

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 2023

AUTONOM SERVICES SA
STANDALONE FINANCIAL STATEMENTS

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

31 DECEMBER 2023

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AUTONOM SERVICES SA
STATEMENT OF PROFIT AND LOSS
AND OF OTHER ITEMS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

| | Notes | 2023 | 2022 |
|---|----------|-----------------------------|-----------------------------|
| Operating lease income | | 257,647,297 | 199,852,378 |
| Income from additional services | 5.1 | 121,245,787 | 94,048,178 |
| Rent a-car-income | | 120,736,954 | 104,726,869 |
| Income from sale of vehicles | | 36,570,496 | 95,463,103 |
| Income from sale of cars from rental fleet and rental equipment | | 160,575,522 | 120,809,517 |
| Other operating income | 6 | 32,169,193 | 32,279,105 |
| Total operating income | 5 | <u>728,945,248</u> | <u>647,179,149</u> |
| Fleet expenses | 7 | (139,059,651) | (107,648,738) |
| Cost of vehicles sold | | (34,204,628) | (82,437,347) |
| Cost of cars from rental fleet sold and rental equipment | | (117,238,990) | (98,735,295) |
| Employee benefit expenses | 8 | (61,509,129) | (45,506,114) |
| Administrative expenses | 9 | (7,636,493) | (5,189,707) |
| Amortization, depreciation and impairment of rental fleet and equipment assets, net | 14 | (218,213,912) | (175,150,654) |
| Amortization, depreciation and impairment of other non-current assets | 14 | (5,428,387) | (2,700,375) |
| Other operating expenses | 10 | (38,271,596) | (26,004,076) |
| Other (losses)/gains – net | 11 | (8,714,643) | (8,225,875) |
| Total operating expenses | | <u>(630,277,430)</u> | <u>(551,598,181)</u> |
| Operating profit | | <u>98,667,818</u> | <u>95,580,968</u> |
| Finance costs | 12.1 | (64,769,085) | (35,438,580) |
| Finance income | 12.2 | 5,825,787 | 2,714,656 |
| Other income | 12.3 | - | 2,759,024 |
| Profit before tax | | <u>39,724,520</u> | <u>65,616,068</u> |
| Income tax expense | 13 | (9,686,787) | (7,823,924) |
| Net profit for the year | | <u>30,037,733</u> | <u>57,792,144</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income | | <u>30,037,733</u> | <u>57,792,144</u> |
| Basic and diluted EPS | 28 | <u>15.02</u> | <u>28.90</u> |

These standalone financial statements on pages 3 to 61 were approved by the Board of Directors and were authorized for issue 24 April 2024.

Mihaela Angela Irimia

Name:

Chairman of the Board of Directors

Office of Chartered Accountant 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 2023

All amounts in RON, unless otherwise stated

| | Notes | 31 December 2023 | 31 December 2022 |
|---------------------------------------|-------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| | | 1,329,968,302 | 1,130,865,246 |
| Intangible assets | 17 | 350,259 | 2,660,641 |
| Rental fleet and rental equipment | 14 | 734,973,587 | 597,827,538 |
| Right-of-use assets | 15 | 552,578,475 | 479,843,727 |
| Other property, plant and equipment | 14 | 1,761,689 | 11,653,069 |
| Investment properties | 16 | 2,017,675 | 2,099,924 |
| Trade receivables | 21 | 532,317 | 535,532 |
| Loans granted to related parties | 26 | 37,754,299 | 36,244,814 |
| Current assets | | | |
| | | 251,267,982 | 263,257,616 |
| Inventories | 20 | 14,908,659 | 29,918,953 |
| Trade receivables | 21 | 64,430,340 | 58,112,605 |
| Other receivables and current assets | 21 | 10,446,015 | 12,947,028 |
| Prepayments | 21 | 1,329,956 | 2,057,508 |
| Cash and cash equivalents | 22 | 160,153,012 | 160,221,521 |
| Total assets | | 1,581,236,284 | 1,394,122,861 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital called up | 23 | 20,000,000 | 20,000,000 |
| Other capital reserves | 23 | 52,735,661 | 44,831,048 |
| Retained earnings | | 144,652,824 | 122,519,704 |
| Total equity | | 217,388,486 | 187,350,752 |
| Long-term liabilities | | | |
| | | 868,205,438 | 902,632,663 |
| Interest-bearing loans and borrowings | 18 | 248,070,741 | 231,069,016 |
| Bonds | 18 | 237,733,924 | 334,582,598 |
| Lease liabilities | 15 | 326,185,573 | 296,540,294 |
| Trade and other liabilities | 24 | 6,329,031 | 5,955,733 |
| Deferred income | | 20,774,083 | 15,059,722 |
| Deferred income tax liabilities | 13 | 29,112,086 | 19,425,299 |
| Current liabilities | | | |
| | | 495,642,360 | 304,139,447 |
| Interest-bearing loans and borrowings | 18 | 167,538,097 | 110,351,267 |
| Bonds | 18 | 99,300,592 | - |
| Lease liabilities | 15 | 162,513,515 | 133,181,152 |
| Trade and other liabilities | 24 | 50,194,840 | 41,864,567 |
| Provisions | | 582,863 | 582,863 |
| Deferred income | | 15,512,452 | 18,159,598 |
| Total liabilities | | 1,363,847,798 | 1,206,772,109 |
| TOTAL EQUITY AND LIABILITIES | | 1,581,236,284 | 1,394,122,861 |

These standalone financial statements on pages 3 to 61 were approved by the Board of Directors and were authorized for issue on 24 April 2024.

Mihaela Angela Irimia

 Name
 Chairman of the Board of Directors

Office of Chartered Accountant 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 2023

All amounts in RON, unless otherwise stated

| | Share capital called up | Other capital reserves | Retained earnings | Total equity |
|---|------------------------------------|-----------------------------------|------------------------------|-------------------------|
| As of 1 January 2023 | 20,000,000 | 44,831,048 | 122,519,704 | 187,350,752 |
| Profit for the period | - | - | 30,037,733 | 30,037,733 |
| Creating other capital reserves for re-invested profit. (Note 23) | - | 7,904,613 | (7,904,613) | - |
| As of 31 December 2023 | 20,000,000 | 52,735,661 | 144,652,824 | 217,388,486 |

| | Share capital called up | Other capital reserves | Retained earnings | Total equity |
|---|------------------------------------|-----------------------------------|------------------------------|-------------------------|
| As of 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 (Note 4) | - | 180,000 | - | 180,000 |
| Creating other capital reserves for re-invested profit. (Note 23) | - | 16,444,727 | (16,444,727) | - |
| As of 31 December 2022 | 20,000,000 | 44,831,048 | 122,519,704 | 187,350,752 |

These standalone financial statements on pages 3 to 61 were approved by the Board of Directors and were authorized for issue 24 April 2024.

Mihaela Angela Irimia

Name

Chairman of the Board of Directors

Office of Chartered Accountant 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 CASH FLOWS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

| | <u>Notes</u> | <u>2023</u> | <u>2022</u> |
|--|--------------|---------------------|---------------------|
| Operating activities | | | |
| Profit before tax | | 39,724,520 | 65,616,066 |
| <i>Adjustments to reconcile the profit before tax with the net cash flows:</i> | | | |
| Depreciation of other property, plant and equipment | 14 | 5,428,387 | 2,700,375 |
| Depreciation and impairment of the vehicles in the fleet and rental equipment | 14,15 | 218,213,912 | 175,150,654 |
| Net foreign exchange differences | 12.1 | 6,752,502 | 258,871 |
| Loss/(gain) on disposal of rental fleet - own resources | | (45,702,400) | (21,334,082) |
| Finance income | 12.2 | (5,825,787) | (2,714,656) |
| Other income | 12.3 | - | (2,759,024) |
| Interest expense | 12.1 | 58,016,583 | 35,179,708 |
| Changes in provisions, net | 11 | (93,157) | (421,270) |
| Changes in current assets allowances, net | 11 | 8,877,040 | 8,647,145 |
| Working capital adjustments: | | | |
| Increase in trade receivables and prepayments | | 730,767 | (23,911,128) |
| Increase/(Decrease) in inventories | | 19,340,173 | (17,965,447) |
| Increase/(Decrease) in other receivable | | 4,866,881 | 418,910 |
| Increase in revenue recorded in advance | | 3,067,215 | 9,340,555 |
| Increase in debt and other commercial debts | | (33,871,310) | 57,890,700 |
| Purchase of rental fleet and rental equipment | | (351,725,815) | (272,251,322) |
| Amounts received for disposal of rental fleet and rental equipment | | 187,556,943 | 117,189,738 |
| Interest received | | 3,982,304 | 2,685,177 |
| Interest paid | 19 | (56,267,352) | (35,179,708) |
| Income tax paid | | (2,221,293) | (366,451) |
| Net cash flows from operating activities | | 60,850,113 | 98,174,811 |
| Investing activities | | | |
| Purchase of intangible assets | | (226,798) | (314,134) |
| Purchase of other property, plant and equipment | | (21,619,788) | (9,602,010) |
| Loans granted to related parties | 26 | (56,754,640) | (35,319,500) |
| Proceeds from borrowings granted to related parties | 26 | 55,245,155 | 14,398,207 |
| Dividend Received | | - | 385,610 |
| Acquisition of subsidiary Premium Leasing, net of cash obtained | 4 | - | (46,807,523) |
| Net cash flows used in investing activities | | (23,356,071) | (77,259,350) |
| Financing activities | | | |
| Proceeds from long-term sales and rentals | 15 | 33,291,186 | - |
| Payment of lease liabilities | 19 | (140,241,854) | (110,380,967) |
| Proceeds from borrowings | 19 | 176,351,302 | 238,524,466 |
| Repayment of borrowings | 19 | (106,963,187) | (189,077,623) |
| Net cash flows used in financing activities | | (37,562,553) | (60,934,124) |
| Net increase/(decrease) in cash and cash equivalents | | (68,511) | (40,018,663) |
| Cash and cash equivalents as of 1 January | 22 | 160,221,521 | 200,240,184 |
| Cash and cash equivalents as of 31 December | 22 | 160,153,012 | 160,221,521 |

These standalone financial statements on pages 3 to 61 were approved by the Board of Directors and were authorized for issue 24 April 2024.

