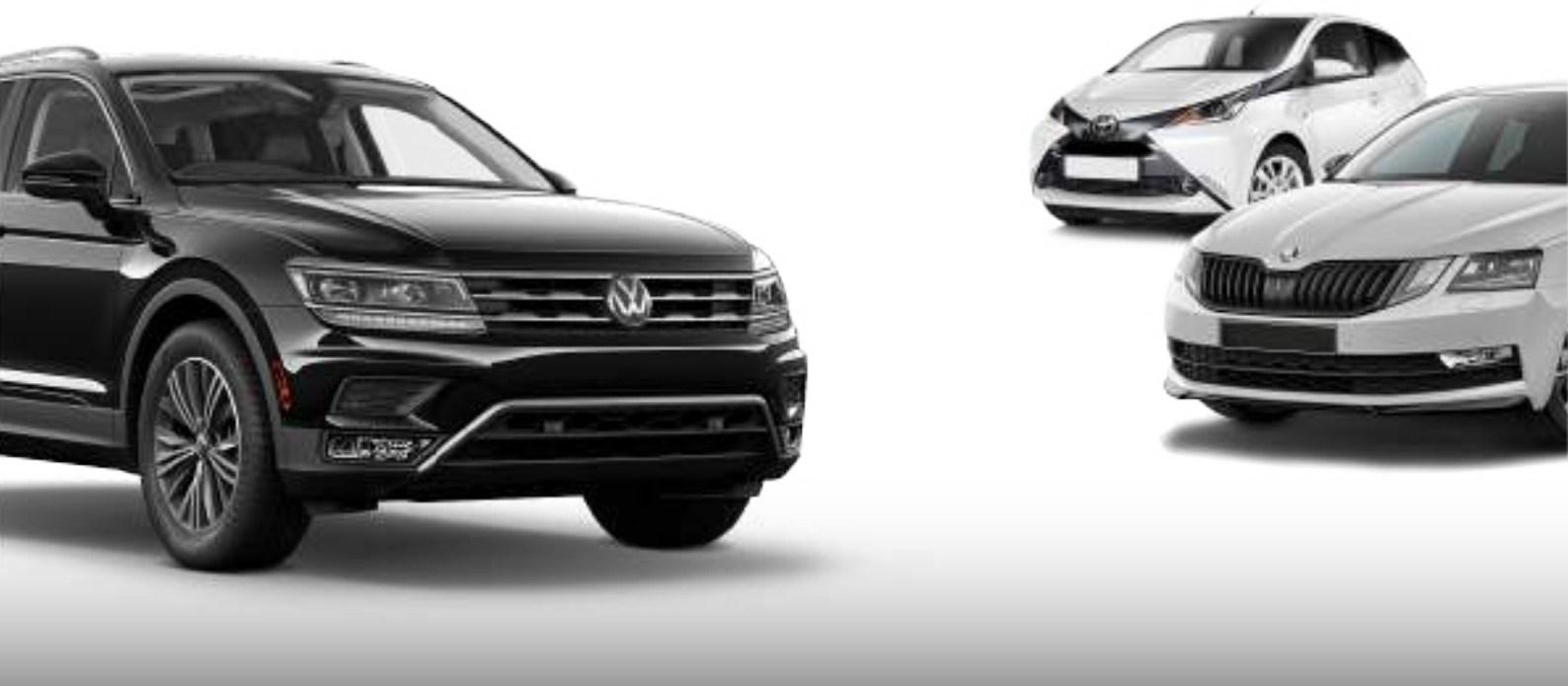
Autonom

Director's Report for H1 2021

Autonom Services S.A.



SEMESTRIAL REPORT ACCORDING TO	**ANNEX NO. 14 FROM ASF REGULATION NR. 5/2018**
FOR FINANCIAL PERIOD	**01.01.2021 - 30.06.2021**
REPORT DATE	**September 29th 2021**
ISSUER NAME	**AUTONOM SERVICES S.A.***
REGISTERED OFFICE	**Fermelor St. no. 4, Piatra-Neamț, Neamț, Romania**
TELEPHONE / FAX NUMBER	**+40 233 22 96 16 / +40 233 206 143**
UNIQUE REGISTRATION CODE	**18433260**
TRADE REGISTRY NUMBER	**J27/280/2006**
OBJECT OF ACTIVITY	**RENTAL AND LEASING OF CARS AND LIGHT MOTOR VEHICLES (CAEN 7711)**
MARKET ON WHICH THE SECURITIES ARE TRADED	**BVB, MAIN SEGMENT, BONDS**
SUBSCRIBED AND PAID-UP SHARE CAPITAL	**20.000.000 RON**
SYMBOL	**AUT24E**
MAIN CHARACTERISTICS OF THE SECURITIES ISSUED BY THE COMPANY	**20.000 EURO-DENOMINATED CORPORATE BONDS**
EMAIL	**investors@autonom.ro**

*For the purpose of this report, the Group is composed of Autonom Services S.A. and BT Operational Leasing S.A., with the latter being the subsidiary.

Autonom
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Summary

Letter from the founders

Letter
from the founders

Dear Partners,

We provide you with the report that presents the activity of Autonom Services in the first half of 2021, a semester totally different from last year. While the first six months of 2020 forced us to quickly adapt to the new conditions and work with multiple scenarios to better manage the uncertain future, in the first half of 2021 we enjoyed the results of good decisions taken a year ago and the economic recovery, continuing to act in the same agile way. It was another semester of sustainable growth, adapted to the ever-changing realities, in which we recovered significantly from last year's decreases, and the results of this semester are comparable to those of 2019.

Autonom's operational model based on autonomy and decentralized decision-making processes has once again proved to be our differentiator in the market. Due to the dedication and expertise of our team, we closed the first half of 2021 with an **operating income of 178.1 million lei** and a **net profit of 12.5 million lei,** a very good performance that signals the sustainability of our results over time. Thus, operating income is 20.76% above the level of the first half of 2020, while net profit has tripled. During this period, our **fixed assets increased by 71.7 million lei,** respectively 13.34% compared to those recorded on December 31, 2020, as we continued our investments in the fleet. Among the important achievements of the first half of this year can be listed an effect of optimizing financing costs, reflected in the decrease of financial expenses by 15% to 12.9 million lei.

Despite the difficulties that economies generally face as they recover from a crisis, such as the one resulting from the COVID-19 pandemic, the first half of the year was in line with our expectations.

The operating leasing division continued to grow, with **total income of 90.1 million lei,** representing an **increase of 7.29%** compared to the same period of 2020. These positive financial results are due to Autonom's business strategy of focusing on small and medium fleets, to position itself as a mobility partner and to provide services throughout the country.

Another factor that influenced the positive result of the operational leasing division (and not only), was the **development of the partnerships division** and the increase of collaborations with several financial institutions and car dealers.

However, the semester was not without its challenges. The semiconductor crisis has led to an increase in delivery times for new cars by up to 8 months, unreasonable deadlines for the immediate needs of customers. And in this case, the synergies between the services in the Autonom portfolio have helped us to provide the services our customers needed, simply and quickly. An example is medium-term leases that have made up for the unavailability of new cars for operational leasing.

The development of the main activity division of Autonom is also reflected in the number of cars, which reached **7,078 vehicles under operational leasing** on June 30, 2021, thus exceeding the fleet registered at the end of the first half of 2020 (7,042 vehicles), and approaching that of end of 2019 (7,118 vehicles), year not affected by the crisis triggered by the COVID-19 pandemic.

In terms of the **rent-a-car business line,** we managed to have an unusually high occupancy of the fleet - on average 88%, compared to 58.40% in the first half of 2020, while the **turnover increased by 27.0%** in the first six months of 2021, compared to the first half of 2020, reaching **26.9 million lei.** During this period, our fleet used for rent-a-car activity reached **2,199 cars** compared to 1,863 cars registered on June 30, 2020. In addition to the basic short-term and medium-term rental activity, we continued to develop the replacement car service in case of accident. As a result, in the first six months of 2021, more than 1,800 applications were met, 85% more than in the same period last year, totalling more than 8,000 rental days.

The lack of availability of new cars also affected the rent-a-car industry, which could not react quickly enough, putting supply on the market with the return of demand. Car importers and dealers have not offered similar discounts as in previous years for fleet purchases, and delivery times have increased considerably. However, we trusted the economy to recover and ordered new cars in advance for our fleets, which gave us a major competitive advantage over those who preferred to wait, due to scepticism about easing travel restrictions.

Of course, part of our rent-a-car activity is still affected, primarily due to the fact that airport traffic is still below pre-pandemic volume. On the other hand, it is important to point out that we have never been dependent on a single activity, such as short-term rentals for tourism.

In the first half of this year, we took another step to consolidate the national network and **opened two new agencies**, in Odorheiul Secuiesc and Târgoviște, respectively. Thus, our network in the country reached 46 agencies and we are present in 33 cities.

The results of the **used car division** are also growing. In the analysed period, **763 cars** were sold generating **income of 36.3 million lei, increasing by 18.81%** compared to the first half of 2020 and by 105.89% compared to the same period of 2019.

Also in this period, we resumed the secondary activity of the division, generating an additional income through the activity of trade with motor vehicles, amounting to 13.2 million lei.
We continued to invest in the arrangement of the location, and now we welcome our clients, individuals and legal entities, in **one of the largest car parks** on DN1, located on the Bucharest-Ploiești Road, no. 64.

We continue to work with several scenarios in this uncertain environment, in order to have options and to obtain the best results. We also take care of **the company's financial health** and constantly invest time and effort with our partners to ensure the financial resources necessary for the development of the company and **sustainable services.** We want to develop harmoniously and **act responsibly towards the environment and the communities in which we are present.** Also, to keep and develop a friendly place for our colleagues in which to continue to evolve every day. A new recognition as **"Best Employer in Romania",** coming in June, from the Business Review Awards, shows us that we manage to develop what we set out to do for our colleagues.

Looking back, Autonom has always thrived in times of crisis or shortly thereafter and, similar to how we have evolved in the past, we want to take advantage of opportunities in the current market situation to accelerate even further development, pursuing continuous double-digit growth.

We see a great interest in investing in the local market and we want to be ready to act whenever good opportunities arise. In fact, our strong position in terms of cash availability, supported by the issuance of corporate bonds in November 2019, helped us this year as well. As mentioned above, although dealers have not been as flexible in terms of reductions in the context of the semiconductor crisis, we have offset by increased income and managed to achieve significant savings in financing costs due to improved financing conditions and cash purchases.

We also appreciated the decision of **Fitch Ratings** in June 2021 to maintain the **"B +" IDR (Long-Term Issuer Default Rating)** rating for Autonom Services. More importantly, **Fitch has revised our outlook from negative to stable** in the context of Autonom's good results in 2020, supported by a business model with limited reliance on short-term leases, good asset quality and an experienced management team. In addition, moderate exposure to business based on tourism and air traffic has helped to reduce vulnerability in the event of future lockdowns and declines in international travel.

We are happy that the measures taken in 2020 in response to the COVID-19 pandemic have been recognized and appreciated by Fitch Ratings. We managed to improve our performance in the eyes of an independent agency, and we have progressed from a negative perspective to a stable one in just one year, one of the most challenging years to date, for our industry. We believe this performance is owed to our business model, based on values, autonomy, and prudence. It has guided us on all decisions made in 2020 and will surely continue to do so in the future.

The results we present today are aligned with the Fitch expectations regarding our business' accelerated development in 2021, representing the proof that our business model is agile and sustainable, built to be shock resistant. Therefore, today, we believe Autonom Group is at the beginning of a new cycle of an accelerated, sustainable growth.

Marius Ștefan
Dan Ștefan

Consolidated financial results

Autonom in S1 - 2021

Autonom Services in S1 2021

In the first half of 2021 we managed to obtain similar results to those obtained in the period before the pandemic, in a context still uncertain and unpredictable. The lifting of restrictions, the increase in the number of vaccinated people, the increased interest in investments of companies, as well as the desire of people to return to life before the pandemic supported a positive dynamic of activity with reference to the first half of 2019 on all business lines. Thus, the total income of Autonom in the first 6 months of 2021 were 178.1 million lei, very close to the income of the first half of 2019. During this period, the operating leasing activity increased its income by 13,1% compared to H1 2019, and short-term rental income decreased by only 9.25%, a notable performance given the tensions to which the rent-a-car market was subjected after the incidence of the COVID-19 pandemic in 2020.

Autonom in SI 2021: consolidated financial results at June 30, 2021:

- **Total income Operating lease:** 90,147,348 lei (+7.29% compared to S1 2020)
- **Total income Rent-a-car:** 26,958,551 lei (+27% compared to S1 2020)
- **Total income used car sales:** 36,357,042 lei (+19% compared to S1 2020)
- **Profit for the period:** 12,517,653 lei (+201.6% compared to S1 2020)

Evolution of the fleet by business activities

at June 31st 2021 and June 31st 2020 respectively

	30.06.2021	30.06.2020
Total number of vehicles in the car fleet	9,277	8,905
Annual dynamics of the number of vehicles in the car fleet	*4.18%*	*48.74%*
New vehicle entries in the fleet	1,384	724
Vehicle exits from the fleet	763	883
Share of operational leasing vehicles in total	*76,30%*	*79,08%*
Share of rent-a-car vehicles in total	*23,70%*	*20,92%*

At the end of June 2021, Autonom operated 9,227 vehicles, compared to 8,905 in mid-2020 and compared to 9,064 on December 31, 2019. This dynamic indicates the trend of resumption this year of the upward business trend recorded since its inception.

Regarding the diesel or gasoline engine of vehicles in the fleet, it is noted that in the case of the fleet operated under operating leasing, although in a downward trend in recent years, diesel engines predominate at a share of over 60% of the fleet.

	30.06.2021	30.06.2020
Diesel	64%	72%
Gasoline	31%	26%
Hybrid	3%	2%
Electric	2%	0%
Total operational leasing fleet (reference)	**7,078**	**7,042**

On the other hand, in the case of the rent-a-car fleet, there is a significantly more balanced distribution, with a share of petrol engines around 45-50%.

	30.06.2021	30.06.2020
Diesel	49%	51%
Gasoline	46%	48%
Hybrid	5%	1%
Total rent-a-car fleet (reference)	**2.199**	**1.863**

Operational Leasing

Operational leasing is a tool for outsourcing car fleets, in order to optimize operational costs, suitable both for companies with large fleet of vehicles and for small entrepreneurial companies that operate only a few vehicles.

Total operating leasing income: : 90.1 milioane lei (+7% compared to S1 2020)
% of Autonom's total income in S1 2021: 51%
Total vehicles: 7.078

	30.06.2021	30.06.2020
Number of clients legal entities operational leasing	1,518	1,403
Value of operating leasing contracts (mil. RON)	387	342
Number of vehicles operating leasing fleet	7,078	7,042
Annual dynamics number of vehicles	*0.51%*	*4.82%*
New vehicle entries in the operational leasing fleet	990	586
Vehicle exits from the operational leasing fleet	630	662

The dynamics of the number of customers, fleet and income on this activity in the first half of 2021, confirms the healthy development of the customer base and practically confirms the strength of the business model which consists in concentrating on small and medium fleets. In this way, Autonom is able to be one step ahead of competitors, having the necessary resources to provide its services throughout the country through the national network of agencies.

