of the impact that the Company can have.

AUTONOM SERVICES SA
NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 December 2022

All amounts in RON, unless otherwise stated

31. OTHER MATTERS (continued)

This approach has obviously become the source with the greatest potential for mitigating our environmental impact.

If, on cars operated by employees or rented on a short-term basis, the possibility of intervening by substitution with a vehicle with lower emissions is higher, the long-term fleet, already engaged in operational contracts, has a possible speed of substitution lower, generated both customer preferences and the current development of electric vehicle infrastructure at the geographical level in Romania.

From this moment, Autonom's role in the integration and assumption of this transition towards a greener fleet became increasingly clear, through a concrete plan for the following years, simultaneously with the intensification of the increase in the level of understanding and awareness of the global impact, among the partners our.

The company has prepared substitution scenarios and comparative analyses, with a medium and long time horizon, 2020-2025-2030, taking into account the perspectives of market evolution and the regulations at the European level in the transport sector.

The indicator closest to our activity and optimally quantifiable link with partners in the upstream value chain (vehicle suppliers) and downstream (short, medium and long term customers) but also with public authorities, was the WLTP (Worldwide Harmonized) value Light Vehicle Test Procedure) measured in gCO₂/km, available for each individual car, based on the manufacturer's information and the official documents of each car. As a result, the scenarios for reducing the environmental impact on the 2020-2030 time horizon had as the main performance indicator (KPI) the average WLTP related to the operational active fleet, at the end of each year and are included in the sustainability report prepared by the Company.

The sustainability report for the previous year can be consulted on the Company's website, in the Sustainability section.

The environment, i.e. the reduction of the impact on the environment, thus falls within the strategic directions of sustainability of the Company, the main priority being the reduction of the Company's carbon footprint. Thus, the Company has established as its main environmental objective the reduction of carbon emissions of the operational fleet by 25% until 2025 and by 51% until 2030, especially by increasing the share of green vehicles in the operational fleet.

When preparing the financial statements, the Management took into account the impact of climate change.

These considerations did not have a significant impact on the reasoning and estimates of the financial reporting, but the business plan of the Company and the projections of the estimated cash flows for the following years take into account the anticipated costs and capital investments necessary to increase the share of green vehicles in the operational fleet.

These standalone financial statements on pages 3 to 62 were approved by the Board of Directors and were authorized for issue on 24.04.2023.

Mihaela Angela Irimia

Name

Chairman of the Board of
Directors

Chartered accountant office Huian
Angelica

Name: Huian Angelica

Professional body reg. no. 26325