Mihaela Angela Irimia

Name
Chairman of the Board of Directors

Office of Chartered Accountant 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
NOTES FOR STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

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 Company were authorized for issue in accordance with a resolution of the directors on 24 April 2024.

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 company has its headquarters in Piatra Neamț, Fermelor street, no. 4, with points of business in several cities: Alba Iulia, Arad, Bacău, Baia Mare, Bistrița Năsăud, Botoșani, Brăila, Brașov, Bucharest, Odorhoiu Secuiesc, Otopeni, Buzău, Cluj, Constanța, Craiova, Deva, Drobeta Turnu Severin, Focșani, Galați, Iași, Mediaș, Miercurea Ciuc, Oradea, Piatra Neamț, Pitești, Pipera-Voluntari, Ploiești, Reșița, Râmnicu Vâlcea, Satu Mare, Sibiu, Slatina, Suceava, Târgu Mureș, Târgoviște, Târgu Jiu, Timișoara, Tulcea.

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 has its headquarters Neamț, Piatra Neamț, Fermelor nr.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, Fermelor street, no.4. Effective 1 May 2022, the merger by absorption of Premium Leasing SRL by Autonom Services SA was approved, and the company Premium Leasing SRL was deregistered from the Trade Register on 10 October 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 Company’s number of employees as of 31 December 2023 was of 497 (on 31 December 2022 the number of employees was of 416).

AUTONOM SERVICES SA
NOTES FOR STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

2. MATERIAL 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 consolidated 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 2023, the Company registered profits of RON 30,037,733 (2022: profits of RON 57,792,144), positive operating cash flows and net current liabilities of RON 247,374,377 (31 December 2022: net current liabilities of RON 40,881,831).

Situations where current liabilities exceed current assets are not unusual for rent-a-car companies because the assets purchased for renting to end clients are classified as non-current assets (mainly "Rental fleet and rental equipment" and "Right-of-use assets") until the termination of agreements, when they are reclassified as current assets ("Inventories") at their net carrying amount (see note 2.3.8). By contrast, the liabilities relating to financing such assets (mainly "Interest-bearing loans and borrowings" and "Lease liabilities") have both a long-term liability component and a short-term liability component, related to the amounts to be paid within up to one year, even if all financed assets are stated as non-current assets. Moreover, the Company has ongoing operating leases for periods longer than one year, for which lease payments are to be collected gradually, until the termination of agreements (see Note 19). As of 31 December 2023, the Company had the amount of RON 160,153,012 under its Cash and cash equivalents balance sheet item. Also, on 31 December 2023, the Company had available undrawn committed borrowing facilities in an amount RON 19,239,869 and EUR 42,877,795 (31 December 2022: RON 39,368,810 and EUR 38,951,615) thus being able to respond to any unforeseen cash needs. The Management believe that it is appropriate to adopt the going concern basis in preparing the financial statements. Management based their assessment on the Company's detailed cash flow projections for the period up to 30 June 2025, prepared using assumptions which include the estimated indirect impact of the crisis brought about by the war in Ukraine based on information available as at the end of December 2023. These projections take into account the current available cash resources of the Company as of 31 December 2023, the most recent projections of the contracted operating income, 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, of which the amount of RON 99,300,592 represents bonds reaching maturity in 2024 and the current position of financial liabilities as at the reporting date, rental fleet investments and other commitments. Management also estimated an increase in profitability in the period up to 30 June 2025. This is based on fleet growth for both business divisions, renewal of agreements reaching maturity at costs adjusted to the new market conditions, maintenance of purchase costs and residual values for the car fleet at the level of the previous year, and optimization of the workforce. In order to cover the estimated finance requirements, in addition to the available funds as of 31 December 2023, in 2024, the Company signed financing agreements of EUR 9 million and it is at an advanced stage in its negotiations for additional financing of EUR 39 million, while also about to start negotiations with the leasing companies to supplement the existing ceilings.

AUTONOM SERVICES SA
NOTES FOR STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Legal merger of the company - parent company and subsidiary

The standalone financial statements include the financial statements of the Company and of the absorbed subsidiaries BT Operational Leasing (absorbed as of 1 January 2021) and Premium Leasing (absorbed as of 1 May 2022).

2.3 Summary of material accounting policies

The following are the material 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.

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).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of depreciation 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.

AUTONOM SERVICES SA
NOTES FOR STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

2. MATERIAL 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 at fair value 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, tyre 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 tyre changes, which are recognized at a point in time, when such services are provided.

AUTONOM SERVICES SA
NOTES FOR STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

2. MATERIAL 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 cars 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 separate 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 2023 and 31 December 2022 for RON – EUR and RON – USD were:

| | <u>31 December 2023</u> | <u>31 December 2022</u> |
|-----------|-------------------------|-------------------------|
| RON – EUR | 4.9746 | 4.9474 |
| RON – USD | 4.4958 | 4.6346 |

AUTONOM SERVICES SA
NOTES FOR STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2023

All amounts in RON, unless otherwise stated

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3.5 Taxes

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.

Deferred tax

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 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.

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 separate 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:

| | <u>Years</u> |
|---|--------------|
| Rental fleet - Rental vehicles* | 4 |
| Rented equipment | 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.

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2. MATERIAL 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 property

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 Leases

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.

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2. MATERIAL 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 amortization 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 amortized following the amortization 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 depreciation, disclosed in Note 2.3.11. Refer to the accounting policies in the Adjustments for depreciation of 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.

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2. MATERIAL ACCOUNTING POLICIES (continued)

- **Short-term leases**

The Company applies the short-term lease 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 amortized 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 amortized during the lease term or the useful life of the asset. Amortization 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.

- **Asset sale and leaseback**

In asset sale and leaseback contracts, no profit or loss from the sale of the asset is recognized, and the only recorded accounting operations concern the financing and the performance of the lease contract. Lease payments or revised lease payments are determined so that the seller-lessee recognizes neither loss nor profit related to its right of use.

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 expensed 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.

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2. MATERIAL 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. Amortization 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 amortized 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 depreciation 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 Company'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 depreciated. Depreciation 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.

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2. MATERIAL 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.

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2. MATERIAL 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.

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) Depreciation of financial assets

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

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

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2. MATERIAL 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.

ECLs 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 to 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 Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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2. MATERIAL ACCOUNTING POLICIES (continued)

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, on initial recognition, as financial liabilities measured at amortized cost.

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 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 liabilities

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.

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2. MATERIAL 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.

2.3.15 Prepayments

Prepayments are carried at cost less provision for depreciation. 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 of 31 December 2023, 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.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.3.17 Provisions

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.

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 2023

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2023.

- **IFRS 17 Insurance contracts**
- **IAS 1 Presentation of Financial Statements and International Financial Reporting Practice Statement 2: Disclosure of Accounting policies (Amendments)**
- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments),**
- **IAS 12 Income tax: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments),**
- **IAS 12 Income tax: International Tax Reform - Pillar Two Model Rules (Amendments)**

The adopted new IFRS and the IFRS amendments did not have a material impact on the Company's accounting policies, except for the following:

2. MATERIAL ACCOUNTING POLICIES (continued)

STANDARDS/AMENDMENTS IN FORCE AND APPROVED BY THE EUROPEAN UNION

- **IAS 1 Presentation of Financial Statements and International Financial Reporting Practice Statement 2: Disclosure of Accounting policies (Amendments)**

The amendments are valid for annual periods starting on or after 1 January 2023. The amendments provide guidance on the application of materiality judgments in the context of explanatory notes of the 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.

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2. MATERIAL ACCOUNTING POLICIES (continued)

They also add guidance and illustrative examples in the Practice Statement to assist in the application of the concept of materiality when making judgments about the presentation of accounting policies

The Company evaluated its presentation of accounting policies to ensure compliance with the amended standard. The amendments had an impact on the presentation of the Company's accounting policies, but not on the measurement, recognition or presentation of any items of the Company's financial statements.

STANDARDS ISSUED, BUT NOT YET IN FORCE AND NOT ADOPTED IN ADVANCE

Standards/Amendments not yet in force, but approved by the European Union:

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments enter into force for annual reporting periods beginning on or after 1 January 2024, with the possibility of early application, and must be applied retrospectively in accordance with IAS 8. The purpose of the amendments is to clarify the principles of IAS 1 regarding the classification of liabilities as current or long-term. The amendments clarify the meaning of the right to defer settlement of liabilities, the requirement that this right exists at the end of the reporting period, the fact that the management's intentions do not affect the classification as current or long-term, and the fact that the counterparty option that involves settlement by the transfer of the entity's own equity instruments does not affect the classification. Also, the amendments specify that only clauses with which an entity must comply by or on the reporting date will affect the classification of a liability. Additional disclosures are also required for long-term liabilities resulting from loan arrangements that are subject to covenants to be met within twelve months from the end of the reporting period. 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 Leaseback (amendments).**

The amendments enter into force for annual reporting periods beginning on or after 1 January 2024, with the possibility of early application. The amendments aim at improving the requirements that a seller-lessee uses to measure the lease liability resulting from a sale and leaseback under IFRS 16, without changing the accounting for lease contracts that do not relate to a sale and leaseback. In particular, the seller-lessee determines the "lease payments" or "revised lease payments" in a way that it does not recognize any amount of the gain or loss relating to the right of use it retains. The application of these requirements does not prevent the seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Management has assessed that the Amendments application will have no impact on the position or financial performance of the Company, since there were no sale and leaseback transactions before 2023. During 2023, there was such a transaction, described in Note 15.

2. MATERIAL ACCOUNTING POLICIES (continued)

Standards/Amendments not yet in force and not approved by the European Union:

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements (Amendments)**

The amendments enter into force for annual reporting periods beginning on or after 1 January 2024, with the possibility of early application. The amendments complement current requirements in IFRS and require that an entity discloses in the explanatory notes to the financial statements the terms and conditions of the supplier finance arrangements.

In addition, the entities must disclose in the explanatory notes, as at the beginning and end of the reporting period, the recorded amounts of financial liabilities that are part of the supplier finance arrangement and the associated line item presented, as well as the recorded amounts of financial liabilities for which financiers have paid the corresponding trade liabilities payables. Also, entities must disclose in the explanatory notes the type and effect of non-cash changes in the recorded amounts of financial liabilities that are part of the supplier finance arrangements, which prevent the comparability of the recorded amounts of financial liabilities. Moreover, the amendments require an entity to disclose in the explanatory notes, as at the beginning and end of the reporting period, the due dates of financial liabilities and comparable trade payables that are not part of these arrangements. The 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.