Thus, the number of vehicles operated on June 30, 2021 was approximately equal to that in operation a year ago and very close to the maximum recorded at the end of 2019, 7118, while the income of the business segment were 7,3% over those in the first half of 2020 and 13.2% over those in the first half of 2019. Also, on June 30, 2021, the number of customers was 115 over the last year, while the value of the portfolio of operating leases between the two benchmarks increased by 8.2%, which completes the overall favourable picture on all specific indicators of this operating segment. The dynamics of the operational leasing business line is all the more noticeable as a significant negative effect in 2020 and in the first half of 2021 was generated by the closing effect of a number of operational leasing contracts of BTOL, which were not renewed by Autonom due to the different structure of the marketed product. It should be noted that a factor that influenced the positive result of the operational leasing segment, but also of the other representative activities, consisted starting 2019, in the development of the partnerships division and the increase of collaborations with entities in the banking sector and car dealers.

Also, an important indicator in the operational leasing industry refers to the percentage of customer fleets that is outsourced, the reference being the total number of vehicles in customer fleets (Share of Wallet). The value of this indicator on June 30, 2021 in the case of Autonom reached the level of 47% (compared to 35% on December 31, 2020 and 37% on December 31, 2019), the calculation being made at the level of the entire customer base that is constantly expanding.

This indicates Autonom's potential to substantially increase in the medium term the business volumes generated with current customers. Practically, based on the interpretation of this indicator, it appears that more than a doubling of the company's turnover on the operating leasing segment in a certain period of time would be possible, even without attracting new customers, given the conditions in which Autonom could capitalize on the entire existing customer base to its full potential, if they agreed to gradually operate the entire fleet under operating leases.

Rent-A-Car

Diversified range of short-term car rental services (between one day and 12 months). Over 85% of the turnover of this division is generated by legal entities.

Total Rent-A-Car income în S1 2021: 27 milioane lei (+27% compared to S1 2020)
% of Autonom's total income in S1 2021: 21%
Average occupancy level: 88%
Number of cars on 30 June 2021: 2.199
Number of agencies: 46 agencies 33 cities

	30.06.2021	30.06.2020
Number of clients legal entities rent-a-car	1.567	1.271
Number of vehicles rent-a-car	2.199	1.863
Annual dynamics number of vehicles	*18,04%*	*-3,87%*
New vehicle entries in the rent-a-car fleet	394	138
Used vehicle exits from the rent-a-car fleet	133	221

The first 6 months of 2021 were atypical for the car rental industry. The effects of the decisions taken last year to reduce the losses caused by the implementation of traffic restrictions, together with the semiconductor crisis that limited the production and delivery of new cars, and the relaxation of traffic restrictions, starting in April this year, led to what experts call a "perfect storm" in this industry worldwide. According to our estimates, in 2019, approximately 11,000 cars were available for short-term rental in Romania, but currently we believe that the availability does not exceed 7,000-8,000 vehicles. Due to the sharp increase in demand and the inability of rental companies to quickly adapt their fleets to meet demand due to the semiconductor crisis, prices began to rise gradually both internationally and in Romania, which was reflected significantly in the dynamics of turnover and profitability of this business segment of Autonom Services.

The fact that the number of vehicles in Autonom Services rent-a-car fleet was at an all-time high in mid-2021 is in itself suggestive in terms of materializing Autonom's distinct business model compared to that of its competitors. The main explanation is that legal entities generate over 85% of the turnover of this line of business, largely connected to the vehicle replacement service, which is a real catalyst for long-term sustainable growth. Such a structure of income on the rent-a-car segment in the case of Autonom is different from the structure of the local market or that of mature markets, multinational companies active in many markets globally, including Romania, being traditionally oriented towards providing services to individuals (retail segment).

In the autumn of last year, Autonom correctly intuited that certain activities in the rent-a-car services market will gradually recover and thus made the decision to make purchases of vehicles, especially in the fourth quarter of 2020. In this way, Autonom remained competitive in terms of optimizing its fleet size and responding to growing demand, especially in the area of the corporate clientele of this market, which is less affected by COVID-19. And this evolution ensured in the first half of 2021 a major competitive advantage, reflected in the dynamics of sales, market share and profitability of the rent-a-car business line.

Remarkable, however, is the dynamics of the rental level of 88% in the first half of 2021, compared to 58.4% in the same period of 2020, which demonstrates both the effectiveness of measures to optimize the size of the fleet taken last year by management and services oriented to the corporate segment, thus there is a low dependence of Autonom on the retail segment, connected mainly to the dynamics of the tourism sector, including business and air traffic.

The average age of the Autonom car fleet for this activity, on June 30, 2021 was around 1.5 years, slightly higher than in previous years, as an impact of the changes induced by the COVID-19 pandemic, including delays in deliveries of new vehicles from manufacturers.

It is also noteworthy that, in this difficult market context, an important strategic decision was that Autonom, confident in the recovery of the economy, ordered new cars in advance for its operating leasing and rent-a-car fleets, which gave it an advantage over competitors who preferred to wait, given their greater scepticism about easing travel restrictions.

Used Cars Sales

The cars from the rent-a-car and operational leasing parks, who reached the end of the amortization period, become available to customers, individuals and legal entities, for purchase.

Total used cars sold in S1 2021: 763
Total income from used car sale:36,4 milioane lei (+19% compared to S1 2020)
% of Autonom Services total income in S1 2021: 28%
Percentage of cars sold to retail (individuals) : 30%

	30.06.2021	30.06.2020
Total number of cars sold	763	883

A difficult evolution to intuit before the outbreak of the COVID-19 pandemic refers to the increase in international prices of used cars, which was also reflected in the decrease of the risk of sale by Autonom of used cars at prices lower than the residual values recorded in accounting. The explanation lies in the fact that the automotive industry has faced major challenges such as the semiconductor crisis, which has had a direct negative impact on the availability of new cars and an indirect positive impact on the growing demand for used cars.

Significant events in S1 2021

- In March 2021, the merger by absorption of BTOL by Autonom Services was approved, dated January 1, 2021;

- Fitch Ratings maintained the IDR (Long-Term Issuer Default Rating) "B +" rating for Autonom Services. More importantly, Fitch has revised our outlook from negative to stable in the context of Autonom's good profitability in 2020, supported by a business model with limited reliance on short-term leases, good asset quality and an experienced management team. In addition, moderate exposure to business based on tourism and air traffic has helped to reduce vulnerability to future periods of lockdowns and declines in international travel;

- Autonom was appointed Best Employer for the second time, by the Business Review publication, in June.

Financial results analysis

in S1 2021

Income in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Operating lease income	61,300,197	58,137,855	5.4%
Rent-a-car income	26,958,551	21,223,755	27.0%
Additional services revenue	28,847,151	25,883,991	11.4%
Other operating income	11,420,000	11,212,311	1.9%
TOTAL INCOME FROM SERVICES	**128,525,899**	**116,457,912**	**10.4%**
Proceeds from sale of cars from rental fleet	36,357,042	30,600,069	18.8%
OPERATING INCOME	**164,882,941**	**147,057,981**	**12.1%**
Exception proceeds from sale of cars	13,223,162	434,176	2945.6%
TOTAL OPERATING INCOME	**178,106,103**	**147,492,157**	**20.8%**

The operating income of Autonom Services S.A. in the first 6 months of the year were approximately equal to those of 2019 and increasing by 21% compared to the same period last year. The turnover of the operational leasing segment advanced in the first half of 2021 by 7.3% compared to the same period last year and by 13.2% compared to the first half of 2019, reflecting the development of the customer base and the increase in the value of leasing rates, due to the growth trend of new car prices, as well as the significant inclusion of mobility services in the leasing rate.

Income from short-term car rental was 27% higher in the first half of 2021 compared to the same period last year. It should be noted that the decrease in income in the rent-a-car segment in the first half of 2021 was only 9.25% compared to income in the first half of 2019, which is a notable performance given the high amplitude of the reduction in mobility volumes at the level of the economy, which were determined by the COVID-19 crisis.

Income from the sale of used cars in the first half of 2021 were 36.4 million lei, 18.8% higher than in the same period last year, despite the number of cars sold adjusted by 13.6%. It should be noted that Autonom Services recorded an accounting profit of 2.9 million lei from the sale of used vehicles, compared to the loss in the first half of 2020 when the income obtained from the sale of cars were lower than the residual values at which they were recorded in accounting.

In the first half of 2021, Autonom Services carried out trade activities with new cars, representing vehicles sold by the company on domestic and foreign markets. Sales of new cars are an opportunistic activity carried out by Autonom Services and do not involve operational risks, being likely to contribute conjuncturally significantly to the company's profits. In the first half of 2021, the income achieved by Autonom from the car trade reached a level of 13.2 million lei, significantly compared to the previous year, when this activity was marginal, unlike 2019 and previous years when volumes were recorded important in this activity of intermediation of the sale of new vehicles.

Expenses in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Fleet expenses	(27,701,840	(23,854,430)	16.1%
Costul of vehicles sold	(33,421,941)	(33,784,850)	-1.1%
Employee benefits expenses	(13,205,428)	(12,899,542)	2.4%
Administrative expenses	(1,727,086)	(1,198,941)	44.1%
Car fleet amortization	(51,075,457)	(44,784,363)	14.0%
Depreciation, amortization and devaluation of other imobilized assets	(1,346,466)	(3,686,994)	-63.5%
Other operating expenses	(6,797,383)	(7,428,118)	-8.5%
Other (losses) / gains – net	(3,473,765)	739,293	-569.9%
OPERATING EXPENSES	**(138,749,366)**	**(126,897,945)**	**9.3%**
Costul autovehiculelor vândute	(12,323,793)	(434,176)	2738.4%
TOTAL OPERATING EXPENSES	**(151,073,759)**	**(127,332,121)**	**18.6%**

Autonom Services operating expenses increased by 18.6% in the first half of this year, compared to the same period in 2020, while the operational income increased by 20.6%, which explains why the operating profit increased by 34.1% compared to the first half of last year. Compared to the first half of 2019, the operating profit in the first half of 2021 adjusted by 6.7%, an evolution that in difficult market conditions that most affected the companies in the two industries in which Autonom operates, can be considered a remarkable result.

One of the main categories of expenditure, namely those with fleet operation, advanced in the first half of 2021 by 16.1% compared to the same period last year and 13.3% compared to those

recorded in the first half of 2019. An evolution what deserves attention refers to the ratio between the expenses with the operation of the fleet and those of the main services (operational leasing and rent-a-car), which deteriorated slightly from 22.4% in the first half of 2019 to 22.7% in the first half of 2020 and 23.7% in the first half of this year.

A notable aspect refers to the dynamics of spending on employee benefits which were very stable, so that in the first half of 2021 they were over 2.4% compared to the first half of the previous year, and 1.7% lower than for the first semester of 2019.

One of the factors that affected the dynamics of operating profits refers to the values recorded under the item "Other net losses / gains" which includes provisions for the impairment of trade receivables. Thus, in the first half of 2021 there was an effect of depreciation of receivables in the amount of 2.4 million lei, compared to a positive contribution of 0.8 million lei through a reversal effect in the similar period of the previous year, after in the first half of 2019 there was an expense with a depreciation of 1.6 million lei. The fluctuations are mainly due to specific situations (eg improbable receipts for receivables previously identified with risk of non-collection or customers for which aspects were identified during the analysed period that led to the registration of additional adjustments) and which affected the different categories of receivables.

Net profit in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Operating profit	27,032,944	20,160,036	34.1%
Finance costs	(12,920,637)	(15,266,450)	-15.4%
Finance income	1,358,271	503,491	169.8%
PROFIT BEFORE TAX	**15,470,578**	**5,397,077**	**186.6%**
Income tax expense	(2,952,925)	(1,246,338)	136.9%
PROFIT FOR THE PERIOD	**12,517,653**	**4,150,739**	**201.6%**

The amount of net profit obtained in the first half of 2021 was 12.5 million lei, increasing by 201.6% compared to the same period last year and 20.2% lower than in the first half of 2019. A negative effect on the net result reported in the first half of 2021 was generated by the amount raised to the level of 2.8 million lei of the deferred profit tax, compared to 0.9 million lei in the first half of last year.

Assets, liabilities and equity in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Non-current assets	**609,376,861**	**537,640,128**	**13.3%**
Intangible assets	214,817	275,776	-22.1%
Car fleet	250,796,569	202,146,510	24.1%
Right-of-use assets	342,622,999	323,970,352	5.8%
Other property, plant and equipment	2,105,519	1,047,470	101%
Investment properties	2,084,783	1,591,527	31%
Investment in equity instruments	423,596	423,696	0%
Trade receivables	596,507	172,554	245.7%
Loans to related parties	10,532,071	8,012,243	31.4%
Current assets	**72,154,973**	**103,822,538**	**-30.5%**
Inventories	11,368,929	1,799,740	531.7%
Trade receivables	23,901,451	21,425,893	11.6%
Other receivables and current assets	8,821,838	4,971,276	77.5%
Prepayments	744,149	1,012,467	-26.5%
Cash and cash equivalents	27,318,606	74,613,162	-63.4%
TOTAL ASSETS	**681,531,834**	**641,432,666**	**6.2%**

The main assets of Autonom Services are represented by the operated fleet, the two balance sheet positions that count the dynamics of these assets used in the operating leasing and rent-a-car activities being " Rental fleet and rental equipment " and " Right-of-use assets ", the first position reflecting the vehicles purchased in cash (thus financed from the operational cash flow, bank credit, bond issue), and the second position reflecting the vehicles purchased in financial leasing.

Thus, the cumulative value of the two positions advanced on June 30, 2021 by 12.8%, compared to December 31, 2020 and by 14.4% compared to the end of 2019, which reflects the growth dynamics of the fleet operated by Autonom Services on both business activities.

The decrease in the position of cash and cash equivalents to 27.3 million lei on June 30, 2021, compared to 74.6 million lei on December 31, 2020 and 89.4 million lei at the end of 2019 should be noted. The explanation is that given the substantially improved visibility over the potential evolution of the economic environment and general perceptions of risk in the economy have improved substantially at the end of last year, Autonom's team unblocked the cash aquisitions in order to capitalise the opportunities generated by the the sustainable demand for short and long term rental services on the market niches targeted by the business model systematically refined by the Autonom team over the years.

Equity in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Share capital	20,000,000	20,000,000	0%
Other capital reserves	22,018,593	14,811,431	48.7%
Retained earnings	77,388,297	72,077,807	7.4%
Equity attributable to equity holders of the parent	**119,406,890**	**106,889,238**	**11.7%**
Non-controlling interests	-	7,475	-100%
Total equity	**119,406,890**	**106,889,238**	**11.7%**

Liabilities in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Non-current liabilities	**373,615,917**	**379,353,020**	**28.4%**
Interest-bearing loans and borrowings	60,885,879	51,508,411	-29.4%
Trade and other liabilities	3,047,811	3,897,578	366.0%
Bonds	97,854,077	96,622,374	-
Lease liabilities	192,697,964	212,758,855	17.3%
Deferred revenue	8,228,053	6,475,814	-
Deferred income tax liability	10,902,333	8,089,988	-29.4%

Current Liabilities in S1 2021

All amounts in RON, unless mentioned otherwise.	30.06.2021	30.06.2020	Evolution (%)
Current liabilities	**188,509,027**	**155,220,408**	**14,2%**
Trade and other liabilities	18,428,843	12,592,511	-2,1%
Interest-bearing loans and borrowings	63,116,056	73,432,309	2,7%
Lease liabilities	101,019,318	66,055,713	31,6%
Provisions	914,643	71,400	0,0%
Deferred revenue	5,030,167	3,068,475	149,7%
TOTAL LIABILITIES	**562,124,944**	**534,573,428**	**24,2%**
TOTAL EQUITY AND LIABILITIES	**681,531,834**	**641,462,666**	**20,9%**

Regarding the method of financing the fleet through debt instruments, as of June 30, 2021, the largest share of short-term and long-term financial debts was represented by financial leasing (57%), bank credit (24%) and corporate bonds. (19%). From the point of view of dynamics, the amount of financial debts of Autonom Services on June 30, 2021 was 515.7 million lei, compared to 500.4 million lei at the end of last year and 524.6 million lei at the end of 2019.

An important objective of Autonom Services refers to the increase in the medium and long term of the share of financing represented by bond issues, this financing method allowing a more optimized fleet management compared to the predominant use of bank credit and financial leasing, which involves more formalized processes and restrictions on the operative disposal of the acquired assets that are subject to the guarantees established by the signed financing contracts. In fact, in this sense, the management of Autonom Services intends to follow the recommendation of the rating agency Fitch, which conditions for the future a possible improvement of the rating granted, the increase of unsecured financing, and in this sense, the management of Autonom Services intends to follow the recommendation of the rating agency Fitch, which conditions for the future a possible improvement of the rating granted, the increase of unsecured financing, and in this sense the main instrument is corporate bonds. On the other hand, the increase in the share of bonds in the Company's financing structure has the impact of increasing the average maturity of financing so that they become consistent with the average maturity over four years, on June 30, 2021, of operating leases, its main line business.

Cash Flow in S1 2021

The net cash flow generated by the operating activity in the first half of 2021 was 2.4 million lei, compared to 57.9 million lei in the same period last year. The explanation consists in the substantial increase of cash outflows for the purchase of vehicles in the first half of this year, at a level of 88.5 million lei, compared to 34.7 million lei. The cash outflows for the purchase of vehicles for the first half of the year are comparable to those in 2020 and almost twice as high as the cash outflows for the acquisitions of fleet required in 2019.

Instead, the cash inflows related to the sale of used vehicles in the fleet were in the first half of 2021 of 33.4 million lei comparable to those of the similar period in 2020 of 31.3 million lei.

About Autonom and The Company Strategy

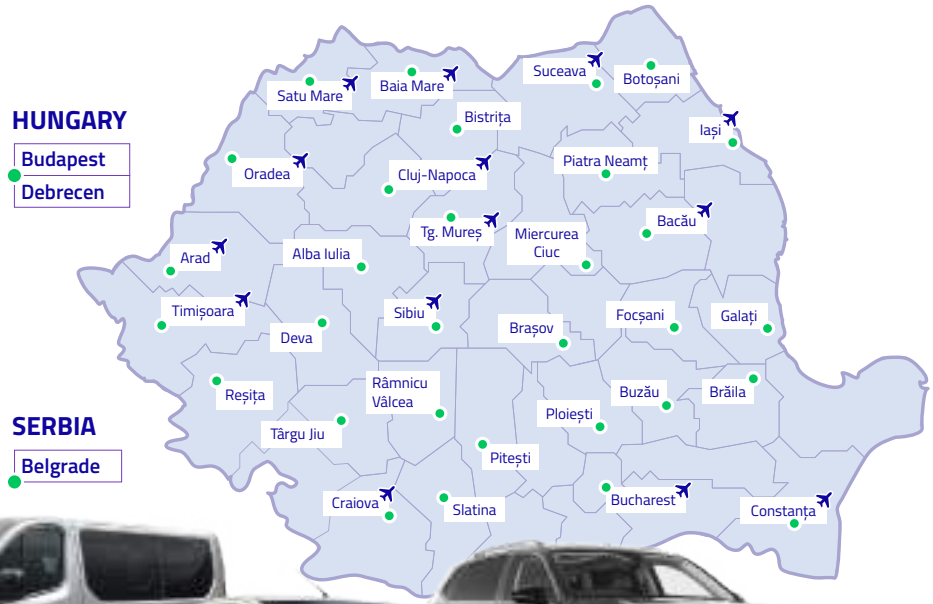
Autonom
Evolve. Daily.

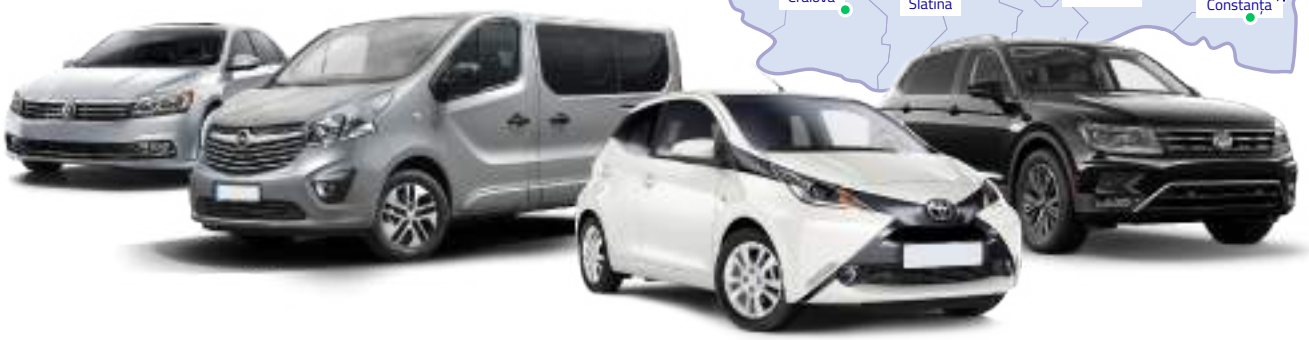
About Autonom Group

The Autonom Group is through Autonom Services S.A. the most important independent player with Romanian capital on the rent-a-car and operational leasing markets in Romania. Autonom Services S.A. is an integrated provider of modern mobility solutions, adapted to the needs of its customers. The company has the largest mobility network in Romania and is in the top 5 players, by turnover, in the main sectors of activity: **operational leasing** and **rent-a-car.**

- **Integrated provider of mobility solutions**, for companies and individuals;
- **National network of 46 agencies in 33 cities in Romania**, a business model differentiated from competitors;
- **Vehicle fleet on June 30, 2021:** 9,277 vehicles (7,078 in operational leasing regime, 2,199 in rent-a-car regime);
- **Number of employees as of June 30, 2021:** 345;
- **Independent player, with Romanian capital:** Autonom International is the majority shareholder of Autonom Services S.A. , with a participation of 98% of the share capital. The shareholders of Autonom International are Marius Ștefan and Dan Ștefan, in equal proportions.

The Largest Mobility Network in Romania





From start-ups to prominent national players in the mobility services market

- Autonom Services S.A. is a company with 100% Romanian capital, established in 2006, in Piatra Neamț;
- Autonom Services S.A. is a player in top 5, by turnover, in the main sectors of activity: operational leasing and car rental;
- In 2018, Autonom acquired BTOL, a company founded in 2001, in order to consolidate its customer portfolio, achieve economies of scale, as well as cost optimizations. The company thus increased its market share and concluded a distribution agreement with Banca Transilvania, for 5 years. On January 1, 2021, BTOL was absorbed by Autonom;
- Autonom International is the majority shareholder of Autonom Services, with a participation of 98% of the share capital. The shareholders of Autonom International are Marius Ștefan and Dan Ștefan, in equal proportions;
- In 2018, Autonom became the first company in Romania to be included in the EBRD Blue Ribbon Program, which includes 30 companies from 20 countries where the EBRD is present;
- Autonom was selected at the first edition of "Made in Romania", organized by the Bucharest Stock Exchange, in the league of the 15 reference companies for the growth of the Romanian economy;
- On June 30, 2021, Autonom Services S.A. had 345 employees;
- Autonom Services is the only local company that received for 5 years in a row the title of Best Employer (2014-2018), according to the global study organized by AON Hewit, and twice from the publication Business Review;
- Autonom is one of the 123 organizations recognized by WorldBlu worldwide, which promotes democratic principles and encourages freedom in the workplace.

The main activities of the business

Operational Leasing:

- The main category of services provided by the Group with a contractual duration between 12 and 57 months;
- Operational leasing is an outsourcing product in order to optimize operational expenses, a full-service contract being difficult to reverse because customers develop a high dependency;
- Careful commercial risk management policy through the Finance and Risk Department;
- High granularity of customers, focus on customers in the SME category (average fleet / customer ~ 5 vehicles);
- The operating leasing activity represents 50.61% of the total income of Autonom Services S.A. in the first half of 2021

Fixed monthly payment components

- Insurance
- Tires
- Door to Door Services
- Maintenance and Repairs
- Vehicle Depreciation
- Financing Expenses
- Car Replacement and Road Assistance
- Taxes and Fees
- Monitoring and Telematics
- Other Administrative Expenses

Client benefits

- Reduction of operating expenses
- Balance optimization
- Simplified internal processes
- High flexibility and focus on core business
- Predictability of car fleet spending

Rent-A-Car

Diversified range of short-term car rental services (between one day and 12 months). Over 85% of the turnover of this line of business was generated in 2021 by legal entities. The car rental activity represented 29.90% of the total income of Autonom Services S.A. in S1 2021.

Used car sales

Diversified range of cars in the car rental and operational leasing parks: motor vehicles and commercial vehicles for individuals and companies.

The second-hand car sales activity represents 18.09% of the total income of Autonom Services S.A. in S1 2021.

Distribution channels related to the operational leasing, rent-a-car and used car sales business lines:

The main way to attract customers is through the direct sales force of the Company. In addition, the Company also uses the following distribution channels:

- Internet portals built for market education and lead generation, among which we mention: www.leasingoperational.ro, www.leasingoperational.com, www.autonom.ro, www.autonom.com, www.autoinlocuire.ro or www.rentavan.ro. In addition, the Company has over 200 relevant Internet domains, in various stages of development;

- Partnerships with financial-banking institutions (for example, Banca Transilvania), car importers and dealers, equipment importers / distributors, financing and insurance brokers.

Company positioning

Autonom Services S.A. is a major integrated provider of mobility solutions, available nationwide, to which companies can fully or partially outsource their mobility services.

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

The markets on which Autonom operates in Romania

Operational leasing and rent-a-car markets are dominated by multinationals. Autonom Services Group is the most important independent operator on the operational leasing and rent-a-car markets in Romania.

Operational Leasing Market in Romania

- According to the latest data provided by ASLO in 2017, the number of vehicles operated under operational leasing regime increased at a fast pace, from 9,600 in December 2007, to over 65,000 in December 2017;
- The share of vehicles operated under operational leasing in the total registrations of new vehicles was between 10% and 20% after 2017;
- Like mature markets, the main operators are groups with global operations (Arval, ALD Automotive, LeasePlan), regional and local banking groups (Unicredit, Erste-BCR), as well as captive companies of car manufacturers (Porsche, Renault).

Rent-A-Car Market in Romania

- The market for rent-a-car services is also dominated by the multinational groups present in the mature markets of Europe and the United States (Avis, Europcar, Sixt, Hertz, Enterprise);
- The group estimates that under normal conditions (without a health crisis like the one caused by COVID-19) the corporate segment, with a major contribution of the car replacement service, has a share comparable to retail on the rent-a-car market;

- Operators of multinational licensing active in the rent-a-car industry focused primarily on airport locations, while the Group developed a nationwide network of agencies in 33 cities, allowing it to access a diverse clientele. This aspect protected the business in the context of the global pandemic when air traffic in Romania was significantly restricted;

- For 2019, the Company estimated that the car rental market in Romania was approximately 11,000 units, and the value size of this market could be around 80 million euros. The company estimates that in 2019 it had a market share between 15% and 20%;

- In the context of the global pandemic, there are no relevant data on the size of the rent-a-car market in Romania in 2020. However, despite the slight decrease of its fleet, Autonom maintained its market share in Romania. In 2020, most short-term car rental companies, focused on serving individual customers and which are highly dependent on tourism and the travel of the target audience, have felt the effects of the crisis caused by the spread of the virus crown. Car rentals to individuals represent a small share of the total Autonomous income and therefore the impact of the COVID-19 pandemic was not as strong on the Company compared to other market players. Currently, we estimate that the rental market is about 7000-8000 cars.

Used car market

- The used car market is extremely fragmented - there are sales made through dedicated sites, specialized suppliers, car dealers, leasing and rent-a-car companies as well as individually. The import activity of used cars in Romania is quite significant. For this reason, it is difficult to estimate the market share that Autonom has.
- According to ACAROM, in 2020, the number of second-hand cars registered in Romania was 405,045 units, which represents a decrease of 9% compared to 2019.

Company employees

Autonom Services team reached, in June 2021, an average number of 345 employees, compared to a number of 336 employees on June 30, 2020.

All Autonom employees are people with higher education. The company pays great attention to the education of its employees. In this sense, the company offers a personalized learning experience through trainings, coaching, courses and support from company leaders.

Autonom employees are not organized in the union.

Autonom has implemented a succession plan for the most important managers within the organization. Autonom's management team is very stable, with low staff turnover.

Starting with June 2021, Autonom renamed / reclassified the internal functions in order to offer employees a better career traceability. The table below highlights the new organization of human resources at the company level.

Positions	Emplyees number
Rent-a-car agent level 1	76
Rent-a-car agent level 2	24
Rent-a-car agent level 3	8
Process coordinator	2
Regional coordinator	17
Deputy director	15
Department director	11
Branch director	5
Regional director	7
Office manager level 1	25
Office manager level 2	26
Office manager level 3	22
Process coordinator	73
Supervisor	31
Top Management	3
TOTAL	**345**

An essential aspect of the remuneration policy is that the members of the sales team are remunerated with a fixed salary, without bonuses related to individual performance. The company has implemented an annual bonus policy at team level, each employee being bonused with a profit share, at the level of annual financial year. It is noteworthy from this point of view that on average 20% of the total effective annual remuneration for an employee is represented by the variable part of the remuneration "fed" by the employee's profit participation fund.

Autonom
Evolve. Daily.

Autonom Mission

Autonom is a family company that thinks on the long term. Success for us is provided by the client satisfaction and the evolution of colleagues.
Business growth, profitability and financial stability are all-natural consequences.