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).**

The amendments enter into force for annual reporting periods beginning on or after 1 January 2025, with the possibility of early application. The amendments specify how an entity should determine whether a currency is exchangeable and how to determine a spot exchange rate when a currency is not exchangeable. A currency is considered exchangeable into another currency when an entity is able to exchange that currency for the other currency without undue delay at the measurement date and through markets or exchange mechanisms that create enforceable rights and obligations. When a currency is not exchangeable into another currency, an entity is obliged to estimate the spot exchange rate at the measurement date. The goal of an entity in estimating the spot exchange rate is to faithfully reflect the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions. The amendments state that an entity may use an observable exchange rate without adjustment or another estimation technique. The 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.

- **Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address the issue of sales and contributions of assets between an investor and its joint operation and note that a recognized inconsistency exists between the requirements of IFRS 10 and those of IAS 28. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). 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 of accounting. The 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.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's separate 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.

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.

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 as a change in accounting estimate through prospective depreciation or as a specific impairment adjustment.

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 Company 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).

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

Residual values are estimated based on the selling value at the end of the contracts and are mostly influenced by number of km driven, manufacturer, state of the vehicle, as well as the situation of the used-vehicles markets at the date when the vehicles are sold, etc. The Company has reviewed the residual values of its rental fleet as of 31 December 2023, taking into consideration both internal and external factors, including the impact of the pandemic on the secondhand 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 amortized 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 2023, the residual values is between 25% to 54% (31 December 2022: 15% and 57%).

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.

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

During 2023, the Company recorded a net impairment adjustment in an amount RON 11,028 thousand, for both the fleet owned and rental equipment, as well as the vehicles purchased under lease agreements (right-of-use assets).

For details, please refer to Note 14.

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.

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

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

Acquisition

The Competition Council authorized on 8 April 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 15 April 2022 for a price of EUR 11,23 million, with complete acquisition of all shares.

According to IFRS 3 "Business Combinations", an entity shall account for all business combinations by using the acquisition method. Therefore, the acquirer recognizes the identifiable assets, liabilities and contingent liabilities of the acquired entity at fair value at the acquisition date, as well as the goodwill.

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

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

| | Fair value at acquisition date |
|--|---|
| 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 |
| Debts | 188,270,842 |
| Interest-bearing loans and borrowings | 172,069,977 |
| Trade and other liabilities | 7,965,392 |
| Deferred income | 6,529,783 |
| Deferred income tax liabilities | 1,250,000 |
| Provisions | 455,690 |
| Total identifiable net assets, 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 acquisition of subsidiary | 55,527,024 |
| Less cash taken over with subsidiary | (8,719,499) |
| Net cash flow at acquisition (included in cash flows from investing activities) | 46,807,525 |

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. In order to allocate the acquisition price, this loan is considered as part of the equity. Therefore, the acquisition price, as stated, includes the price paid for both 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 expected synergies from the acquisition and intangible assets that did not qualify for separate recognition at the acquisition date (for example, workforce acquired with the subsidiary). Goodwill is not tax deductible.

The fair values of assets acquired and liabilities assumed, as stated above, are based on a valuation performed by an independent valuator at 30 April 2022.

The fixed assets were measured by applying the cost approach (net replacement cost method) to all fixed assets, except for motor vehicles for which the market approach was used. In the historical cost approach, the estimated service lives ranged between 24 and 72 months, and the gross replacement cost was considered to be the acquisition cost denominated in EUR.

The fair value of trade receivables recognized at acquisition was RON 11,184,421. The gross contractual amount of due receivables was RON 14,020,745, of which the amount of RON 2,836,324 was expected to be uncollectible.

The acquisition costs for the subsidiary consisting mainly of legal expenses were in the amount of RON 192,970 and were included under Administrative expenses.

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

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

The table below shows the carrying amount of the balance sheet items taken over from the subsidiary Premium Leasing at the merger date, 1 May 2022, which is consistent with the amounts stated above in the table of identifiable net assets acquired at the acquisition of the subsidiary:

| Category | Notes | Assets | Debts | Equity |
|--|-------|--------------------|--------------------|----------------|
| Goodwill resulting from acquisition* | | 2,087,582 | | |
| Intangible assets | 17 | 190,254 | | |
| Rental fleet and rental equipment | 14 | 218,338,112 | | |
| Trade Receivables | | 11,184,421 | | |
| Inventories | | 361,520 | | |
| Other receivables and current assets | | 611,720 | | |
| Prepayments | | 2,304,756 | | |
| Cash and cash equivalents | | 8,719,499 | | |
| Interest-bearing loans and borrowings | 19 | | 172,069,977 | |
| Trade and other liabilities | | | 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 |
| <hr/> | | | | |
| The net assets acquired following the merger | | | | 55,527,026 |
| Equity items taken over following merger* | | | | 180,000 |
| Removal of previously held equity securities | | | | (51,568,624) |
| Removal of loan owed by subsidiary | | | | (3,958,400) |

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

5. INCOME

Details of the Company's revenues by type of goods and services are included directly in the consolidated 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 2023, the amount of RON 14,925,526 was reported in income from amounts previously recorded as deferred income (2022: RON 9,689,525).

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5. INCOME (continued)

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

| | 3 | | 2022 | |
|--|--|---|---|---|
| | 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>529,188,927</u> | <u>152,682,494</u> | <u>428,239,143</u> | <u>92,150,806</u> |
| External, out of which: | <u>2,610,303</u> | <u>44,463,524</u> | <u>2,667,387</u> | <u>124,121,814</u> |
| Austria | 304,185 | 516,866 | 65,974 | - |
| Belgium | 2,599 | 5,330,152 | - | 3,168,690 |
| Bulgaria | - | 1,283,128 | 19,648 | 116,982 |
| Cyprus | - | - | - | - |
| The Czech Republic | 111,210 | - | 117,885 | - |
| Germany | 297,905 | 3,011,285 | - | 27,554,921 |
| Denmark | - | - | 210,694 | - |
| Estonia | - | 649,870 | 147,480 | - |
| France | 127,199 | 26,084,614 | 82,516 | 69,374,527 |
| Greece | - | 4,734,642 | - | 3,161,734 |
| Croatia | 79,850 | - | 38,180 | - |
| Hungary | 176,011 | 1,115,826 | 246,074 | 2,425,906 |
| Ireland | 1,154,208 | - | 1,421,350 | - |
| Italy | - | 319,134 | 21,040 | 969,985 |
| Lithuania | 155,777 | - | 5,873 | - |
| Luxembourg | - | 62,136 | - | 1,602,888 |
| Latvia | - | - | 188,292 | - |
| The Netherlands | 25,297 | - | 39,893 | 4,755,197 |
| Poland | - | - | 62,487 | 10,990,983 |
| Portugal | - | 1,226,776 | - | - |
| Spain | 106,308 | 129,095 | - | - |
| TOTAL OPERATING INCOME: | <u>531,799,230</u> | <u>197,146,018</u> | <u>430,906,530</u> | <u>216,272,620</u> |

The increase in domestic turnover is due to the larger base of rental assets both from the takeover of and merger with Premium Leasing SRL in 2022 (see Note 4) and from the acquisition of new assets.

Export sales are mainly sales of new and used cars; the provision of services saw an increase of 23%.

5.1 INCOME FROM ADDITIONAL SERVICES

| | 2023 | 2022 |
|--|---------------------------|--------------------------|
| Income from maintenance, repairs, insurance and road taxes | 96,996,629 | 75,238,542 |
| Other contractual components | 24,249,157 | 18,809,636 |
| Total | <u>121,245,787</u> | <u>94,048,178</u> |

Additional services income is included in the total in Note 5.

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6. OTHER OPERATING INCOME

| | <u>2023</u> | <u>2022</u> |
|-------------------------|--------------------------|--------------------------|
| Penalties | 3,179,680 | 2,061,159 |
| Car damage compensation | 9,107,404 | 8,593,968 |
| Grant income received | 151,618 | 189,658 |
| Other income | 19,471,335 | 21,291,256 |
| Other rental income | 259,155 | 143,064 |
| Total | <u>32,169,193</u> | <u>32,279,105</u> |

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

Other operating income is also included in the total in Note 5.

7. FLEET EXPENSES

| | <u>2023</u> | <u>2022</u> |
|--|---------------------------|---------------------------|
| Fuel | 18,343,601 | 17,520,810 |
| Spare parts | 35,357,455 | 34,873,781 |
| Repairing, maintenance, reconditioning | 43,362,772 | 23,957,327 |
| Rental feet operation expenses | 6,093,424 | 4,661,739 |
| Insurance expenses | 31,914,047 | 23,581,633 |
| Other consumables expenses | 359,090 | 307,519 |
| Car registration and other fees | 1,047,216 | 683,286 |
| Vehicle sanitization | 2,272,265 | 1,779,450 |
| Parking fees expenses | 309,781 | 283,193 |
| Total | <u>139,059,651</u> | <u>107,648,738</u> |

The increase in fleet expenses is due to the larger base of rental assets both from the takeover of and merger with Premium Leasing SRL in 2022 (see Note 4) and from the acquisition of new assets.

8. EMPLOYEE BENEFIT EXPENSES

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------|--------------------------|
| Salaries | 56,943,040 | 42,446,625 |
| Social security contributions and other taxes | 1,656,059 | 1,215,554 |
| Meal ticket expenses | 2,910,030 | 1,843,935 |
| Total | <u>61,509,129</u> | <u>45,506,114</u> |

9. ADMINISTRATIVE EXPENSES

| | <u>2023</u> | <u>2022</u> |
|------------------------------|-------------------------|-------------------------|
| Telecommunication expenses | 464,177 | 383,316 |
| Head office expenses | 1,851,409 | 1,102,199 |
| Sales and marketing expenses | 1,912,904 | 1,267,806 |
| Administrative offices rent | 3,408,003 | 2,436,385 |
| Total | <u>7,636,493</u> | <u>5,189,707</u> |

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10. OTHER OPERATING EXPENSES

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------|--------------------------|
| Other third-party services (Note 10.1) | 15,876,627 | 11,833,119 |
| Fees and taxes | 9,791,942 | 3,455,707 |
| Transport of goods and personnel | 792,709 | 681,265 |
| Travel expenses | 1,471,265 | 1,063,946 |
| Bank and similar fees | 1,253,937 | 1,059,229 |
| Other taxes, duties and similar charges | 7,050,932 | 5,945,668 |
| Sundry expenses | 216,311 | 576,544 |
| Donations and subsidies granted | 1,581,303 | 1,243,255 |
| Other expenses | 236,569 | 145,343 |
| Total | <u>38,271,596</u> | <u>26,004,076</u> |

10.1. Third-party services expenses

| | <u>2023</u> | <u>2022</u> |
|--------------------------|--------------------------|--------------------------|
| Training courses | 2,536,499 | 1,581,604 |
| IT Services | 3,010,180 | 2,119,056 |
| Legal services | 1,083,780 | 730,252 |
| Medical services | 280,323 | 245,001 |
| Protocol | 1,189,331 | 948,145 |
| Human resources services | 31,399 | 79,905 |
| Audit and consultancy | 1,522,271 | 1,507,510 |
| Security | 513,454 | 513,323 |
| Other services | 5,709,391 | 4,108,323 |
| Total | <u>15,876,627</u> | <u>11,833,119</u> |

11. OTHER (LOSSES)/GAINS - NET

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|-------------------------|
| Provisions for risks and expenses, net | (93,157) | (421,270) |
| Expected credit risk losses | 8,877,039 | 8,647,145 |
| Total | <u>8,714,643</u> | <u>8,225,875</u> |

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12. FINANCE INCOME/COSTS

12.1. Finance costs

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|--------------------------|--------------------------|
| Interest for liabilities and loans | 35,229,605 | 23,782,791 |
| Interest for lease liabilities | 22,786,979 | 11,396,918 |
| Foreign exchange loss | <u>6,752,502</u> | <u>258,872</u> |
| Total finance costs | <u>64,769,085</u> | <u>35,438,580</u> |

The variance in interest expense from 2022 until 2023 takes into account the higher number of vehicles for which Autonom Services SA obtained financing as of 31 December 2023.

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>2023</u> | <u>2022</u> |
|---------------------------|-------------|-------------|
| Spot | 4.9746 | 4.9474 |
| Variance | 0.55% | (0.01)% |
| Average | 4.9465 | 4.9315 |
| Variance | 0.30% | 0.22% |

12.2. Finance income

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|-------------------------|-------------------------|
| Interest income | <u>5,825,787</u> | <u>2,714,656</u> |
| Total finance income | <u>5,825,787</u> | <u>2,714,656</u> |

The variance in the interest income from 2022 until 2023 takes into account the effective interest rate on loans granted to related parties and the interest collected from deposits.

12.3. Other income

| | <u>2023</u> | <u>2022</u> |
|--|-----------------|-------------------------|
| Dividends income related to capital investments sold | - | 385,610 |
| Income from the sale of capital investments | - | <u>2,373,414</u> |
| Total other income | <u>-</u> | <u>2,759,024</u> |

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13. INCOME TAX

The main components of income tax expense for years ended on 31 December 2023 and 31 December 2022 are:

| | <u>2023</u> | <u>2022</u> |
|---|---------------------------|---------------------------|
| Current income tax: | | |
| Current income tax charge | - | (2,679,821) |
| Deferred tax: | | |
| Relating to initial recognition and reversal of temporary differences | <u>(9,686,787)</u> | <u>(5,144,103)</u> |
| Income tax expense reported in the statement of profit and loss and other comprehensive income | <u>(9,686,787)</u> | <u>(7,823,924)</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 2023 and 31 December 2022 is as follows:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------------|---------------------------|
| Accounting profit before income tax | <u>39,724,520</u> | <u>65,616,068</u> |
| At statutory income tax rate of 16% | (6,355,923) | (10,498,571) |
| Non-deductible expenses for tax purposes | (4,595,602) | (709,268) |
| Other profit tax exemptions | 1,264,738 | 3,383,914 |
| Income tax reported in statement of profit and loss and other comprehensive income(expense) | <u>(9,686,787)</u> | <u>(7,823,924)</u> |

Reconciliation of net deferred tax liabilities

| | <u>2023</u> | <u>2022</u> |
|--|----------------------------|----------------------------|
| 1 January – liability | <u>(19,425,299)</u> | <u>(13,031,196)</u> |
| Tax expense/credit during the period recognized in profit or loss | (9,686,787) | (5,144,103) |
| Taking over the deferred income tax of the subsidiary at the merger (Note 4) | - | (1,250,000) |
| 31 December – liability | <u>(29,112,086)</u> | <u>(19,425,299)</u> |

Deferred tax

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 2023</u> | <u>31 December 2022</u> | <u>2023</u> | <u>2022</u> |
| Premium Leasing upon merger (from property, plant and equipment) (Note 4) | | (1,250,000) | | |
| Property, plant and equipment and right-of-use assets | (29,112,086) | (18,175,299) | <u>9,686,787</u> | <u>5,144,103</u> |
| Deferred tax expense/(income) | | | <u>9,686,787</u> | <u>5,144,103</u> |
| Net deferred tax liabilities | <u>(29,112,086)</u> | <u>(19,425,299)</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.

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14. PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2023, the gross book value of fully depreciated property, plant and equipment that were still in use is RON 129,821,292 (31 December 2022: RON 242,987,800).

| | Land | Furniture and fittings | Rental fleet and rental equipment | Constructions in progress (CIP) | Total |
|---|------------------|------------------------|-----------------------------------|---------------------------------|--------------------|
| Cost | | | | | |
| Balance on 1 January 2022 | 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 the Premium Leasing subsidiary 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 on 31 December 2022 | 1,443,779 | 2,778,103 | 762,868,727 | 9,575,013 | 776,665,622 |
| Additions | - | 424,651 | 344,968,397 | 21,619,788 | 367,012,836 |
| Transfers to inventories | - | - | 142,560,261 | - | 142,560,261 |
| Disposals | 379,407 | 1,115,308 | - | 31,194,801 | 32,689,516 |
| Balance on 31 December 2023 | 1,064,372 | 2,087,446 | 965,276,862 | - | 968,428,681 |
| Accumulated depreciation and impairment | | | | | |
| Balance on 1 January 2022 | - | 2,065,454 | 121,060,051 | - | 123,125,505 |
| Depreciation expense | - | 321,211 | 97,547,134 | - | 97,868,345 |
| Acquisition by merger of the Premium Leasing subsidiary 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 on 31 December 2022 | - | 2,143,826 | 165,041,189 | - | 167,185,015 |
| Depreciation expense | - | 154,135 | 120,407,136 | - | 120,561,271 |
| Impairment expense, net | - | - | 11,413,025 | - | 11,413,025 |
| Transfers to inventories | - | - | 66,558,076 | - | 66,558,076 |
| Disposals | - | 907,831 | - | - | 907,831 |
| Balance on 31 December 2023 | - | 1,390,130 | 230,303,275 | - | 231,693,406 |
| Net book value as of 31 December 2022 | 1,443,779 | 634,277 | 597,827,538 | 9,575,013 | 609,480,607 |
| Net book value as of 31 December 2023 | 1,064,372 | 697,316 | 734,973,587 | - | 736,735,275 |

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

As of 31 December 2023, from the total rental fleet and rental equipment, RON 138,755 thousand represent rental equipment and RON 596,219 thousand represent rental fleet vehicles.

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.

Property, plant and equipment impairment

During 2022, following management analysis, net impairment adjustments of RON 1.460 thousand were recorded in relation to the own fleet of vehicles and equipment and right-of-use assets as a result of the change in the average trading 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 higher prices. During 2023, following management analysis, net impairment adjustments of RON 11.028 thousand were recorded in relation to the own fleet of equipment, vehicles and right-of-use assets as a result of the change in the average trading 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 an increase in prices, albeit less accelerated in 2023 compared to 2022.

The summary of depreciation, amortization and impairment of non-current assets for the financial years 2023 and 2022 is included in the table below:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------------|---------------------------|
| Depreciation of rental fleet and rented equipment | 120,407,136 | 97,547,134 |
| Amortization of right-of-use assets | 86,778,441 | 76,143,127 |
| Adjustments for the impairment of right-of-use assets and rental fleet, net | 11,028,335 | 1,460,393 |
| Depreciation and impairment adjustment for rental fleet and equipment | <u>218,213,912</u> | <u>175,150,654</u> |
| Depreciation of investment properties | 82,250 | 82,250 |
| Amortization of right-of-use assets for buildings | 2,654,823 | 2,030,382 |
| Amortization (depreciation) of other assets | 154,135 | 321,211 |
| Depreciation of other non-current assets | 2,267,582 | - |
| Depreciation of other non-current assets | 269,595 | 266,533 |
| Depreciation, amortization and impairment of other non-current assets | <u>5,428,387</u> | <u>2,700,375</u> |
| Total | <u>223,642,300</u> | <u>177,851,029</u> |

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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 |
|---|----------------------------|--------------------|--------------------|--------------------------|
| | Tangible assets | | | |
| | Buildings | - fleet | Total | |
| On 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 expense | (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 of 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 |

| | Right-of-use assets | | | Lease liabilities |
|---|----------------------------|--------------------|--------------------|--------------------------|
| | Tangible assets | | | |
| | Buildings | - fleet | Total | |
| On 1 January 2023 | 4,942,689 | 474,901,038 | 479,843,727 | 429,721,446 |
| Additions | 14,338,006 | 188,325,585 | 202,663,591 | 202,663,591 |
| Depreciation expense | (2,654,823) | (86,778,441) | (89,433,264) | - |
| Adjustments for the impairment of right-of-use assets - net | - | (384,690) | (384,690) | - |
| Transfer to inventories (net) | - | (35,417,417) | (35,417,417) | - |
| Disposals | - | - | - | - |
| Interest expense | - | - | - | 22,786,979 |
| Early termination of lease agreements | - | (4,693,471) | (4,693,471) | (4,693,471) |
| Foreign exchange rate | - | - | - | 1,249,376 |
| Payments of principal and interest | - | - | - | (163,028,833) |
| As of 31 December 2023 | 16,625,872 | 535,952,604 | 552,578,474 | 488,699,088 |
| <i>Out of which:</i> | | | | |
| Current | | | | 162,513,515 |
| Long term | | | | 326,185,573 |

As of 31 December 2023, the amounts pledged are of RON 894,673,975 – at acquisition value (31 December 2022: RON 527,671,755).