Autonom Values

We evolve daily

We do **what is necessary to help** our customers.

Honesty and integrity are fundamental for the development of our company.

We are **adaptable and flexible.** Simplicity is our way.

We are a **team. Respect, common sense and a smile are our secrets.**

Autonom's vision is to be an **authentic business model.**

The management system is based on our values and **autonomy.**

Autonom is an organization focused on learning. **We encourage the personal growth** of our colleagues and we support the continuous transformation of the company.

We have a positive impact on the society and the environment.

Awards

Best Employer (2014-2018)
Aon Romania

Business Review's Excellence
Business Award

World Blu Membership
The international network of organizations that promote democracy in the workplace

Car rental company of the year (2014,2017)
Hotel Tourism & Leisure Investment Conference

Sustainable mobility

Strategic Directions for 2030

From the very beginning of the company, Autonom's vision was to be an authentic business model and to have a positive impact on society and the environment. Involvement in the communities we belong to, by supporting education, is an integral part of our organizational culture.
In the 8 years of activity of the Autonom Foundation, through which we develop educational and environmental projects, we managed to get involved in over 500 projects, in the communities we are part of. Because we all want to contribute to the development of education, our team of volunteers
it is, in fact, made up of the team of employees of the Autonom group.

We understand the impact that our company can have on the environment and the community and climate change has become a major concern worldwide. It is the responsibility of everyone, company or individual, to contribute to maintaining and creating a better, safer and cleaner world. We are aware that the correct approach is to act preventively, before reaching certain critical thresholds, perhaps even irreversible.

Along with the usual approaches for the sustainable development of the business (eg: SWOT Analysis, Materiality Analysis) we set out to find out the real impact on the environment. As a result, in 2021, with the support of Denkstatt, we calculated the Autonomous Carbon Footprint (CCF). In order to have a complete and accurate view of the resources used and the resulting emissions, we used the GHG Protocol Standard, Goal 1, Goal 2 and Goal 3 methodology (limited to fleet level), over a 3-year history.

We want to develop relationships based on respect and trust with all our employees and partners, being aware of the fact that flexibility, transparency and the ability to adapt to market dynamics are essential in business development. Together with our partners and based on the company's values, we are confident that we will be able to create value for our customers and have a positive impact on the personal and professional development of our colleagues, contributing to both raising the standard of living and preserving the environment surrounding.

Considering sustainability as a holistic approach in all internal and external processes, we have recently developed our Sustainability Strategy for the coming years, in which the environmental component is an important direction for our actions and decisions. The need for this is confirmed by the fact that the emissions generated by the operational fleet (operational leasing and rent a car), calculated by CCF, although indirect for Autonom, represent 99% of the company's total emissions.

Starting from the Sustainability Strategy, in which we defined the materiality and relevance of the identified aspects, the main measure provided is to increase the share of "Green" cars in the operational fleet and to promote environmentally friendly vehicles.
The indicator chosen in the monitoring of carbon emissions at the level of the operational fleet, aligned with the European Directives in the field of transport, is "average WLTP gCO2 / km". For this indicator we calculated the carbon footprint for the last 3 years and we set ourselves medium-term (2025) and long-term (2030) targets.

	Objective / Target	KPI	Real 2018	Real 2019	Base 2020	2021	2022	2023	2024	2025	2030
ENVIRONMENT	Reducing the operational CO2 intensity by 25% until 2025, and 51% until 2030	Media WLTP CO2g/km pentru flotă	149.71	154.14	**153.57**	144.51	136.48	130.26	124.86	115.13	**75.87**

Strategic Sustainability Directions of Autonom Services

Environment

Friendly with our Planet

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

People & Community

Friendly with our People and Community

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

Sustainable Business & Governance

Friendly with our Partners

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

Consequently, our organization is committed to contributing to a better, cleaner and safer world, a friendly place to work and enjoy life.

For more information about the Autonom Sustainability Strategy, as well as further updates, you can consult: https://www.autonom.ro/sustenabilitate

Autonom Management: Administrative, management and supervisory bodies

General aspects

The Company is administrated by a Board of Directors comprised of 3 (three) directors appointed by the GSM for a mandate of 4 (four) years. According to the Company's Articles of Association, the majority of the Company's directors shall, at any given moment, be non-executive directors.

The Company's management is delegated by the Board of Directors to a general manager. The Company's general manager is currently Mrs. Mihaela-Angela Irimia (the 'General Manager'), who was appointed to this position on November 1st, 2014, for an unlimited term. The Company is represented in relation to third parties and for justice proceedings by the General Manager. Additionally, in the decision-making process, Mr. Marius Ștefan and Mr. Dan George Ștefan, each acting as Company employees holding the positions of CEOs (COR Code 112028) have a decision-making role and a determining contribution to the Company's development strategy and directions.

The share capital of Autonom Services S.A. is owned as follows: (i) Autonom International S.R.L. owns 1.960.000 shares, representing 98%, (ii) Marius Ștefan owns 20.000 shares, representing 1%, and (iii) Dan-George Ștefan owns 20.000 shares, representing 1%. Autonom International S.R.L. is an entity controlled in equal percentages (50%) by the brothers Dan-George Ștefan and Marius Ștefan, the two of them exercising the control of the company.

Members of the Board of Directors

Name and Surname	Capacity	Date of appointment	Term valid until
Mihaela-Angela Irimia	Chairman of the Board of Directors	Martie 13th, 2013	November 1st, 2022
Elena-Gianina Gherman	Member of the Board of Directors	November 7th, 2014	November 1st, 2022
Dan Iacob	Member of the Board of Directors	November 7th, 2014	November 1st, 2022

The business address of each member of the Board of Directors, as well as of the General Manager is in Piatra Neamț City, 4 Fermelor Street, Neamț County.

Duties of the General Manager

The operative management of the Company is entrusted to the General Manager, who is in charge of taking all the measures related to the management of the Company, thereby complying with the powers granted to the Board of Directors and the GSM.

The General Manager's duties are (i) to hire and dismiss Company staff, (ii) to approve the receipts and payments up to the limit of the amount established as such by the Board of Directors and (iii) to ensure the fulfillment of the decisions of the Board of Directors.

The General Manager is under the obligation to inform the Board of Directors on a regular basis on the operations carried out and on any other aspects taken into consideration, including potential irregularities found while carrying out such duties.

Duties and decisions of the Board of Directors

The Board of Directors supervises the activity of the General Manager, and any member of the Board of Directors is entitled to request from the General Manager information regarding the Company's operative management.

The members of the Board of Directors are in charge of (i) fulfilling all the obligations regarding the reality of the payments made by the Company's shareholders, (ii) the real existence of the paid-up dividends, (iii) the existence of the registries required by the law and the correct maintenance thereof, (iv) the accurate fulfillment of GSM resolutions and (v) the fulfillment of any other duties required by the law or by the Articles of Association.

The Chairman of the Board of Directors coordinates the activity of the Board of Directors and reports before the GMS regarding the activity of the Board of Directors.

The Board of Directors may validly decide in the presence of a majority of its members, with a majority of votes. In case of parity of votes, the vote of the Chairman of the Board of Directors shall be decisive.

The management team

Marius Ștefan

Mr. Marius Ștefan is one of the current shareholders of the Company and its founder. He is the CEO, thus having an essential decision-making power in the management of the Company. He currently holds an MBA in Marketing from the University of Maryland - Robert H. Smith School of Business and he is a graduate of a Master's Degree in Management from SNSPA (2001). He is a graduate of the Academy of Economic Studies in Bucharest, specialized in International Transactions (1999). In 2013 he became a member of Young Presidents Organization, currently a member of the European YPO board. In 2015 he became a board member of Teach for Romania, and in 2017 he became a board member of Entrepreneurship Academy and vice president of the Romanian Business Leaders board.

Dan-George Ștefan

Mr. Dan-George Ștefan is one of the current shareholders of the Company who became part of the Company's shareholders, in 2006. He is a Managing Partner, thus also having an essential decision-making power in the Company management. Mr. Dan-George Ștefan acted as Purchasing Consultant in IAC, Paris, for a period of 4 years. He graduated the 'International Business Master's Degree program, from the University of Paris 1 Sorbonne and 'International Economics' at the University of Orleans and the Academy of Economic Studies in Bucharest, specialized in International Business (2001). He is a member of YPO Romania and a member of the Bittnet Systems Advisory Board (since 2012), of the CEO Clubs Advisory Board (since 2016) and of the Board of Directors of Family Business Network Romania (since 2018). Since 2014, he has been teaching Management at the Romanian-Canadian MBA within the Bucharest Business School.

Mihaela-Angela Irimia

Ms. Mihaela-Angela Irimia is the Chairman of the Board of Directors of the Company and has joined the Company in 2006. She graduated from Alexandru Ioan Cuza University in 2006, with a degree in Statistics and Economic Forecasts. Currently, she coordinates the operational department, managing the activity of car purchases, the relationship with the financing parties, payments' performance and the HR department.

Elena-Gianina Gherman

Ms. Elena-Gianina Gherman is one of the Company directors and has been within the Company since its establishment. She graduated from Petre Andrei University in 2005, holding a degree in Finance - Accounting, and in 2011, she became an expert accountant certified by the Body of Experts and Chartered Accountants. Prior to joining the Company, she worked as Chief Financial Officer for multiple companies. Currently, she coordinates the accounting department and prepares the financial reports for the senior management.

Dan Iacob

Mr. Dan Iacob is one of the Company directors and has been within the Company since its establishment. He graduated from the Polytechnic University of Bucharest, in 1994, with a degree in Automation and Computers. After graduation, he worked as a consultant for a publishing house, later managing and owning two companies in the field of trading. At present, he coordinates the operational activities for the Company's subsidiary and for the companies whereby the Company has minority shareholdings. Together with Mr. Dan Ștefan and Mr. Marius Ștefan, establishes the strategic development lines of the Company.

In the last 5 years, none of the members of the Board of Directors or of the Executive Team has been prohibited by a court from acting as member of the Board of Directors or from supervising a company. In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy, or special administration of some companies, of which one of the members of the Board of Directors or the Autonom executive team is a member of the board of directors or supervisor. In the last 5 years there have been no litigations or administrative procedures in which any of the above-mentioned members have been involved, regarding their activity within the company, as well as those regarding their capacity to fulfill their attributions within the company.

About the Securities

Admitted for trading at Bucharest Stock Exchange

About the securities admitted for trading at

Bucharest Stock Exchange

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

In S1 2021, 34 transactions were made, the total traded amount was 280.817 euro.

In H1 2020, Dan Ștefan, in charge of the management activities at Autonom Services, acquired AUT24E bonds. The issuer reported said transactions on the market, according to the format imposed by art. 19 MAR of the Market Abuse Regulation.

The maturity date of the AUT24E issuance is November 12th, 2024, and the first payment of the coupon took place on November 12th, 2020. The interest payment was made to the holders of AUT24E bonds registered in the Register of Bonds of the Central Depository S.A. on the reference date October 22nd, 2020.

The next payment for the second coupon will take place on November 12th, 2021. The issuer does not foresee any impediment in connection with the payment of the next bond coupon.
On June 3, 2020, Fitch Ratings, one of the top three rating agencies in the world, awarded Autonom Services S.A. IDR (Long-Term Issuer Default Rating) 'B +'. The corporate bond issue, which is traded under the symbol AUT24E, received a separate rating, namely'B-'.

Autonom Services' Risks and Risk Management

Autonom's risks

Risks related to the company activity and the industry in which it operates

Price risk and Liquidity Risk

In case of the Issuer, the price risk materializes through the fact that car leasing and rental companies are exposed to potential losses from the sale of vehicles if the selling price is lower than the residual value. Any change in the prices on the second-hand car market can, therefore, have a negative effect on the income that the company can generate from the sales of used cars.

Liquidity risk is associated with the holding of fixed assets by the company. The company undertakes the risk of the residual value of the vehicles it operates under the operating leasing and short-term rental services. As a rule, in the context of short-term rental activity, the cars are sold at the end of the operating lease contract, respectively, after 27 months of use. The company carries out these sale operations systematically for a significant proportion of the car fleet in its portfolio, thus generating a profit or a loss from these activities. In case of short-term leasing, the amount obtained from the sale of a used vehicle and the risk that the selling price of a second-hand car will be less than the accounting value at the end of the operating lease or period of use is primarily determined by external factors.

Credit risk

Credit risk is the risk that the Company's debtors will not be able to meet their obligations at maturity, due to the deterioration of their financial statement. The company manages this risk mainly by diversifying business lines, customers, the degree of exposure in a certain industry or a certain geographical area. In addition, the financial flows and statements of receipts and payments for each partner are constantly monitored and controlled while maintaining a real connection with them.

Cash-flow risk

The company needs a significant amount of cash to service its debt and to carry out planned capital expenditures, and its ability to generate cash or refinance debt depends on many factors beyond its control. The company borrows considerable amounts annually to develop its operations through financial leasing, bank credit and short-term credit facilities to finance purchasing of new cars. To manage these risks, the company has implemented prudent

financial management in order to have significant liquidity reserves, which will ensure enough working capital even in the scenario of late or lowered receipts over a long period.

The company is exposed to risks related to interest rate fluctuations

Most of the Company's financing contracts provide for a variable interest rate, depending on EURIBOR or ROBOR. Therefore, the Company is exposed to the risk of increasing these interest rates during the financing agreements, which could lead to the payment of a higher interest and could have a significant negative effect on the activity, financial situation and results of the Company's operations.

Risk related to the COVID-19 pandemic

At the time of publication this report, Romania is in the 4th wave of the pandemic. The number of COVID-19 cases is increasing, a new structure of local restrictions has been created depending on the infection rate and if the growth will be accelerated, the implementation of a new quarantine period is not excluded (night quarantine already counting among the measures applicable at local level depending on the rate of infection), including the gradual closure of borders, restricting or prohibiting the movement of vehicles or persons in / to certain areas. The quarantine could be implemented either at national level, affecting the company's activity throughout Romania, or at local level, affecting only the agencies located in certain counties or regions that are subject to restrictions. The rapid adaptation to the new reality, which contributed to diminishing the negative effect of the pandemic on Autonom's activity, has already prepared the management for an adequate response in the situation in which a new state of emergency will be declared.

Investors are encouraged to consider that such events may have a negative impact on the company's business.

The company activity may be influenced by a negative evolution of the economic conditions

The dynamics of the Company's business and profitability is sensitive to the general conditions of the Romanian economic environment, and a slowdown or recession of the local economy would be negatively reflected in terms of the vast majority of operational parameters. The impact of COVID-19 on business in 2021 is impossible to assess and will be directly correlated with raising the alert, the period needed to recover the Romanian economy, the measures taken by the state to help local companies and the potential risk of recession. Business dynamics

and group's profitability are sensitive to the general conditions of the Romanian economic environment, and a slowdown or recession in the local economy would be reflected negatively in terms of the vast majority of operational parameters.