The Company recognized rent expenses from short-term leases amounting to RON 2,455,645 (on 31 December 2022: RON 1,774,182) under “Administrative expenses”. No leases of low-value assets nor variable lease payments for the period ended on 31 December 2023.

At the end of the lease agreements 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 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 2023 amount to EUR 19,203,906 (as of 31 December 2022: EUR 10,969,104).

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15. RIGHT-OF-USE ASSETS (continued)

In December 2023, Autonom's new site in Piatra Neamț was completed. After completing the construction, Management decided to sell the new building along with the corresponding land to the related party Stefan si Compania SRL for the amount of RON 31,194,801. The basis for this decision was the fact that the Group's real estate properties are already majority-owned by Stefan si Compania. The transaction was concluded after having an independent ANEVAR-licensed valuator assess the property, objectively reflecting the market value.

After the independent valuator made a valuation of the rental rate, the two companies entered into a long-term rental agreement, with Autonom keeping its right to fully use the building and the corresponding land. The ownership to this building is shown in the Additions line in the table above. As a result of this transaction, in accordance with the amendments to IFRS16 mentioned in Note 2, Autonom Services as a seller-lessee recognized neither gain nor loss for the retained right of use.

16. INVESTMENT PROPERTIES

| | Investment properties |
|-------------------------------|----------------------------------|
| Cost | |
| As of 1 January 2022 | 2,317,161 |
| Additions | 77,975 |
| Disposals | - |
| As of 31 December 2022 | 2,395,136 |
| Additions | - |
| Disposals | - |
| As of 31 December 2023 | 2,395,136 |
| | |
| As of 1 January 2022 | 212,962 |
| Depreciation expense | 82,250 |
| Disposals | - |
| As of 31 December 2022 | 295,212 |
| Depreciation expense | 82,250 |
| Disposals | - |
| As of 31 December 2023 | 377,462 |
| | |
| Net book value | |
| As of 31 December 2022 | 2,099,924 |
| As of 31 December 2023 | 2,017,675 |

The fair value of the investment property at 31 December 2023, determined by the income approach, amounts to RON 2,389,800 for buildings (at 31 December 2022: RON 2,392,300). The fair value measurement is categorized as level 3 of the measurement hierarchy, based on the assumptions used in the valuation techniques.

Investment properties 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, on 31 December 2023, 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.

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17. INTANGIBLE ASSETS

| | Goodwill | Licenses and other intangibles | Total |
|---|------------------|---|------------------|
| Cost | | | |
| As of 1 January 2022 | - | 1,262,511 | 1,262,511 |
| Additions | | 316,876 | 316,876 |
| Acquisition by merger of the Premium Leasing subsidiary assets (Note 4) | 2,267,582 | 1,318,471 | 3,586,053 |
| Disposals | - | 830,276 | 830,276 |
| As of 31 December 2022 | 2,267,582 | 2,067,581 | 4,335,163 |
| Additions | - | 226,796 | 226,796 |
| Disposals | - | - | - |
| As of 31 December 2023 | 2,267,582 | 2,294,376 | 4,561,961 |
| Accumulated depreciation | | | |
| As of 1 January 2022 | - | 1,107,306 | 1,107,306 |
| Depreciation expense | - | 266,533 | 266,533 |
| Acquisition by merger of the Premium Leasing subsidiary assets (Note 4) | - | 1,134,630 | 1,134,630 |
| Disposals | - | 833,947 | 833,947 |
| As of 31 December 2022 | - | 1,674,522 | 1,674,522 |
| Depreciation expense | - | 269,595 | 269,595 |
| Impairment expense | 2,267,582 | | 2,267,582 |
| Disposals | - | - | - |
| As of 31 December 2023 | 2,267,582 | 1,944,117 | 4,211,702 |
| Net book value | | | |
| As of 31 December 2022 | 2,267,582 | 393,059 | 2,660,641 |
| As of 31 December 2023 | - | 350,259 | 350,259 |

During 1 January - 31 December 2023, the decrease in the gross amount of intangible assets was RON 2,267,582, representing the amount of the goodwill registered upon the merger with Premium Leasing, for which an impairment adjustment was made.

18. INTEREST-BEARING LOANS AND BORROWINGS

| | 31 December 2023 | 31 December 2022 |
|--|-------------------------|-------------------------|
| Long-term loans and borrowings | | |
| Long term loans | 248,070,741 | 231,069,016 |
| Bonds – unsecured fixed rate | 237,733,924 | 334,582,598 |
| Sub-total | 485,804,665 | 565,651,614 |
| Current | | |
| Accrued interest for bonds | 1,749,232 | 1,721,164 |
| Bonds – unsecured fixed rate | 99,300,592 | - |
| Short-term bank loans and accrued interest | 165,788,865 | 108,630,103 |
| Sub-total | 266,838,689 | 110,351,267 |
| Total interest-bearing loans and borrowings | 752,643,354 | 676,002,881 |

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18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| Bank | Type | Maturity for the last instalment | Balance in bank currency on 31 December 2023 | Currency | Balance in RON on 31 December 2023 | Short term | Long term |
|-------------------|------------------------------------|---|---|-----------------|---|--------------------|--------------------|
| Bank F | Car purchase line | 28 February 2025 | 116,961 | RON | | | |
| Bank F | Car purchase line | 31 August 2027 | 3,544,375 | EUR | 24,651,684 | 6,278,273 | 18,373,411 |
| Bank F | Car purchase line | 31 March 2030 | 1,387,625 | EUR | | | |
| Bank B | Credit for leasing transactions | 11 October 2029 | 5,907,267 | EUR | 29,386,290 | 15,334,188 | 14,052,102 |
| Bank B | Credit line | 11 October 2024 | 4,250,000 | RON | 4,250,000 | 4,250,000 | - |
| Bank B | Credit line | 11 October 2024 | 3,021,460 | EUR | 15,030,555 | 15,030,555 | - |
| Bank C | Car purchase line | 23 August 2028 | 11,156,974 | EUR | 55,501,483 | 16,421,950 | 39,079,534 |
| Bank H | Car purchase line | 30 November 2028 | 7,426,168 | EUR | 36,942,216 | 11,298,719 | 25,643,497 |
| Bank D | Investment loan | 84 months of the contract signing date but not later than 10 July 2025 | 703,704 | EUR | 3,500,644 | 2,210,934 | 1,289,710 |
| Bank D | Multi-product facility | 14 June 2029 | 7,715,902 | EUR | 38,383,527 | 13,661,130 | 24,722,396 |
| Bank D | Multi-product facility | 14 June 2029 | 1,249,505 | EUR | 6,215,787 | 1,003,658 | 5,212,129 |
| Bank M | Car and equipment purchase line | 05 June 2024 | 23,220 | RON | 23,220 | 23,220 | - |
| Bank M | Car and equipment purchase line | 28 November 2025 | 83,055 | EUR | 413,164 | 397,888 | 15,277 |
| Bank E | Equipment line | 02 October 2025 | 106,850 | RON | 106,850 | 106,850 | - |
| Bank E | Car and equipment purchase line | 28 June 2028 | 4,071,587 | EUR | 20,254,516 | 4,451,403 | 15,803,112 |
| Bank K | Car purchase line | 03 July 2028 | 2,050,979 | EUR | 10,202,798 | 1,758,885 | 8,443,914 |
| Bank O | Credit line | 29 May 2026 | 118,152 | EUR | 587,760 | 235,009 | 352,750 |
| Bank I | Credit line | 29 January 2027 | 3,855,555 | EUR | 31,589,845 | 16,937,442 | 14,652,403 |
| Bank I | Credit line | 29 January 2027 | 2,494,674 | EUR | | | |
| Bank G | Credit line | 20 April 2029 | 5,408,935 | EUR | 26,907,286 | 11,972,288 | 14,934,998 |
| Bank L | Credit line | 10 June 2027 | 3,526,804 | EUR | 17,544,441 | 7,214,498 | 10,329,943 |
| Bank N | Credit line | 05 May 2028 | 3,703,291 | EUR | 18,422,389 | 8,028,224 | 10,394,165 |
| Bank P | Investment loan | 22 December 2027 | 12,000,000 | EUR | 59,695,200 | 14,923,800 | 44,771,400 |
| Sub-total: | | | | RON | 399,609,656 | 151,538,914 | 248,070,741 |

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18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| Bank | Type | Maturity for the last instalment | Balance in bank currency on 31 December 2023 | Currency | Balance in RON on 31 December 2023 | Short term | Long term |
|---------------------|-------------------|----------------------------------|--|------------|------------------------------------|--------------------|--------------------|
| Bank E | Overdraft | 28 June 2024 | 9,946,237 | RON | 9,946,237 | 9,946,237 | - |
| Bank G | Overdraft | 19 April 2024 | 4,303,714 | RON | 4,303,714 | 4,303,714 | - |
| Bank B | Interest on bonds | | 351,633 | EUR | 1,749,232 | 1,749,232 | |
| | AUT24E bonds | 12 November 2024 | 20,000,000 | EUR | 99,300,592 | 99,300,592 | - |
| | AUT26E bonds | 23 November 2026 | 48,030,000 | EUR | 237,733,924 | - | 237,733,924 |
| Sub-total: | | | | RON | 353,033,698 | 115,299,775 | 237,733,924 |
| Grand total: | | | | RON | 752,643,354 | 266,838,689 | 485,804,665 |