Risks related to the decrease of tourism and disturbances in the functioning of the air transport industry

Part of the Group's activity, more specifically the short-term car rental service, is seasonal and may be affected by the evolution of tourism in Romania. In the event of a prolonged state of emergency or alert or general restrictions on air traffic in or to Romania, the rent-a-car business line may be adversely affected. To manage this risk, management constantly monitors the activity of agencies located throughout the country, especially those located in airports, in order to control the operating costs related to their activity.

Given the dynamics of the COVID-19 pandemic, the full effect and changes that may occur in air carriers or their degree of resilience cannot be estimated, even after receiving various government aids.

The company may not be able to sell used cars at the desired prices, which could lead to losses

The company assumes the risk of the residual value of the vehicles it operates in the operating leasing and short-term rental service (rent-a-car) and which it sells at the end of the operating lease.

The Company's activity is dependent on the activity of car manufacturers and distributors

The company purchases vehicles from more than 50 manufacturers and distributors of vehicles, being dependent on the supply of popular models of vehicles, high quality products, in a sufficient number to maintain operations and their purchase in attractive conditions. There is no assurance that the Company will be able to maintain a long-term relationship with these manufacturers and distributors that will provide certainty regarding the future purchases of the Company's vehicles, as the Company may have difficulty replacing these manufacturers and distributors with others. suppliers to deliver the vehicles necessary for the Company's activity under the same favorable conditions.

The global shortage of semiconductors and chips could lead to delays in the delivery of vehicles by manufacturers or distributors

The COVID-19 pandemic has generated a global deficit that is expected to continue in the semiconductor and chip industry and therefore in the automotive production and distribution chain. Manufacturers and distributors of the Company may have significant delays in the delivery of vehicles ordered by the Company. Therefore, the Company may face a low capacity to renew its fleet within the time limits provided for in the contracts concluded with its partners and at a level appropriate to the evolution of demand. Any limitation on the Company's ability to renew its fleet can lead to an increase in the service life of the vehicles and to a decrease in the level of customer satisfaction regarding the compliance of the vehicles with the expectations. At the same time, a prolonged service life of motor vehicles can have a negative impact on the second-hand selling price of those vehicles.

Other risks

Investors should consider that the risks presented above are the most significant risks that the company is aware of at the time of preparing the report. However, the risks presented in this section do not necessarily include all those risks associated with the issuer's business, and the company cannot guarantee that it covers all relevant risks. There may be other risk factors and uncertainties that the company is not aware of at the time of writing and which may change the issuer's actual results, financial conditions, performance and achievements in the future and may lead to a decrease in the company's share price. Investors should also carry out the necessary prior checks in order to draw up their own assessment of the investment opportunity.

There are no environmental disputes ongoing and no environmental disputes are expected.

For a complete risk assessment and regarding their management by the Issuer, we recommend that investors go through the dedicated section of the listing prospectus, available here: https://www.autonom.com/assets/uploads/investitori/Autonom-Service-Prospect-admitere-la-tranzactionare-27.11.2019-VF-Ro.pdf, section which should not be regarded as comprehensive.

Risk management

- The group pays special attention to the selection and monitoring of clients for operating lease services;
- The management of the decision-making process for financing the clients and the monitoring of their payment behavior is performed by the Finance and Risk Department;
- Autonom Services received assistance from the EBRD in 2017 to refine its commercial risk policy;
- Scoring methodology for classification in the risk category, depending on which the financing conditions and the required guarantees are established;
- Scoring methodology for classification in the risk category, depending on which the financing conditions and the required guarantees are established;
- The risk analysis includes the financial information analysis, as well as specific elements such as management experience, the legal history of associates and Directors, seniority of the client in its field of activity, verification in CIP, verification of debt owed to the state, verification of files as debtor and so on;
- In the case of clients who are not included in the blue-chip category, the Group ensures that payments are made on time by requesting personal guarantees from the directors and associates through promissory notes endorsed in their name;
- The group discourages exceeding payment deadlines by charging penalty fees (up to 1% per day after the payment deadline);
- High clients granularity (average fleet/customer ~ 5 vehicles, the share of top 10 customers, less than 30% in the total operating leasing and rent-a-car turnover);
- Within a maximum of 2 months delay of payment, the Group repossesses the vehicles;
- The group decides between the sale or use of vehicles returned in advance from operating leases under rent-a-car services, especially if the event occurred in the first part of an ongoing of the contract;
- The complementarity of the business lines in terms of the flexibility of moving assets between the two categories of services represents a major competitive advantage for the Group in terms of risk management.

Statement from the management

Based on the data available at the time of publishing this report, we confirm that the consolidated financial statements hereby included offer the true and accurate situation on the company's financial position, the financial performance and cash-flow as of June 30, 2021, according to financial and accounting standards applicable to date, and that the Director's Report for the period of January 1st, 2020 to June 30, 2021, submitted to the market operator - Bucharest Stock Exchange - and to the Financial Supervisory Authority comprises accurate and comprehensive information about the company.

Mihaela Angela Irimia
Chairman of the Board of Directors

Consolidated financial statements prepared according to OMFP No. 2844/2016 with subsequent amendments and completions

Ernst & Young Assurance Services SRL
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Building a better working world

The English version of the audit report represents a translation, for information purposes, of the original audit report issued in Romanian language

Report on review of interim consolidated financial information
To the Shareholders of Autonom Services SA

Introduction

We have reviewed the accompanying interim consolidated financial statements of Autonom Services SA ("the Company") with official head office in Piatra Neamt, Fermelor street, no. 4, identified by sole fiscal registration number 18433260 which comprise the interim consolidated statement of financial position as at 30 June 2021 and the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months period ended 30 June 2021 and a summary of accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim consolidated financial information 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. Our responsibility is to express a conclusion on the accompanying consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the consolidated financial position of the Company as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the six month period then ended 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.

Other Matters

The comparative information with respect to consolidated financial performance and consolidated cash flows for the six months period ended 30 June 2020 is not reviewed or audited.

On behalf of,

Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Name of the Auditor/ Partner: Sandu Mihaela Elena
Registered in the electronic Public Register under No. AF1610

Bucharest, Romania
29 September 2021

AUTONOM SERVICES SA

UNAUDITED INTERIM CONSOLIDATED 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.

for the six-month period ended 30 JUNE 2021

The English version of the financial statements represents a translation for information purposes only of the original set of unaudited interim consolidated financial statement issued in Romanian language

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AUTONOM SEVICES SA
INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
All amounts in RON, unless otherwise stated

	Notes	Six month period 30 June 2021 UNAUDITED	30 June 2020 UNAUDITED
Operating lease income		61,300,197	58,137,855
Additional services income	5	28,847,151	25,883,991
Rent a-car-income		26,958,551	21,223,755
Income from sale of vehicles		13,223,162	434,176
Income from sale of cars from rental fleet and rental equipment		36,357,042	30,600,069
Other operating income	6	11,420,000	11,212,311
Total operating income		**178,106,103**	**147,492,157**
Fleet expenses	7	(27,701,840)	(23,854,430)
Cost of vehicles sold		(12,323,793)	(434,176)
Cost of cars from rental fleet sold and rental equipment		(33,421,941)	(33,784,850)
Employee benefits expenses	8	(13,205,428)	(12,899,542)
Administrative expenses	9	(1,727,086)	(1,198,941)
Depreciation, amortization and impairment of rental fleet and equipment assets, net	14	(51,075,457)	(44,784,363)
Depreciation, amortization and impairment of other non-current assets	14	(1,346,466)	(3,686,994)
Other operating expenses	10	(6,797,383)	(7,428,118)
Other (losses) / gains – net	11	(3,473,765)	739,293
Total operating expenses		**(151,073,159)**	**(127,332,121)**
Operating profit		**27,032,944**	**20,160,036**
Finance costs	12.1	(12,920,637)	(15,266,450)
Finance income	12.2	1,358,271	503,491
Profit before tax		**15,470,578**	**5,397,077**
Income tax expense	13	(2,952,925)	(1,246,338)
Profit for the period		**12,517,653**	**4,150,739**
Other comprehensive income		-	-
Total comprehensive income		**12,517,653**	**4,150,739**
Basic and diluted EPS	29	**6.26**	**2.08**

These interim consolidated financial statements on pages 3 to 57 were approved by the Board of Directors and were authorized for issue on 29.09.2021.

Mihaela Angela Irimia
Name
Chairman of the Board of Directors

SC AVH CONSULTING SRL
Name: Hulan Angelica
Professional body reg. no.5138

The accompanying notes 1 to 32 are an integral part of these financial statements.
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AUTONOM SEVICES SA
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021
All amounts in RON, unless otherwise stated

	Notes	30 June 2021 UNAUDITED	31 December 2020 AUDITED
Assets			
Non-current assets		**609,376,861**	**537,640,128**
Intangible assets	17	214,817	275,776
Rental fleet and rental equipment	14	250,796,569	202,146,510
Right-of-use assets	15	342,622,999	323,970,352
Other property, plant and equipment	14	2,105,519	1,047,470
Investment properties	16	2,084,783	1,591,527
Investments in equity instruments		423,596	423,696
Trade receivables	21	596,507	172,554
Loans to related parties	25	10,532,071	8,012,243
Current assets		**72,154,973**	**103,822,538**
Inventories	20	11,368,929	1,799,740
Trade receivables	21	23,901,451	21,425,893
Other receivables and current assets	21	8,821,838	4,971,276
Prepayments	21	744,149	1,012,467
Cash and cash equivalents	22	27,318,606	74,613,162
Total assets		**681,531,834**	**641,462,666**
Equity and liabilities			
Equity			
Share capital called up	23	20,000,000	20,000,000
Other capital reserves	23	22,018,593	14,811,431
Retained earnings		77,388,297	72,077,807
Total equity		**119,406,890**	**106,889,238**
Long-term liabilities		**373,615,917**	**379,353,020**
Interest-bearing loans and borrowings	18	60,885,879	51,508,411
Bonds	18	97,854,077	96,622,374
Lease liabilities	18	192,697,764	212,758,855
Trade and other liabilities	24	3,047,811	3,897,578
Deferred income		8,228,053	6,475,814
Deferred income tax liabilities	13	10,902,333	8,089,988
Current liabilities		**188,509,027**	**155,220,408**
Interest-bearing loans and borrowings	18	63,116,056	73,432,309
Lease liabilities	15	101,019,318	66,055,713
Trade and other payables	24	18,428,843	12,592,511
Provisions		914,643	71,400
Deferred income		5,030,167	3,068,475
Total liabilities		**562,124,944**	**534,573,428**
TOTAL EQUITY AND LIABILITIES		**681,531,834**	**641,462,666**

These interim consolidated financial statements on pages 3 to 57 were approved by the Board of Directors and were authorized for issue on 29.09.2021.

Mihaela Angela Irimia
Name
Chairman of the Board of Directors

SC AVH CONSULTING SRL
Name: Hulan Angelica
Professional body reg. no.5138

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AUTONOM SEVICES SA
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
All amounts in RON, unless otherwise stated

	Share capital called up	Other capital reserves	Retained earnings	Total equity
As at 1 January 2021	**20,000,000**	**14,811,431**	**72,077,807**	**106,889,238**
Profit for the period	-	-	12,517,653	12,517,653
Takeover of legal reserves and other reserves following the merger by absorption	-	1,100,843	(1,100,843)	-
Allocation of reserves for the reinvested profit	-	6,106,320	(6,106,320)	-
At 30 June 2021, UNAUDITED	**20,000,000**	**22,018,593**	**77,388,297**	**119,406,890**

	Share capital called up	Other capital reserves	Retained earnings	Non-controlling interests	Total equity
As at 1 January 2020	**20,000,000**	**13,485,527**	**66,191,551**	**7,475**	**99,684,553**
Profit for the period	-	-	4,150,739	-	**4,150,739**
Increase in legal reserves and other reserves	-	-	-	-	-
At 30 June 2020, UNAUDITED	**20,000,000**	**13,485,527**	**70,342,290**	**7,475**	**103,835,292**

These interim consolidated financial statements on pages 3 to 57 were approved by the Board of Directors and were authorized for issue on 29.09.2021.

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AUTONOM SERVICES SA
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021
All amounts in RON, unless otherwise stated

	Note	Six month period ended 30 June 2021 UNAUDITED	30 June 2020 UNAUDITED
Operating activities			
Profit before tax		**15,470,578**	**5,397,077**
Adjustments to reconcile the profit before tax with the net cash flows:			
Depreciation of other property, plant and equipment	14	1,346,466	3,686,994
Depreciation of rental fleet and rental equipment	14,15	51,075,457	44,784,363
Net foreign exchange differences	12.1	4,019,747	5,805,019
Loss on disposal of property, plant and equipment		2,483	-
Loss/(gain) on disposal of rental fleet - own resources		(2,937,584)	3,184,781
Finance income	12.2	(1,358,271)	(503,491)
Interest expense	12.1	8,900,890	9,461,432
Changes in provisions, net	11	843,243	25,013
Changes in current assets allowances, net	11,20	2,630,521	(764,306)
Working capital adjustments:			
Increase in trade and other receivables and prepayments		(3,244,955)	(11,038,369)
Increase/(Decrease) in inventories		(9,853,461)	4,057,048
Increase in other receivable		(3,850,562)	3,369,414
Increase/(decrease) in deferred revenue		3,713,931	163,757
Increase / (decrease)in trade and other payables		(2,838,627)	698,342
Purchase of rental fleet and rental equipment	14	(88,516,519)	(34,659,136)
Amounts received for disposal of rental fleet and rental equipment		33,356,047	31,318,038
Interest received		340,141	503,491
Interest paid	19	(6,701,570)	(7,314,278)
Income tax paid		-	(317,917)
Net cash flows from operating activities		**2,397,956**	**57,857,272**
Investing activities			
Purchase of intangible assets		-	(241,332)
Purchase of other property, plant and equipment		(2,839,194)	(1,583,657)
Loans granted to related parties	26	(10,388,493)	-
Proceeds from borrowings granted to related parties	26	8,886,795	637,062
Net cash flows used in investing activities		**(4,340,892)**	**(1,187,927)**
Financing activities			
Payment of finance lease liabilities	19	(52,946,413)	(43,289,588)
Proceeds from borrowings	19	46,946,012	31,597,128
Repayment of borrowings	19	(43,319,217)	(47,648,683)
Net cash flows used in financing activities		**(51,461,940)**	**(59,341,143)**
Net increase / (decrease) in cash and cash equivalents		**(53,461,875)**	**(2,671,798)**
Cash and cash equivalents at 1 January	22	**56,688,044**	**76,838,212**
Cash and cash equivalents at 30 June	22	**3,226,169**	**74,166,414**

These interim consolidated financial statements on pages 3 to 57 were approved by the Board of Directors and were authorized for issue on 29.09.2021.

Mihaela Angela Irimia
Name
Chairman of the Board of Directors

SC AVH CONSULTING SRL
Name: Huian Angelica
Professional body reg. no.5138

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

These interim consolidated financial statements are prepared by Autonom Services SA (hereinafter, "the Company") and comprise its activities and of its subsidiary (hereinafter, "Autonom" or "the Group"). The interim consolidated financial statements of the Group were authorized for issue in accordance with a resolution of the directors on 29.09.2021.

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 Neamt, Fermelor street, no. 4 with points of business in several cities: Alba Iulia, Arad, Bacau, Baia Mare, Bistrita Nasaud, Botosani, Braila, Brasov, Bucharest, Otopeni, Buzau , Cluj, Constanta, Craiova, Deva, Focsani, Galati, Iasi, Miercurea Ciuc, Oradea, Piatra Neamt, Pitesti, Pipera-Voluntari , Ploiesti, Resita, Ramnicu Valcea, Satu Mare, Sibiu, Slatina, Suceava, Targu Mures, Targu Jiu, Timisoara, Tulcea, Odorheiu Secuiesc, Targoviste.

Autonom Services SA is controlled by Autonom International SRL and ultimately by Stefan Dan George and Stefan 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 Neamt, Piatra Neamt, str. 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.This reorganization had no impact on the interim consolidated financial statements as at 30 June 2021.

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).

The Group's number of employees at 30 June 2021 was 345 (31 December 2020 was 313).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of Compliance

The interim consolidated 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 provisions 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) (IFRS), except as provided in IAS 21 The Effects of Changes in Foreign Exchange Rates on functional currency.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

These interim consolidated financial statements are prepared on a going concern basis. The Management believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The Management based their assessment on the Company's detailed cash flow projections for the period up to 31 August 2022, prepared based on the assumptions which include the estimated impact of COVID-19 pandemic taking into account the information available as at the end of June 2021. These projections take into account the current available cash resources of the Company as of 30 June 2021, the most recent projections of the contracted operating revenues, the anticipated additional operating income from new lease agreements to be concluded during the period covered by the projections, as well as the financing of current contracted debts and the current position of the financial debts as at the reporting date, rental fleet investments, and other commitments.

2.2 Basis for consolidation

The interim consolidated financial statements include the financial statements of the Company and of the absorbed Subsidiary as at 30 June 2021.
Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls the investee if, and only if, the Group has:
- Power over the investee (e.g., existing rights that it power to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- Ability to exercise power over the investee to affect the investor's returns.

In general, there is a presumption that a majority of voting rights results in control. To support this presumption, when the Group holds less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances to assess whether it has power over the investee, including:
- Contractual agreement(s) with other vote holders of the investee;
- Rights from other contractual arrangements;
- The rights and potential voting rights of the Group.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary. The assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during a year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The profit or loss and each component of other comprehensive income is attributed to the equity holders of the Group parent entity and non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to align their accounting policies to those of the Group. All intra-group assets and liabilities, equity, revenues, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognized in the income statement. Any retained investment is recognized at fair value.

2.3. Summary of significant accounting policies

The following are the significant accounting policies applied by the Group in preparing its interim consolidated financial statements.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.2. Current versus non-current classification

The Group 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 sash 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 Group classifies all other liabilities as non-current.

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

2.3.3. Fair value measurement

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

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

- In the principal market for the asset or liability;

Or

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

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

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

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

The Group 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group 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".

2.3.4 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 Group expects to be entitled in exchange for those goods or services. The Group 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 separate 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue 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 cars from 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 Group 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 Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Trade receivables

A receivable represents the Group'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 2.3.13 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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract. For the Group, advances from customers for cars to be sold qualify as contract liabilities, in accordance with the provisions of IFRS 15.

2.3.5 Foreign currencies

The Group's interim consolidated 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 Group are EURO ("EUR", "EURO") and American dollar ("USD"). The exchange rates are: RON – EUR and RON – USD as at 30 June 2021, 31 December 2020 and 30 June 2020 were:

	30 June 2021	31 December 2020	30 June 2020
RON – EUR	4.9267	4.8694	4.8423
RON – USD	4.1425	3.9660	4.3233

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.6 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 Group 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 liabilities are recognized for all taxable temporary differences, except:

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

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Sales tax (VAT and similar taxes)

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

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

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

2.3.7 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 Group and the cost of the item can be measured reliably.

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

Depreciation method

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

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

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

The residual values, useful lives and methods of depreciation of rental feet, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group 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 Group's normal depreciation policy for similar assets.

2.3.8 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 value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.3.9 Leases

The Group 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.

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

- **Right-of-use assets**

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Unless the Group 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 Group at the end of the lease term or the cost reflects the exercise of a purchase option, the Right-of-use assets (vehicles and equipment) are depreciated following the depreciation method and estimates applied for owned similar items – please refer to paragraph 2.3.7.

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 Group.

Right-of-use assets are subject to impairment, disclosed in Note 2.3.12. Refer to the accounting policies in section *Impairment of non-financial assets.*

- **Lease liabilities**

At the commencement date of the lease, the Group 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 Group 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 Group 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 Group 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.

- **Subleases**

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

The Group classifies a sublease as a finance lease or an operating lease as follows:
a. if the head lease is a short-term lease, the sublease is classified as an operating lease;
b. otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease.

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

As of 30 June 2021, the Group has no finance subleases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- **Short-term leases**

The Group 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.

Group as a lessor

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

The carrying amount of property and equipment under operating lease and rental fleet is depreciated during the lease term or the useful life of the asset. Depreciation is recognized in the statement of profit or loss. The operating lease instalments are recognized in the financial statements in their entirety on a straight-line basis over the lease term. The instalments are classified and presented in the 'Operating lease income' revenue category of the statement of profit or loss and other comprehensive income. The Group 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 Group.

2.3.10 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.

2.3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

Intangible assets with finite useful lives are amortized on a straight-line basis over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortizations periods are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Software, licenses and similar assets are depreciated using the linear method over a three-year period by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.3.12 Adjustments for impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication of impairment for the carrying value of the property, plant and equipment (rental fleet and rental equipment), intangible assets, right-of-use assets, investment properties. 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 consolidated 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

2.3.13 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

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade receivables that do not contain a significant financing component are measured at the transaction price determined under 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 Group'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 Group'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 Group commits to purchase or sell the asset.

Subsequent measurement

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 Group and is represented by loans granted to related parties and trade and lease receivables.

The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

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

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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

Financial assets at fair value through profit or loss

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset;

When the Group 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 Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

ii) Impairment of financial assets

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

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

The Group 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 Group 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group 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 Group has determined a matrix for the provision for the receivables recorded at the reporting date, has adjusted these provisioning rates for factors specific to the debtors and applied this matrix to discount the provision related to the expected losses from receivables.

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

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

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

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

iii) Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include only trade and other payables and loans and borrowings, including bank overdrafts and finance lease liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent measurement

Loans and borrowings

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

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

Trade and other payables

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

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

Derecognition

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

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

iv) Offsetting of financial instruments

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

2.3.14 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 Group ad 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 consolidated 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3.15 Cash and cash equivalents

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

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

2.3.16 Prepayments

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

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

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.

2.3.17 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 Group 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 Group.

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

2.3.18 Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Onerous contracts

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

2.3.19 Employee benefits

The Group, 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 the local legislation.

The Group 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 2021

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 Group as of 1 January 2021.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but were not yet effective.

Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)
In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of IBOR reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods.
The application of these Amendments had no impact on the position or financial performance of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 16 Leases-COVID 19 Related Rent Concessions (Amendments)
The amendments apply, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

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

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING 1 JANUARY 2021 AND NOT EARLY ADOPTED

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 (Amendment)
The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. 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 endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. However, in response to the COVID-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)
The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations** (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment** (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets** (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The amendments have not yet been endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendments)
The Amendments apply to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. These Amendments have not yet been endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments):
The Amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. These Amendments have not yet been endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):
The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. These Amendments have not yet been endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments):
The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. These Amendments have not yet been endorsed by the EU. Management has assessed that the Amendments application will have no impact on the position or financial performance of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's interim consolidated financial statements requires management to make judgements, 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 Group'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 – Group as a Lessor

The Group has entered into rental agreements on its vehicles' portfolio. The Group 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 Group 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 Group. 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 Group 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.

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

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 Group has reviewed the residual values of its rental fleet as at 31 December 2020 and prior to this date, as at the interim date, 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 (Group as lessee) for which the Group has the right to obtain ownership at the end of the lease agreements and intends to exercise this right. Such right-of-use assets are depreciated on similar policy as the one described above, with similar estimates when it comes to residual value and estimated useful lives of the items.

As at 30 June 2021, the range of residual values for the vehicles is 15% to 57% (31 December 2020: 15% and 57%). RON

Adjustments for the impairment of cars from the rental fleet

In the annual assessment of whether there is any indication that an asset may be impaired, the Group considers both external as well as internal sources of information. If such indication for impairment exists, an analysis is performed to assess whether the carrying value of the asset (rental feet owned or disclosed as right-of-use assets) exceeds the recoverable amount, which is the higher of the fair value less costs to sell and the value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset.

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

In 2020, the Group recorded a net impairment adjustment in an amount RON 1,407 thousand, for both the fleet owned and the vehicles purchased under lease agreements (right-of-use assets). During 1 January – 30 June 2021, net adjustments for reversal of impairment (a decrease) in an amount RON 2,236 thousand related to own fleet and right-of-use assets were recorded.

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.

Impairment losses on lease and trade receivables

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

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

4. BUSINESS COMBINATIONS

Autonom Services acquired BT Operational Leasing SA on 30 June 2018 for an initial purpose of merging the two entities and benefiting from the synergies. Due to operational reasons related to the different counties the two entities operate in, that required changing vehicle id cards (administrative procedures that need to be completed with the State's authorities and required immobilizing the entire fleet of BT Operational Leasing SA for several days), BT Operational Leasing SA continued its own operations until 1 January 2021 – see below.

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

Starting 19 September 2020, Autonom Services became the sole shareholder of BT Operational Leasing, redeeming the shares held by minority shareholders.

Effective 1 January 2021, the merger by absorption of BT Operational Leasing by Autonom Services SA was approved, and the company BT Operational Leasing was deregistered from the Trade Register on 4 March 2021. Under this action, the absorbed company's assets and liabilities as of 1 January 2021 were taken over in full and there was no impact on the interim consolidated financial statements as at 30 June 2021.

5. INCOME FROM ADDITIONAL SERVICES

	Six month period ended	
	30 June 2021	30 June 2020
Income from insurance and road taxes	23,077,721	20,707,193
Income from maintenance and other contractual components	5,769,430	5,176,798
Total	**28,847,151**	**25,883,991**

6. OTHER OPERATING INCOME

	Six month period ended	
	30 June 2021	30 June 2020
Penalties	1,505,591	2,834,690
Car damage compensation	3,203,290	2,246,237
Other income	6,200,906	6,074,145
Other rental income	510,213	57,239
Total	**11,420,000**	**11,212,311**

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

7. RENTAL FEET EXPENSES

	Six month period ended	
	30 June 2021	30 June 2020
Fuel	3,126,370	2,410,977
Spare parts	5,056,296	6,515,585
Repairing, maintenance, reconditioning	11,026,498	6,984,654
Rental feet operation expenses	1,040,559	1,406,307
Insurance expenses	6,692,383	5,803,002
Other consumables expenses	35,794	114,243
Car registration and other fees	256,155	61,288
Vehicle sanitization	427,507	488,561
Parking fees expenses	40,278	69,814
Total	**27,701,840**	**23,854,431**

8. EMPLOYEE BENEFIT EXPENSES

	Six month period ended	
	30 June 2021	30 June 2020
Salaries	12,188,005	12,019,063
Social security contributions and other taxes	371,422	380,094
Meal ticket expenses	646,001	500,385
Total	**13,205,428**	**12,899,542**

9. ADMINISTRATIVE EXPENSES

	Six month period ended	
	30 June 2021	30 June 2020
Telecommunication expenses	156,905	281,850
Head office expenses	275,585	371,351
Sales and marketing expenses	453,871	428,362
Administrative offices rent	840,725	117,378
Total	**1,727,086**	**1,198,941**

10. OTHER OPERATING EXPENSES

	Six month period ended	
	30 June 2021	30 June 2020
Other third-party services (Noe 10.1)	2,652,638	2,914,401
Fees and taxes	298,212	202,935
Transport of goods and personnel	214,510	89,000
Travel expenses	213,235	176,047
Bank and similar fees	216,577	327,666
Other taxes, duties and similar charges	2,770,611	2,764,474
Sundry expenses	33,058	25,163
Donations and subsidies granted	371,867	805,918
Other expenses	26,675	22,514
Total	**6,797,383**	**7,428,118**

10.1. Third-party services expenses

	Six month period ended	
	30 June 2021	30 June 2020
Training courses	190,315	156,400
IT Services	741,952	652,275
Legal services	191,420	175,818
Medical services	115,446	91,418
Protocol	116,009	101,424
Human resources services	4,234	4,122
Audit and consultancy	521,289	483,301
Security	253,566	284,881
Others	518,366	964,762
Total	**2,652,638**	**2,914,401**

11. Other (LOSSES) / GAINS - NET

	Six month period ended	
	30 June 2021	30 June 2020
Provisions for risks and expenses, net	843,244	25,013
Adjustments for inventories	284,272	-
Trade receivables Impairment	2,346,249	(764,306)
Total	**3,473,765**	**(739,293)**

12. FINANCE INCOME / COSTS

12.1. Finance costs

	Six month period ended	
	30 June 2021	30 June 2020
Interest for liabilities and loans	4,296,835	4,970,757
Interest for lease liabilities	4,604,055	4,490,675
Foreign exchange loss	4,019,747	5,805,019
Total finance costs	**12,920,637**	**15,266,450**

The variance in interest expense in the first six months of 2021 against the first six months of 2020 takes into account the higher number of vehicles for which Autonom Services SA obtained financing as at 30 June 2021 on more favorable terms.

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	30 June 2021	30 June 2020
Spot	4.9267	4.8423
Variance	1.6%	0.1%
Average	4.9009	4.8163
Variance	1.8%	1.9%

12.2. Finance income

	Six month period ended	
	30 June 2021	30 June 2020
Interest income	1,358,270	503,491
Total finance income	**1,358,270**	**503,491**

The variance in the interest income in the first six months of 2021 against the first six months of 2020 takes into account the effective interest rate on repaid loans granted to related parties. In 2021, the Company recorded the anticipated repayment of these loans (see Note 26).