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18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| Bank | Type | Maturity for the last instalment | Balance in bank currency on 31 December 2022 | Currency | Balance in RON on 31 December 2022 | Short term | Long term |
|--------------|---------------------------------|--|--|------------|------------------------------------|--------------------|--------------------|
| Bank K | TS car purchase line | 10 October 2023 | 304,096 | EUR | 1,504,482 | 1,504,482 | - |
| Bank F | Car purchase line | 28 February 2025 | 327,252 | RON | 327,252 | 73,219 | 254,033 |
| Bank G | Car investment loan | 05 July 2023 | 5,897 | RON | 5,897 | 5,897 | - |
| Bank G | Equipment investment loan | 27 November 2026 | 31,303 | EUR | 154,870 | 153,778 | 1,093 |
| Bank B | Credit for leasing transactions | 10 December 2028 | 6,727,375 | EUR | 33,283,017 | 14,127,640 | 19,155,377 |
| Bank C | Car purchase line | 05 November 2024 | 5,028,564 | EUR | 24,878,319 | 7,005,655 | 17,872,665 |
| Bank H | Car purchase line | 10 March 2026 | 4,656,254 | EUR | 23,036,351 | 5,943,067 | 17,093,284 |
| Bank I | Car purchase line | 30 June 2023 | 96,768 | RON | 96,768 | 96,768 | - |
| Bank D | Investment loan | 84 months of the contract signing date but not later than 10 July 2025 | 1,148,148 | EUR | 5,680,347 | 2,198,845 | 3,481,503 |
| Bank D | Multi-product facility | 10 July 2025 | 5,444,361 | EUR | 26,935,430 | 6,828,877 | 20,106,553 |
| Bank M | Car and equipment purchase line | 05 June 2024 | 223,596 | RON | 223,596 | 200,375 | 23,220 |
| Bank E | Equipment line | 02 October 2025 | 544,750 | RON | 544,750 | 437,900 | 106,850 |
| Bank M | Car and equipment purchase line | 31 December 2024 | 163,039 | EUR | 806,617 | 395,712 | 410,905 |
| Bank P | Car purchase line | 22 February 2027 | 16,281 | EUR | 80,550 | 12,235 | 68,315 |
| Bank B | Credit line | 10 December 2023 | 1,092,327 | EUR | 5,404,180 | 5,404,180 | - |
| Bank O | Credit line | 29 May 2026 | 161,475 | EUR | 798,880 | 233,819 | 565,061 |
| Bank I | Credit line | 30 June 2027 | 10,015,859 | EUR | 49,552,460 | 17,836,045 | 31,716,415 |
| Bank G | Credit line | 29 November 2027 | 7,769,789 | EUR | 38,440,252 | 12,505,648 | 25,934,604 |
| Bank R | Credit line | 10 June 2027 | 4,998,408 | EUR | 24,729,126 | 6,722,936 | 18,006,190 |
| Bank S | Credit line | 30 April 2027 | 5,075,233 | EUR | 25,109,208 | 9,862,917 | 15,246,291 |
| Bank T | Investment loan | 22 December 2027 | 15,000,000 | EUR | 74,211,000 | 14,842,200 | 59,368,800 |
| Bank F | Car purchase line | 31 August 2027 | 730,353 | EUR | 3,613,346 | 1,955,492 | 1,657,854 |
| Bank H | Car purchase line | 31 March 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 |

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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 2022 and as of 31 December 2023.

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 addenda have been 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.

On 31 December 2023 and as well as on 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.

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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).

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18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

At 31 December 2023, the Company had available undrawn committed borrowing facilities in an amount RON 19,239,869 and EUR 42,877,795 (31 December 2022: RON 39,368,810 and EUR 38,951,615) thus being able to respond to any unforeseen cash needs.

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, including 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 |
|------|-------------------------------------|--|
| 2023 | 1% | (12,413,424) |
| RON | | (187,470) |
| EUR | | (12,225.955) |
| 2022 | 1% | (7,711,417) |
| RON | | (85,989) |
| EUR | | (7,625,428) |

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.

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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 Company is Euro based. The vast majority of 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 hold the following assets and liabilities in foreign currency.

31 December 2023

| | Total RON Equivalent | EUR | USD | GBP | HUF | RON |
|---|---------------------------------|-------------|------------|------------|------------|------------|
| Trade Receivables | 64,430,340 | 3,841,317 | 1,361,042 | - | - | 59,227,982 |
| Cash and cash equivalents | 160,153,012 | 72,647,105 | 5,652,132 | 2,621 | 24 | 81,851,129 |
| Interest-bearing loans, bonds and borrowings | 752,643,354 | 733,896,372 | - | - | - | 18,746,982 |
| Lease liabilities | 488,699,088 | 488,699,088 | - | - | - | - |
| Trade debts | 43,450,890 | 1,073,005 | 24,577 | - | 325 | 42,352,983 |
| Contract Guarantees Retained | 7,997,883 | 417,633 | - | - | - | 7,580,250 |

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 |

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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 2023 | 1% | (11,475,977) |
| 31 December 2022 | 1% | (11,025,543) |

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 impairment adjustment (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 had only plain vanilla deposits with reputable banks, none of which has experienced any difficulties in 2023 or up to the date of these consolidated financial statements. The Company had term deposits or overnight 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.

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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 data.

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 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.

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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 (except for unbilled receivables) using a provisioning matrix:

| 31 December 2023 | Trade Receivables | | | | | | Total |
|---|-------------------|------------|-----------|-----------|-----------|------------|-------------------|
| | Days past due | | | | | | |
| | Current | 1 - 30 | 31 - 60 | 61 - 90 | 91 - 120 | above 120 | |
| Expected credit risk loss rate | 2.78% | 8.79% | 40.36% | 35.54% | 49.84% | 73.79% | |
| Gross carrying amount - third parties | 20,245,097 | 15,206,478 | 3,854,842 | 2,617,719 | 1,327,348 | 49,341,719 | 92,593,203 |
| Gross carrying amount - related parties | 2,549,010 | 101,920 | 95,985 | 158,133 | 288,787 | 618,547 | 3,812,381 |
| Total gross carrying amount | 22,794,107 | 15,308,398 | 3,950,828 | 2,775,851 | 1,616,134 | 49,960,266 | 96,405,584 |
| Expected credit loss | 633,558 | 1,345,170 | 1,594,395 | 986,463 | 805,560 | 36,865,452 | 42,230,599 |

| 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 |

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 Company's financial liabilities, including principal amounts and future interests according to contractual terms, on 31 December 2023 and on 31 December 2022, based on contractual undiscounted payments.

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19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

| 31 December 2023 | <u>On Demand</u> | <u>Less than 3 months</u> | <u>3 - 12 months</u> | <u>1 - 5 years</u> | <u>>5 years</u> | <u>Total</u> |
|---------------------------------------|--------------------------|---------------------------|---------------------------|---------------------------|--------------------|-----------------------------|
| Interest-bearing loans and borrowings | - | 68,251,093 | 105,186,581 | 596,418,207 | - | 769,855,881 |
| Lease liabilities | 10,963,293 | 38,901,513 | 123,422,111 | 342,181,877 | - | 515,468,795 |
| Trade and other liabilities | 3,347,895 | 21,034,751 | 20,737,095 | 6,329,031 | - | 56,523,871 |
| Total: | <u>14,311,188</u> | <u>128,187,357</u> | <u>249,345,787</u> | <u>944,929,115</u> | <u>-</u> | <u>1,341,848,547</u> |

| 31 December 2022 | <u>On Demand</u> | <u>Less than 3 months</u> | <u>3 - 12 Months</u> | <u>1 - 5 years</u> | <u>>5 years</u> | <u>Total</u> |
|---------------------------------------|--------------------------|---------------------------|---------------------------|---------------------------|--------------------|-----------------------------|
| Interest-bearing loans and borrowings | - | 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 liabilities | 4,050,718 | 21,793,594 | 343,117 | 5,955,733 | - | 32,143,162 |
| Total: | <u>11,334,338</u> | <u>85,939,597</u> | <u>236,415,339</u> | <u>967,491,646</u> | <u>-</u> | <u>1,301,180,920</u> |

On 31 December 2023, the Company had available undrawn committed borrowing facilities in an amount RON 19,239,869 and EUR 42,877,795 (31 December 2022: RON 39,368,810 and EUR 38,951,615) thus being able to respond to 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 2023 | <u>Within one year</u> | <u>1-2 years</u> | <u>2-3 years</u> | <u>3-4 years</u> | <u>more than 4 years</u> | <u>Total</u> |
|------------------|---------------------------|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
| Total: | <u>343,629,263</u> | <u>269,826,911</u> | <u>194,328,430</u> | <u>98,770,176</u> | <u>24,795,198</u> | <u>931,349,978</u> |

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

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.

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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 2023 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 31 December 2023).

| | Finance lease liabilities | Short term loans | Long term loans | Total |
|---------------------------------------|----------------------------------|-------------------------|------------------------|----------------------|
| Balance on 1 January 2023 | 429,721,446 | 110,351,267 | 565,651,615 | 1,105,724,328 |
| Drawings | 202,663,591 | 122,478,410 | 39,622,940 | 364,764,941 |
| Bonds that have reached maturity | - | 99,300,592 | (99,300,592) | - |
| Interest expense | 22,786,979 | 16,361,446 | 18,868,158 | 58,016,583 |
| Early termination of lease agreements | (4,693,471) | - | - | (4,693,471) |
| Payments | (140,241,854) | (82,884,796) | (24,078,391) | (247,205,041) |
| Interest paid | (22,786,979) | (14,612,215) | (18,868,158) | (56,267,352) |
| Overdraft withdrawals | - | 14,249,951 | - | 14,249,951 |
| Changes in exchange rates | 1,249,376 | 1,594,033 | 3,909,093 | 6,752,502 |
| Balance on 31 December 2023 | 488,699,087 | 266,838,689 | 485,804,665 | 1,241,342,441 |

| | 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 subsidiary Premium Leasing (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 31 December 2022 | 429,721,446 | 110,351,267 | 565,651,615 | 1,105,724,328 |

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20. INVENTORIES

| | 31 December 2023 | 31 December 2022 |
|----------------------------|-----------------------------|-----------------------------|
| Cars for sale | 12,702,158 | 28,120,726 |
| Tires on inventory | 2,206,501 | 1,792,436 |
| Allowances for inventories | - | - |
| Total inventories | 14,908,659 | 29,918,953 |

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

Inventories consisting of new tires are stored in order to be later installed on vehicles purchased during 2024.

Carrying value for the inventories for which allowances for inventories were recorded on 31 December 2023 is in amount of RON 0 (on 31 December 2022: RON 0).