13. INCOME TAX

The main components of income tax expense for six month periods ended 30 June 2021 and 30 June 2020 are:

	Six month period ended	
	30 June 2021	30 June 2020
Current income tax:		
Current income tax charge	(140,580)	(341,996)
Deferred tax:		
Relating to initial recognition and reversal of temporary differences	(2,812,345)	(904,342)
Income tax expense reported in the statement of profit and loss and other comprehensive income	(2,952,925)	(1,246,338)

A reconciliation between tax expense and the product of accounting profit multiplied by Romania's domestic tax rate for the six month periods ended 30 June 2021 and 30 June 2020 is as follows:

	Six month period ended	
	30 June 2021	30 June 2020
Accounting profit before income tax	15,470,578	5,397,077
At statutory income tax rate of 16%	(2,475,292)	(863,532)
Non-deductible expenses for tax purposes	(1,545,714)	(402,440)
Legal reserve deduction	-	-
Other profit tax exemptions	1,021,751	19,634
Sponsorship exemptions	46,330	-
Income tax reported in statement of profit and loss and other comprehensive income(expense)	(2,952,925)	(1,246,338)

Reconciliation of deferred tax liabilities, net	30 June 2021	30 June 2020
1 January – liability	(8,089,988)	(7,022,214)
Tax expense/ credit during the period recognized in profit or loss	(2,812,345)	(904,342)
30 June – liability	(10,902,333)	(7,926,556)

13. INCOME TAX (continued)

Deferred tax

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

	Statement of financial position		Statement of comprehensive income	
	30 June 2021	31 December 2020	30 June 2021	30 June 2020
Property, plant and equipment and right-of-use assets	(10,902,333)	(9,831,769)	(1,070,564)	1,322,974
Intangible assets	-	-	-	372,288
Impairment of trade receivables	-	932,775	(932,775)	(1,226,131)
Deferred income	-	608,065	(608,065)	(881,448)
Other	-	200,941	(200,941)	(492,025)
Deferred tax expense/ (income)	-	-	(2,812,345)	(904,342)
Net deferred tax liabilities	**(10,902,333)**	**(8,089,988)**		

The Group 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.

14. PROPERTY, PLANT AND EQUIPMENT

As of 30 June 2021, the gross book value of fully depreciated property, plant and equipment that were still in use is RON 16,502,886 (31 December 2020: RON 43,666,072).

	Land	Furniture and fittings	Rental fleet and rental equipment	Constructions in progress (CIP)	Total
Cost					
Balance at 1 January 2020	564,542	1,834,994	243,418,557	-	245,818,093
Additions	-	585,881	89,228,205	797,208	90,611,294
Transfer to other asset categories	-	774,208	-	(774,208)	-
Transfers to inventories	-	-	87,443,724	-	87,443,724
Disposals		600,548	5,901,896	-	6,502,444
Balance at 31 December 2020	564,542	2,594,535	239,301,142	23,000	242,483,219
Additions	879,237	197,325	88,516,518	59,300	89,652,381
Transfer to other asset categories	-	-	-	-	-
Transfers to inventories	-	-	42,046,257	-	42,046,257
Disposals	-	110,155	-	-	110,155
Balance at 30 June 2021	1,443,779	2,681,705	285,771,403	82,300	289,979,188
Accumulated depreciation and impairment					
Balance at 1 January 2020	-	1,715,838	47,754,044	-	49,469,882
Depreciation expense	-	894,461	44,644,441	-	45,538,901
Impairment expense, net	-	-	190,618	-	190,618
Transfers to inventories	-	-	52,363,114	-	52,363,114
Disposals	-	475,691	3,071,357	-	3,547,049
Sold la 31 December 2020	-	2,134,607	37,154,631	-	39,289,239
Depreciation expense	-	75,332	23,056,639	-	23,131,971
Impairment expense, net	-	-	(1,519,528)	-	(1,519,528)
Transfers to inventories	-	-	23,716,908	-	23,716,908
Disposals	-	107,672	-	-	107,672
Balance at 30 June 2021	-	2,102,267	34,974,834	-	37,077,101
Net book value as of 31 December 2020	564,542	459,928	202,146,510	23,000	203,193,980
Net book value as of 30 June 2021	1,443,779	579,439	250,796,569	82,300	252,902,087

The English version of the financial statements represents a translation for information purposes only of the original set of unaudited interim consolidated financial statement issued in Romanian language.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2020, from the total rental fleet and rental equipment, RON 30,267 thousand represent rental equipment and RON 171,880 thousand represent rental fleet vehicles.
As at 30 June 2021, from the total rental fleet and rental equipment, RON 41,182 thousand represent rental equipment and RON 209,615 thousand represent rental fleet vehicles.

Impairment of tangible assets of the subsidiary

As at 31 December 2019, the management of Autonom Company recognized that the evolution of the profitability of the BTOL subsidiary as a result of the loss of contracts and the decrease in the market value of certain vehicles for sale may indicate that certain fixed assets of the subsidiary may be impaired.
As a result, an impairment analysis for BTOL's rental fleet was performed on an item level, taking into account the fair value of each rental fleet vehicle as at 31 December 2019 compared to their carrying value as of that date and an impairment of RON 5,672,422 was recorded.

In 2020, following the management's analysis, specific impairment provisions amounting to RON 1,407,622 were recorded for the entire fleet of cars - including those disclosed as right of use.

From 1 January to 30 June 2021, net reversal of impairment adjustments (to decrease the impairment adjustment recorded as at 31 December 2020) of RON 2,236 thousand were recorded in relation to own fleet and right-of-use assets as a result of the change in the average trading prices for used cars and the general market evolution. 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.
The summary of depreciation, amortization and impairment of non-current assets for the financial year 2020 and the six month period until 30 June 2021 is included in the table below:

	30 June 2021	30 June 2020
Depreciation of rental fleet and rented equipment	23,056,639	17,429,509
Amortization of right-of-use assets	30,254,938	27,354,854
Adjustments for the impairment of right-of-use assets and rental fleet, net	(2,236,120)	-
Depreciation and impairment adjustment for rental fleet and equipment	**51,075,457**	**44,784,363**
Depreciation of investment properties	29,936	29,936
Amortization of right-of-use assets for buildings	1,180,240	1,380,452
Depreciation of other assets	75,332	2,224,006
Amortization of client relationships	-	-
Depreciation of other non-current assets	60,959	52,600
Depreciation, amortization and impairment of other non-current assets	**1,346,467**	**3,686,994**
Total	**52,421,923**	**48,471,357**

As of 30 June 2021, the amounts pledged are of RON 539,747,730– at acquisition value (31 December 2020: RON 493,762,076).

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			
	Buildings	Tangible assets - fleet	Total	Lease liabilities
At 1 January 2020	4,818,690	318,063,726	322,882,415	262,367,816
Additions	1,458,817	104,587,315	106,046,132	106,046,132
Depreciation expense	(2,529,444)	(58,838,712)	(61,368,156)	-
Impairment expense	-	(1,217,003)	(1,217,003)	-
Transfer to inventories (net)	-	(40,267,789)	(40,267,789)	-
Disposals	(30,994)	(851,403)	(882,397)	-
Interest expense	-	-	-	9,052,388
Early termination of lease agreements	-	(1,222,850)	(1,222,850)	(1,222,850)
Foreign exchange rate	-	-	-	2,943,695
Payments				(100,372,613)
At 31 December 2020	3,717,069	320,253,284	323,970,352	278,814,568
Out of which:				
Current				66,055,713
Long-term loans and borrowings				212,758,855

	Right-of-use assets			
	Buildings	Tangible assets - fleet	Total	Lease liabilities
At 1 January 2021	3,717,069	320,253,284	323,970,352	278,814,568
Additions	1,418,915	63,629,390	65,048,305	65,048,305
Depreciation expense	(1,180,240)	(30,254,938)	(31,435,178)	-
Adjustments for the impairment of right-of-use assets and rental fleet, net	-	716,592	716,592	-
Transfer to inventories (net)	-	(15,090,109)	(15,090,109)	-
Disposals	(1,961)	-	(1,961)	-
Interest expense	-	-	-	4,604,055
Early termination of lease agreements	-	(585,002)	(585,002)	(585,002)
Foreign exchange rate	-	-	-	3,385,625
Payments of principal and interest	-	-	-	(57,550,468)
At 30 June 2021	3,953,783	338,669,216	342,622,999	293,717,082
Out of which:				
Current				101,019,318
Long-term loans and borrowings				192,697,764

The Group recognized rent expenses from short-term leases amounting to RON 180,881 (at 31 December 2020: RON 151,057). No leases of low-value assets nor variable lease payments for the period ended 30 June 2021.

At the end of the lease agreements the vehicles recorded as right-of-use become the property of the Group and they are used for rent-a-car activity or transferred to inventories to be sold.

The assets acquired under finance leases are pledged in favor of the leasing companies.

The available amounts not drawn and related to the lease agreements signed with financial leasing institutions as of 30 June 2021 amount to EUR 12,894,019 (as of 31 December 2020: RON 61,928,696 and EUR 2,524,000).

16. INVESTMENT PROPERTIES

	Investment properties
Cost	
At 1 January 2020	**1,732,465**
Additions	-
Disposals	-
At 31 December 2020	**1,732,465**
Additions	523,191
Disposals	-
At 30 June 2021	**2,255,656**
At 1 January 2020	**81,069**
Depreciation charge	59,869
Disposals	-
At 31 December 2020	**140,938**
Depreciation charge	29,936
Disposals	-
At 30 June 2021	**170,874**
Net book value	
At 31 December 2020	**1,591,527**
At 30 June 2021	**2,084,783**

The fair value of the investment property at 30 June 2021 amounts to RON 2,251,600 for buildings (at 31 December 2020: RON 1,977,400).

Investment properties refer to buildings rented to related parties of the Group. Rental income from investment property is presented in Note 7 "Other operating income", under "Other rental income". Investment properties are impaired on a straight-line basis over a period between 32-60 years.

The fair value of investment properties was determined, by an independent authorized valuator, using the income approach, with the most significant unobservable inputs being the rent per square meter (ranging between EUR 2 - 3,15) and the discount rate used of 11%.

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

17. INTANGIBLE ASSETS

	Client relationships	Licenses and other intangibles	Total
Cost			
At 1 January 2020	6,157,000	1,018,649	7,175,649
Additions	-	243,862	243,862
Outflows	-	-	
At 31 December 2020	6,157,000	1,262,511	7,419,511
Additions	-	-	-
Outflows	6,157,000	-	6,157,000
At 30 June 2021	-	1,262,511	1,262,511
Cumulated amortization			
At 1 January 2020	3,830,200	903,283	4,733,483
Amortization charge	2,326,800	83,452	2,410,252
Outflows	-	-	
At 31 December 2020	6,157,000	986,735	7,143,735
Amortization charge	-	60,959	60,958
Outflows	6,157,000	-	6,157,000
At 30 June 2021	-	1,047,694	1,047,693
Net book value			
At 31 December 2020	-	275,776	275,776
At 30 June 2021	-	214,817	214,817

Additions during 2020 consisted mainly in acquisition of software licenses. During 1 January-30 June 2021 there have been no additions.

18. INTEREST-BEARING LOANS AND BORROWINGS

	30 June 2021	31 December 2020
Long-term loans and borrowings		
Long-term loans	60,885,879	51,508,411
Bonds – unsecured fixed rate	97,854,077	96,622,374
Sub-total	158,739,956	148,130,785
Current		
Accrued interest for bonds	2,813,270	613,950
Short-term bank loans and accrued interest	60,797,786	72,818,359
Sub-total	63,116,056	73,432,309
Total interest-bearing loans and borrowings	221,856,012	221,563,094

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Bank	Type	Maturity	Balance in bank currency at 31 December 2020	Currency	Balance in RON at 31 December 2020	Short term	Long term
Bank D	Overdraft	04/05/2021	6,669,513	RON	6,669,513	6,669,513	-
Bank D	Investment loan	84 months of the contract signing date but not later than 10.07.2025	2,037,037	EUR	9,919,148	2,164,178	7,754,970
Bank J	Overdraft	19/10/2020	2,642,852	RON	2,642,852	2,642,852	-
Bank E	Overdraft	28/11/2020	8,612,753	RON	8,612,753	8,612,753	-
Bank E	Equipment line	02/08/2024	2,351,287	RON	2,351,287	1,131,461	1,219,826
Bank H	Car purchase line	03/03/2023	2,873,663	RON	2,873,663	2,873,663	-
Bank H	Car purchase line	03/03/2023	1,383	EUR	6,734	6,734	-0
Bank G	Credit line	23/07/2020	2,489,000	RON	2,489,000	2,489,000	-
Bank G	Car investment loan	05/07/2023	483,417	RON	483,417	446,300	37,117
Bank G	Equipment investment loan	05/07/2022	297,755	RON	297,755	297,755	-
Bank G	Equipment investment loan	27/07/2025	261,352	EUR	1,272,628	602,704	669,924
Bank B	Credit line	13/11/2021	3,235,509	RON	3,235,509	3,235,509	0
Bank B	Car and equipment purchase line	14/11/2025	23,222,874	RON	23,222,874	6,404,942	16,817,932
Bank F	Car purchase line	30/05/2020	8,162,529	RON	8,162,529	4,564,641	3,597,888
Bank C	Car purchase line	max.57 months of the date of each use expressed by the application for use and reimbursement	2,842,390	RON	2,842,390	1,966,555	875,835
Bank C	Car purchase line	36 /48 months of the date of each use expressed by the application for use and reimbursement;	-	RON	-	-	-
Bank I	Car purchase line	13/01/2022	1,026,590	RON	1,026,590	512,010	514,580
Bank M	Car and equipment purchase line	19/07/2023	2,493,273	RON	2,493,273	1,341,983	1,151,290
Bank N	Car and equipment purchase line	28/11/2025	307,653	EUR	1,498,086	374,521	1,123,565
Bank S	Bonds Credit facility	30/11/2023	20,000,000	EUR	96,622,374	-	96,622,374
Bank B	Interest on bonds		9,082,591	EUR	44,226,769	26,481,285	17,745,484
Total:				EUR	613,950	613,950	
				RON	221,563,093	73,432,309	148,130,785

The English version of the financial statements represents a translation for information purposes only of the original set of unaudited interim consolidated financial statement issued in Romanian language.

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Bank	Type	Maturity	Balance in bank currency at 31 December 2020	Currency	Balance in RON at 31 December 2020	Short term	Long term
Bank K	Car purchase line	08/09/2023	726,936	EUR	3,581,032	2,434,215	1,146,817
Bank F	Car purchase line	28/02/2025	6,198,547	RON	6,198,547	2,393,081	3,805,466
Bank G	Equipment investment loan	28/07/2025	211,189	EUR	1,040,358	204,986	835,372
Bank G	Car investment loan	05/07/2023	284,361	RON	284,361	142,180	142,181
Bank G	Car investment loan	05/07/2022	16,714	RON	16,714	16,714	
Bank B	Car purchase line	30/01/2026	36,791,334	RON	36,791,334	10,549,420	26,241,914
Bank C	Car purchase line	18/06/2022	1,854,129	RON	1,854,129	1,834,405	-
Bank H	Car purchase line	10/03/2026	1,154,718	EUR	5,688,372	2,041,214	3,647,158
Bank I	Car purchase line	31/03/2026	755,862	RON	755,862	156,836	599,026
Bank D	Investment loan	84 months of the contract signing date but not later than 10/07/2025	1,814,815	EUR	8,940,140	2,187,934	6,752,206
Bank M	Car and equipment purchase line	05/06/2024	1,803,780	RON	1,803,780	606,313	1,197,467
Bank E	Equipment line	02/10/2025	1,730,184	RON	1,730,184	407,102	1,323,082
Bank N	Car and equipment purchase line	28/11/2025	269,196	EUR	1,326,116	296,295	1,029,821
Bank B	Investment loan	30/11/2023	4,905,291	EUR	24,164,445	9,999,076	14,165,369
Bank D	Overdraft	02/05/2022	7,348,469	RON	7,348,469	7,348,469	-
Bank J	Overdraft	18/03/2022	3,84,7158	RON	3,847,158	3,847,158	-
Bank E	Overdraft	06/12/2021	8,896,810	RON	8,896,810	8,896,810	-
Bank G	Overdraft	21/01/2022	4,000,000	RON	4,000,000	4,000,000	-
Bank B	Credit line	12/11/2021	2,920,854	RON	2,920,854	2,920,854	-
Bank B	Interest on bonds			EUR	2,813,270	2,813,270	
	Bonds		20,000,000	EUR	97,854,077	-	97,854,077
Total:				RON	**221,856,012**	**63,116,056**	**158,739,956**

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.
Financial covenants on unsecured fixed rate bonds are calculated using the financial information from the consolidated financial statements of the Group 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.