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

Trade Receivables

| | 31 December 2023 | 31 December 2022 |
|--|-------------------------|-------------------------|
| Trade Receivables | 92,593,203 | 74,754,053 |
| Trade receivable from related parties | 3,812,381 | 9,426,357 |
| Less impairment adjustments of trade receivables | (42,230,599) | (33,353,559) |
| Unbilled receivables | 10,255,355 | 7,285,754 |
| Trade receivables, net | 64,430,340 | 58,112,605 |
| Guarantees – long term | 532,317 | 535,532 |
| Total | 64,962,657 | 58,648,137 |
| Other receivables and current assets | | |
| VAT and other taxes | 3,838,685 | 172,602 |
| Advance to suppliers | 6,149,132 | 12,442,985 |
| Other receivables | 457,198 | 331,441 |
| Total | 10,446,015 | 12,947,028 |
| Prepayments | 1,329,956 | 2,057,508 |

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

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 of 1 January 2022 | 21,870,090 |
| Provision taken over upon merger with Premium Leasing | 2,836,324 |
| Charge for expected credit losses | 9,615,608 |
| Unused amounts reversed | (968,463) |
| As of 31 December 2022 | 33,353,559 |
| As of 1 January 2023 | 33,353,559 |
| Charge for expected credit losses | 10,450,675 |
| Unused amounts reversed | (1,573,636) |
| As of 31 December 2023 | 42,230,598 |

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22. CASH AND CASH EQUIVALENTS

| | 31 December 2023 | 31 December 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Cash at bank in RON | 69,940,167 | 46,462,897 |
| Overnight/bank deposits | 17,104,200 | 20,000,000 |
| Cash at banks in foreign currency | 71,399,162 | 93,492,598 |
| Cash on hand in RON | 95,932 | 142,994 |
| Cash on hand in foreign currency | 40,757 | 44,278 |
| Other cash equivalents | 1,572,794 | 78,754 |
| Total | 160,153,012 | 160,221,521 |

Except for an amount RON 60,087 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 2022 is RON 262,152).

23. ISSUED CAPITAL AND RESERVES

The shareholding structure on 31 December 2023 and on 31 December 2022 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: | 2,000,000 | 20,000,000 | 100 |

The amount of authorized capital on 31 December 2023 was RON 20,000,000 (31 December 2022: RON 20,000,000) representing 2,000,000 shares (31 December 2022: 2,000,000 shares). All shares are common, subscribed and paid in full on 31 December 2023. All shares have the same voting right and have a nominal value of RON 10/share (31 December 2022: 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 2023, 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 7,904,613 on 31 December 2023 (31 December 2022: RON 16,444,727). 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 2023. 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

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24. TRADE AND OTHER LIABILITIES

| | 31 December 2023 | 31 December 2022 |
|---|-------------------------|-------------------------|
| Trade payables of goods of services | 15,203,331 | 11,759,639 |
| Trade payables of fixed assets | 23,274,421 | 8,198,872 |
| Accruals | 1,471,330 | 1,147,744 |
| Trade and other payables to related parties | 3,501,808 | 3,363,108 |
| Salaries and other employee related liabilities | 1,208,121 | 2,382,222 |
| Employee related taxes and contributions | 1,706,980 | 1,387,856 |
| Income tax payable | - | 2,221,293 |
| VAT and taxes payables | 316,220 | 6,440,009 |
| Advances from customers | 1,843,778 | 3,245,758 |
| Lease deposits and securities, out of which: | 7,997,883 | 7,673,799 |
| <i>Current portion</i> | <i>1,668,851</i> | <i>1,718,066</i> |
| <i>Non-current portion</i> | <i>6,329,031</i> | <i>5,955,733</i> |
| Total, out of which: | 56,5523,872 | 47,820,300 |
| Total trade payables and other short-term liabilities | 50,194,840 | 41,864,567 |
| Total trade payables and other long-term liabilities | 6,329,031 | 5,955,733 |

As of 31 December 2023, and as of 31 December 2022 respectively, 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.

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.

Romanian tax authorities have carried out checks regarding the calculation of Autonom Services SA's income tax until 31 March 2011. In Romania, the tax year remains open for checks for 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 2023 the Company has commitments for the purchase of vehicles and equipment in amount of EUR 30.3 mil. for vehicles and EUR 2.9 mil. for equipment (as of 31 December 2022 commitments in amount of EUR 26 mil. for vehicles and EUR 3.5 mil. for equipment).

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26. RELATED PARTY DISCLOSURES

During the period 1 January 2023 - 31 December 2023 and 1 January 2022 - 31 December 2022 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 |
| Autonom Leasing IFN SA | Romania | entity under joint control | Sale/acquisition of goods and services |
| Blue Technology SRL | Romania | entity under joint control | Sale/acquisition of goods and services |
| Autonom Car Protect SRL | Romania | entity under joint control | Sale/acquisition of goods and services |
| Upstage Detailing 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 | 2023 | Sales to related parties | Purchases from related parties | Amounts due from related parties | Amounts due to related parties |
|--|-------------|---------------------------------|---------------------------------------|---|---------------------------------------|
| Autonom International SRL | | 17,413 | - | 1,873,449 | - |
| ATM Ventures | | 60,646 | - | - | - |
| VMS (Vehicle Management Systems) | | 4,079,176 | 3,821,586 | 68,724 | 870,617 |
| Stefan si Compania SRL | | 2,040,469 | 18,965,600 | - | 1,426,577 |
| Stefan Autoservice SRL | | 248,401 | 540,673 | - | 67,679 |
| Carcentric SRL | | 373,674 | 1,896,129 | 11,622 | 779,527 |
| Autonom Assistance | | 10,713,488 | 2,312,478 | 56,610 | 236,773 |
| ELS Retail SRL | | 45 | - | - | - |
| Clockwise SRL | | 23,775 | - | 12,410 | - |
| Autonom Hungary KFT | | 957,784 | 177,468 | 1,739,915 | 129,458 |
| Autonom Protect SRL | | 145,601 | - | 30,254 | - |
| MGA Alpha Protect SRL | | 51,692 | - | 18,054 | - |
| 3D Clean Services SRL | | 45 | 120,500 | - | (12,460) |
| Millenium Insurance Broker (M.I.B.) SA | | 233,035 | - | - | - |
| Autonom Leasing IFN SA | | 13,798 | - | (2,351) | - |
| Blue Technology SRL | | 1,280 | 393 | 409 | 305 |
| Autonom Car Protect SRL | | - | - | - | - |
| Upstage Detailing SRL | | 11,010 | 7,100 | 3,284 | 3,332 |
| Total | | 19,005,149 | 27,841,927 | 3,812,381 | 3,501,808 |

The Company also has RON 18,519,930 in lease liability balance in respect of related parties (see Note 15).

| Sales to related parties | Purchases from related parties | Amounts due from related parties | Amounts due to related parties |
|---------------------------------|---------------------------------------|---|---------------------------------------|
|---------------------------------|---------------------------------------|---|---------------------------------------|

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| Related party | 2022 | | | | |
|-------------------------------|-------------------|-------------------|------------------|------------------|--|
| 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 | |

| | 31 December 2023 | 31 December 2022 |
|-----------------------------|-------------------------|-------------------------|
| Loan carrying amount | | |
| Autonom International SRL | 37,754,299 | 36,244,814 |
| Total | 37,754,299 | 36,244,814 |

From July 2023, the interest rate on the loan from the Company to the parent company, Autonom International SRL, was increased to 6% per annum on the debt balance. The initial balance as of 1 January 2023 in the amount of RON 36,244,814 was repaid in full during the year and additional loans in the amount of RON 56,754,640 were granted. The amount of RON 19,000,341 was also repaid. The carrying amount of the loan is approximately the same as the fair value.

Compensation of key management personnel of the Company:

| | 2023 | 2022 |
|--|------------------|------------------|
| Short-term employee benefits | 1,559,035 | 1,176,635 |
| Total compensation paid to key management personnel | 1,559,035 | 1,176,635 |

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

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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. Non-recurrent items such as income recorded during 2022 that impacted EBITDA are shown in the table below.

In addition, the Company presents below two other alternative performance measures: 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.

EBITDA is reconciled in comprehensive income, as follows:

| | Note | 2023 | 2022 |
|--|---------------|----------------------|--------------------|
| Net profit | | 30,037,733 | 57,792,144 |
| Adjustments to bridge net profit to EBITDA: | | | |
| Finance costs minus financial revenues | 12.1, 12.2 | 58,943,298 | 32,723,924 |
| Income tax expense | 13 | 9,686,787 | 7,823,924 |
| Depreciation, amortization and impairment of non-current assets | 14 | 223,642,299 | 177,851,029 |
| EBITDA | | 322,310,117 | 276,191,021 |
| Normalized EBITDA | | | |
| Non-recurrent items | | | |
| Dividends income related to capital investments sold | 12.3 | - | 385,610 |
| Income from the sale of capital investments | 12.3 | - | 2,373,414 |
| Total other non-recurrent income | | - | 2,759,024 |
| Normalized EBITDA | | 322,310,117 | 273,431,997 |
| Interest expense | | 58,016,583 | 35,179,709 |
| Interest coverage ratio | | 5.56 | 7.77 |
| | | 31 December | 31 December |
| | | 2023 | 2022 |
| Interest-bearing loans and borrowings, including interest on bonds | 18 | 415,608,838 | 341,420,283 |
| Bonds | 18 | 337,034,516 | 334,582,598 |
| Finance lease liabilities | 15 | 488,699,088 | 429,721,446 |
| Cash and cash equivalents | 22 | 160,153,012 | 160,221,521 |
| Net financial liabilities | | 1,081,189,430 | 945,502,806 |
| Net/EBITDA financial liabilities | | 3.35 | 3.42 |
| Net financial liabilities/Normalized EBITDA | | 3.35 | 3.46 |
| Equity | | 217,388,486 | 187,350,752 |
| Net financial liabilities/Equity | | 4.97 | 5.05 |

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28. EARNINGS PER SHARE

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Profit attributable to ordinary equity holders of the parent | 30,037,731 | 57,792,144 |
| Number of ordinary shares | 2,000,000 | 2,000,000 |
| Earnings per share, basic and diluted (RON/share) | <u>15.02</u> | <u>28.90</u> |

There are no dilutive instruments to be considered.

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 2023 of Autonom Services SA prepared in accordance with MOF 2844/2016 was EUR 120,000 (excluding VAT). Also, non-audit services in the amount of EUR 5,000 (excluding VAT) were performed.

30. EVENTS AFTER THE REPORTING PERIOD

In 2024, Autonom Services continued its development strategy by signing new loan agreements and by reaching advanced stages in its discussions with financiers, thus consolidating its position in the market and preparing for its future initiatives.

By signing new loan agreements in the amount of EUR 9 million, Autonom obtained the necessary financial resources to support its investment and development plans. These investments can be directed to various areas, including the expansion of its vehicle, the upgrading of its infrastructure and equipment or the diversification of its services to clients.

Moreover, given its discussions at an advanced stage with four other financiers to obtain facilities amounting to EUR 39 million, Autonom demonstrates its commitment to long-term growth and expansion. Such discussions can be about large projects, such as expanding operations to new markets, diversifying the product portfolio or investing in new and innovative technologies.

Overall, these financing initiatives reflect investors' trust in the growth prospects of Autonom Services and its ability to generate long-term value.

31. OTHER MATTERS

In August 2023, Fitch Ratings decided to maintain the IDR (Long-Term Issuer Default Rating) "B+" for Autonom Services. More importantly, Fitch revised the Company's outlook from Stable to Positive in the context of Autonom's good profitability in 2023, sustained by a business model with limited reliance on short-term leases, good asset quality and an experienced management team. In addition, the moderate exposure to travel and air traffic-based business has helped reduce vulnerability in the event of future lockdowns and declines in the numbers of travels abroad.

2023 was another year of growth for Autonom, but it certainly was not an easy year. After 2022, an exceptional year for our company, 2023 was a good year, with higher income for all main business lines, but marked by rampant inflation and significant increase in interest-related financial costs.

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31. OTHER MATTERS (continued)

The increase in income was reflected in all our main business lines, thus consolidating the solid foundation of our business. Moreover, we also had a 16.7% increase in EBITDA, a clear sign that our ability to generate profit before all expenses is still strong and our investment strategies are viable.

The Operating Lease Division continued its positive trend, achieving a 29% increase in 2023 compared to the end of 2022 and registering RON 378.9 million in income. Traditionally, our main operating lease clients are small and medium-sized companies, but we see a growing demand from large clients due to the increase in our notoriety and clients' trust in our mobility solutions. Furthermore, we were happy to renew collaboration with important clients in areas such as distribution, industry, financial services, partnerships that prove the attractiveness of Autonom's full service.

Autonom Rent-a-Car, our short and medium-term rental division, also experienced better results during the year. The division's income increased by 15% in 2023 compared to the previous year, and reached RON 120.7 million, the positive evolution being caused by three main factors: the increase in tourism and passenger traffic in Romanian airports, the preference of companies for short or medium-term rental services to optimize mobility costs and the progress of the car exchange service in case of accident. Increasingly more policyholders exercise their right to request a replacement car during the repair period when they suffer damages resulting from road accidents, where the cost of the car is covered by the MTPL insurance of the driver at fault.

The Management's position is that the currently taken measures will ensure the business continuity and, therefore the going concern principle remains applicable for these financial statements (please refer to Note 2.1 Going concern).

Ongoing military conflict

In the context of conflict between Russia and Ukraine, which began on 24 February 2022, various sanctions were imposed against Russia, including funding restrictions on certain Russian banks and state-owned companies, as well as personal sanctions, against a number of individuals. Given geopolitical tensions, there has been an increase in financial market volatility and exchange rate depreciation pressure since February 2022.

It is expected that these events will affect activities in different sectors of the economy, resulting in further increases in energy prices and a higher risk of supply chain disruptions. The Company has no direct exposures to related parties and/or key customers or suppliers in those countries.

From an operating point of view, energy and fuel purchases for the Company's fleet are mainly from the domestic market; however, the availability, origin and delivery of resources could be impacted 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 noticed, as well as other regulatory interventions, and the extent and duration of their economic impact cannot be reliably estimated at this stage. The Company responds to the situation with specific measures to protect its economic stability. Because the 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 31 December 2023.

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31. OTHER MATTERS (continued)

Macroeconomic context

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

Even for a solid entity like Autonom, with strong bargaining power, the extended economic conditions had a notable impact. We ended the year with a net profit of RON 30 million compared to RON 57 million in the previous year; this decrease was mainly attributed to the growing costs and interest expenses, but also to the strategic investments in our team and infrastructure in preparing to make 2024 another very good year. The total expenses in 2023 amounted to RON 630.3 million, up by 14%, with the most significant increases being experienced by the financial expenses (+83%), where the impact came from the doubling of the interest rate, as an effect of the EURIBOR increase, the employee benefit expenses (+35%), impacted by salary adjustments and team growth, and vehicle fleet expenses (+30% compared to 2022), driven by higher costs of cars, car parts and workmanship.

We pay special attention to the Company's cash resources and liquidity, maintaining a solid capital reserve and constantly reinvesting all the profit in the business. With a prudent and strategic approach, we are prepared to navigate turbulent financial waters that may lie ahead.

2023 was marked by the side effects of the continuation of the war in Ukraine and persistent inflationary pressure that reached a significant level both globally and locally, in the context of a global economic downturn.

Locally, the latest figures on Romania's GDP dynamics have pointed out an economic growth of 4.8% in 2023, marked by a slowdown in consumption, but with an accelerated investment component.

In terms of unemployment rate, Romania ended 2023 with an unemployment rate of 5.4%, with the number of unemployed reaching 444,000, down compared to the 468,400 of the same period of the previous year.

The annual inflation rate in December 2023 compared to December 2022 was 6.6%. The average rate of change in consumer prices over the last 12 months (January 2023 - December 2023) compared to the previous 12 months (January 2022 - December 2022) was 10.4%.

The consumer price index in January 2024 compared to December 2023 was 101.10%. The annual inflation rate in January 2024 compared to January 2023 was 7.4%. The average rate of change in consumer prices over the last 12 months (February 2023 - January 2024) compared to the previous 12 months (February 2022 - January 2023) was 9.8%", according to a National Institute of Statistics statement. The National Bank of Romania announced at the beginning of the year that the annual inflation rate would go up in the first month of the current year and would then resume its gradual decrease, on a trajectory lower than that shown in the medium-term forecast of November 2023. According to current assessments, the annual inflation rate will increase in the first month of the current year and will then resume its gradual decrease, on a trajectory lower than that shown in the medium-term forecast of November 2023. The increase will be driven by the increase and introduction in January of certain indirect duties and taxes in order to continue the budget consolidation, while the subsequent decrease in the inflation rate will continue to have, as major drivers, the factors on the supply side - primarily disinflationary basic effects and downward corrections of the quotations of agri-food raw materials and crude oil - and the decreasing dynamics of import prices, according to the NBR press release on the monetary policy decision of 12 January. Also, the updated forecast of the National Bank of Romania reconfirms the prospect of an increase in the annual inflation rate at the beginning of the current year, subject to the impact of the increase and introduction of certain indirect duties and taxes, and the resumption of its decrease afterwards, but slower compared to 2023 and to the previous projection

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31. OTHER MATTERS (continued)

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

The Company regularly reviews its risks as to interest rates and currency fluctuations. As of the date of these financial statements, the Company takes the view that the impact of such changes are not going to affect its ability to carry on as a going concern with appropriate measures in place to mitigate potential risks with a major impact on the Company's income or assets.

Climate matters

In the mobility sector, in which we operate, green investments are key to the Company's sustainable development. In order to achieve the goal of reducing the average carbon emissions across the operational fleet by 25% by 2025, we started the year with an important step to increase the number of electric cars in Autonom's operational fleet, taking the opportunities in the market. Thus, we ordered a fleet of 200 Tesla electric cars amounting to approximately EUR 10 million. The capital used comes from the European Investment Bank's financing as part of the transition program to a low carbon emission fleet.

Another important step for Autonom to meet the targets of reducing the negative environmental impact was the launch of a financing solution intended for companies. The Business Green operating lease service, intended for electric cars, comes with additional benefits compared to the usual service, in order to simplify the transition process to a zero emission fleet.

In order to validate the Company's sustainable direction, but also the way we assess and manage environmental, social and governance risks, we voluntarily took the evaluation carried out by Sustainalytics at the request of the Bucharest Stock Exchange, for the second year in a row, for a selection of listed companies. The ESG score (ESG Risk Score 12.8) obtained is the best among the companies evaluated via the Bucharest Stock Exchange and places the Company in the top 5% in terms of size of unmanaged risk (4th out of 73 companies analyzed by Sustainalytics in this subsector/worldwide).

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

With this in mind, in 2021, in defining the Sustainability Strategy, we calculated the Corporate Carbon Footprint (CCF) with the support of a consulting company.

The footprint was calculated by evaluating Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (indirect emissions). The methodology used to take inventory of the CO₂ emissions was the GHG Protocol standard, and the evaluation and quantification covered a period of 3 years (2018, 2019, 2020). Moreover, since the share of the operational fleet is significant in our clients' direct use (rental - short and medium term and operating lease - long term), we set out to extend this exercise beyond the direct control over our own fleet, at value chain level. We considered this aspect to be the most correct approach from the point of view of our business.

This initiative was very good for understanding the structure of emissions generated by our activity and the limitations of the impact that the Company can have on the environment.

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

While the possibility of intervening to replace cars operated by employees or rented on short term with a lower emission vehicle is higher, the long-term fleet, already engaged in operating contracts, are replaced at a lower pace given the client preferences and the current development of electric vehicle infrastructure at the geographical level in Romania.

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31. OTHER MATTERS (continued)

From this moment, Autonom's role in integrating and assuming this transition to a greener fleet has become increasingly clear, through a concrete plan for the following years and by enabling our partners to better understand and have greater awareness of the global impact.

The Company has prepared replacement scenarios and comparative analyses for the medium and long term, for 2020-2025-2030, taking into account the prospects of market evolution and the regulations at the European level in the transport sector.

The closest indicator to our activity and the optimally quantifiable link to partners in the upstream (vehicle suppliers) and downstream (short, medium and long term clients) value chain, but also to public authorities, was the WLTP (Worldwide Harmonised Light Vehicle Test Procedure) measured in gCO₂/km, available for each motor vehicle, based on the manufacturer information and the official documents of each motor vehicle. As a result, the scenarios for reducing the environmental impact for 2020-2030 had as key performance indicator (KPI) the average WLTP for 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 is available for consultation on the Company's website, in the Sustainability section.

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

These considerations did not have a significant impact on the financial reporting judgments and estimates, but the Company's business plan and estimated cash flow projections for the upcoming 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 61 were approved by the Board of Directors and were authorized for issue on 24 April 2024.

Mihaela Angela Irimia

Name
Chairman of the Board of
Directors

Office of Chartered Accountant Huian Angelica

Name: Huian Angelica
Professional body reg. no. 26325