The financial covenants related to the bond are assessed on an annual basis and were met as at 31 December 2020.

Interest rate:

The interest rates for the borrowings in local currency are ROBOR 1M and ROBOR 3M plus fixed margin as negotiated with the bank and 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):

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

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

As of 31 December 2020, all covenants in the loan agreements signed with the banks were fulfilled, with one exception, a credit facility in the amount RON 2,642 thousand. This amount was already recorded as short-term liability, representing a loan contract in the table above. In March 2021, an addendum was signed for this loan agreement amending the ratios to align with those in the bond prospectus.

As of 30 June 2021, the ratios related to the covenants in the loan agreements signed with the banks and which are, most of them, assessed on an annual basis as of 31 December, were met.

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).

At 30 June 2021, the Group had available undrawn committed borrowing facilities in amount RON 48,241,732 and EUR 6,060,960 (31 December 2020: RON 61,928,696 and EUR 2,524,000), therefore being able to respond to any unforeseen cash needs.

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, including finance leases and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group'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 Group is exposed to interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's management ensures that the Group's financial risk activities are performed under appropriate procedures and that financial risks are identified, measured and managed in accordance with Group's risk appetite.

Interest rate risk

The Group'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 Group's debt finance are variable. The interest rates on credit facilities of the Group are disclosed in Note 19. 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 Group 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 Group'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
30 June 2021 (for six months)	1%	(5,134,935)
RON		(1,133,657)
EUR		(4,001,278)
30 June 2020 (for six months)	1%	(4,400,572)
RON		(754,535)
EUR		(3,646,037)

The Group 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.

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's financing activities, loans and leases, as the financing contracted by the Group is Euro based. The vast majority of revenues, expenses, trade and other receivables and payables is in RON.

The Group monitors the currency risk by following changes in exchange rates in currencies in which its intercompany balances and external debts are denominated. The Group does not have formal arrangements to mitigate its currency risk.

Foreign currency sensitivity

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

	Change in EUR rate	Effect on profit before tax
30 June 2021 (for six months)	1%	(4,009,510)
30 June 2020 (for six months)	1%	(3,647,968)

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 Group 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 Group's credit risk is primarily attributed to lease and trade receivables, loans to related parties and balances with banks. The carrying amount of trade receivables and loans to related parties, net of allowance for impairment (Note 21) plus loans to related parties (Note 26) and balances with banks (Note 22) represent the maximum amount exposed to credit risk. Management believes that there is no significant risk of loss to the Group beyond the allowance already recorded.

The Group invests cash and cash equivalents with highly reliable financial institutions. The Group has only plain vanilla deposits with reputable banks, none of which has experienced any difficulties in 2021 or up to the date of these interim consolidated financial statements.

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 Group has a large portfolio of customers.

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

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

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group'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.

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 Group has determined a matrix for the provision for the remaining receivables recorded at the reporting date in which the population represented by outstanding receivables was segmented based on similar characteristics related to the line of business and has applied this matrix to discount the provision related to the expected losses from receivables.

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

Based on the internal history of the collection pattern in an observation period for overdue receivables, Autonom has updated a matrix of provisioning rates for receivables recorded at the reporting date. The observation period applied was 12 months and two points in time were used to verify the stability of the historical rates, including a point in time containing more recent and, therefore, relevant data for the economic situation generated by the 2020 pandemic.
Autonom has applied this matrix to discount the provision related to the expected loss on overdue receivables, while for clients classified as litigious, a provision was set for the full amount of the receivables outstanding 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 Group was found to be homogenous from a credit risk characteristics perspective, hence the following criteria was used for segmenting the trade receivables:

- Group entity (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.

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 Group does not hold collateral as security. Moreover, there are no credit enhancements obtained by the Group that would significantly alter credit risk or impact the booked allowance for credit risk.

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

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 using a provisioning matrix:

	Trade Receivables						
	Days past due						
30 June 2021	Current	1 to 30	31 to 60	61 to 90	91 to 120	above 120	Total
Expected credit risk loss rate	1.27%	3.02%	9.67%	11.20%	13.86%	91.70%	
Gross carrying amount	13,062,384	4,787,454	2,119,859	1,336,503	1,081,955	20,658,375	43,046,530
Expected credit loss	165,968	144,622	204,947	149,668	149,961	18,943,659	19,758,825

	Trade Receivables						
	Days past due						
31 December 2020	Current	1 to 30	31 to 60	61 to 90	91 to 120	above 120	Total
Expected credit risk loss rate	1.04%	4.15%	13.26%	32.71%	40.67%	96.84%	
Gross carrying amount	12,908,514	3,297,372	1,936,435	1,053,132	723,762	16,915,996	36,835,211
Expected credit loss	133,741	136,731	256,807	344,467	294,378	16,381,734	17,547,857

Liquidity risk

The Group has adopted a prudent financial liquidity management approach, assuming that sufficient cash and cash equivalents are maintained, and that further financing is available from guaranteed funds from credit lines. The tables below summarize the maturity profile of the Group's financial liabilities, including principal amounts and future interests according to contractual terms, at 30 June 2021 and 31 December 2020, based on contractual undiscounted payments.

30 June 2021	On Demand	Less than 3 months	3 - 12 months	1 - 5 years	>5 years	Total
Interest-bearing loans and borrowings and financial leases	-	9,922,546	61,052,426	179,560,630	-	250,535,601
Lease liabilities	1,268,061	17,201,387	89,059,044	204,476,837	-	312,005,330
Trade and other payables	997,723	14,164,844	1,444,301	3,047,811	-	19,654,679
Total:	**2,265,784**	**40,908,648**	**150,177,743**	**384,037,467**	**-**	**577,389,642**

31 December 2020	On Demand	Less than 3 months	3 - 12 months	1 - 5 years	>5 years	Total
Interest-bearing loans and borrowings and financial leases	2,642,852	13,387,104	63,280,016	167,053,414	-	246,363,386
Lease liabilities	1,506,523	19,404,915	52,949,426	222,858,800	-	296,719,664
Trade and other payables	477,817	7,102,337	4,831,562	3,896,940	-	16,308,656
Total:	**4,627,192**	**41,952,680**	**118,418,152**	**393,809,154**	**-**	**559,391,706**

At 30 June 2021, the Group had available undrawn committed borrowing facilities in an amount RON 48,232,574 and 6,060,960 EUR (31 December 2020: 45,593,315 RON and EUR 11,742,361) thus being able to respond to any unforeseen cash needs.

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

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

30 June 2021	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Total:	150,362,159	112,835,061	77,764,495	38,451,781	7,132,674	386,546,170

31 December 2020	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Total:	139,319,389	103,877,178	67,790,444	35,225,870	5,681,812	351,894,694

Capital management

Capital includes the equity attributable to the equity holders.

The primary objective of the Group'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 Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group may monitor capital using a gearing ratio, which is net financial debt divided by total equity– please refer to Note 28.
The Group'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 2020 and 30 June 2021 please refer to Note 18.

Fair values

The Group has no financial instruments carried at fair value in the statement of financial position except for non listed equity investments.

The carrying amount of the interest bearing loans and borrowings approximate their fair value. Management estimates that the margin applicable over ROBOR or Euribor at the balance sheet date would be similar to the ones at the dates of each previous withdrawal, due to the fact that the Group maintained over the past years a stable financial condition, and also based on the statistics published by the National Bank of Romania. For bonds also, the carrying amount as of 30 June 2021 approximates their fair value.

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

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

19. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

	Finance lease liabilities	Short term loans	Long term loans	Total
Balance at 1 January 2021	**278,814,568**	**73,432,309**	**148,130,785**	**500,377,662**
Drawings	65,048,305	14,382,166	32,563,846	111,994,317
Issuance of bonds	-	-	-	-
Transaction costs – bonds related	-	-	-	-
Interest expense	4,604,055	2,333,144	1,963,691	8,900,890
Early termination of lease agreements	(585,002)	-	-	(585,002)
Payments	(52,946,413)	(21,231,559)	(22,087,658)	(96,265,630)
Interest paid	(4,604,055)	(133,824)	(1,963,691)	(6,701,570)
Overdraft withdrawals	-	(6,167,319)	-	(6,167,319)
Changes in exchange rates	3,385,625	501,139	132,983	4,019,747
Balance at 30 June 2021	**293,717,082**	**63,116,056**	**158,739,956**	**515,573,095**

	Finance lease liabilities	Short term loans	Long term loans	Total
Balance at 1 January 2020	**262,367,816**	**76,883,979**	**185,349,478**	**524,601,273**
Drawings	106,046,132	11,925,836	42,021,114	159,993,082
Issuance of bonds	0	0	0	0
Transaction costs – bonds related	0	0	0	0
Interest expense	9,052,388	4,650,827	5,139,984	18,843,199
Early termination of lease agreements	(1,222,850)	0	0	(1,222,850)
Payments	(91,320,225)	(28,199,524)	(79,993,583)	(199,513,332)
Interest paid	(9,052,388)	(4,650,827)	(5,139,984)	(18,843,199)
Overdraft withdrawals	0	10,091,954	0	10,091,954
Changes in exchange rates	2,943,695	2,730,064	753,776	6,427,535
Balance at 31 December 2020	**278,814,568**	**73,432,309**	**148,130,785**	**500,377,662**

20. INVENTORIES

	30 June 2021	31 December 2020
Cars for sale	11,653,201	1,799,740
Allowances for inventories	(284,272)	-
Total inventories	**11,368,929**	**1,799,740**

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

Carrying value for the inventories for which allowances for inventories were recorded is in amount of RON 861,327.

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

Trade receivables

	30 June 2021	31 December 2020
Trade receivables	43,046,530	36,835,211
Trade receivable from related parties	511,394	1,538,729
Less allowance for impairment of trade receivables	(19,758,825)	(17,547,857)
Unbilled receivables	102,352	599,810
Trade receivables, net	**23,901,451**	**21,425,893**
Guarantees – non-current	596,507	172,554
Total	**24,497,958**	**21,598,447**
Other receivables and current assets		
VAT and other taxes	5,804,927	1,109,371
Advance to suppliers	2,744,032	3,215,008
Other receivables	272,879	646,896
Total	**8,821,838**	**4,971,276**
Prepayments	**744,149**	**1,012,467**

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
At 1 January 2020	**15,910,358**
Charge for expected credit losses	1,637,499
Unused amounts reversed	-
At 31 December 2020	**17,547,857**
At 1 January 2021	**17,547,857**
Charge for expected credit losses	2,210,968
Unused amounts reversed	-
At 30 June 2021	**19,758,825**

22. CASH AND CASH EQUIVALENTS

	30 June 2021	31 December 2020
Cash at bank in RON	10,152,296	42,050,845
Overnight deposits		5,621,463
Cash at banks in foreign currency	16,988,187	26,773,662
Cash on hand in RON	110,066	135,916
Cash on hand in foreign currency	30,502	21,546
Other cash equivalents	37,555	9,730
Total	**27,318,606**	**74,613,162**
Overdraft	(24,092,437)	(17,925,118)
Cash and cash equivalents for the purpose of the cash flow statement	**3,226,169**	**56,688,044**

Except for an amount RON 22,213 all cash accounts are pledged in favor of banks (remaining amount of cash accounts that were not pledged in favor of banks as at 31 December 2020 is RON 46,009).

23. ISSUED CAPITAL AND RESERVES

The shareholding structure at 30 June 2021 and 31 December 2020 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 at 30 June 2021 was 20,000,000 RON (31 December 2020: RON 20,000,000) representing 2,000,000 shares (31 December 2020: 2,000,000 shares). All shares are common, subscribed and paid in full on 30 June 2021. All shares have the same voting right and have a nominal value of 10 RON / share (31 December 2020: 10 RON/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 six month period ended 30 June 2021, 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 6,106,320. These reserves cannot be distributed.
- The remaining profit will be allocated to retained earnings.

23. ISSUED CAPITAL AND RESERVES (continued)

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 at 30 June 2021. 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

24. TRADE AND OTHER LIABILITIES

	30 June 2021	31 December 2020
Trade payables of goods of services	5,141,083	2,977,986
Trade payables of fixed assets	6,093,210	3,314,589
Accruals	205,238	82,914
Trade and other payables to related parties	1,716,909	1,538,729
Salaries and other employee related liabilities	785,989	1,619,450
Employee related taxes and contributions	915,912	956,554
VAT and taxes payables	(9,630)	281,306
Other liabilities	-	(1,500)
Advances from customers	1,821,975	941,788
Lease deposits and securities, out of which:	4,805,968	4,778,273
Current portion	*1,758,157*	*880,695*
Non-current portion	*3,047,811*	*3,897,578*
Total	**21,476,654**	**16,490,089**
Total trade payables and other short-term liabilities	18,428,843	12,592,511
Total trade payables and other long-term liabilities	3,047,811	3,897,578

As at 30 June 2021, and as at 31 December 2020, 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

Competition Council investigation

In 2017, the Competition Council announced an investigation on the operational leasing market regarding the legality of the exchange of information between leasing companies (one of the companies investigated being BT Operational Leasing).
At the end of 2020, the investigation was finalized, and no penalties were applied, only recommendations being issued on how to prepare quarterly reports.
Following the merger between the two entities, as of this reporting date, Autonom Services SA undertook these quarterly reporting obligations.

25. COMMITMENTS AND CONTINGENCIES (continued)

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 Group believes that it has paid in due time and in full all applicable taxes, penalties and penalty interests in the applicable extent.

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 at 30 June 2021 Group has commitments for the purchase of vehicles and equipment in amount of RON 10,220,372 RON (as at 31 December 2020 commitments in amount of RON 4,088,623).

26. RELATED PARTY DISCLOSURES

During the period 1 January 2021 - 30 June 2021, 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
Standard Marketing 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
United Properties SRL	Romania	entity under joint control	Sale/acquisition of goods and services
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
CMS (City Shuttle Management Services)	Romania	entity under joint control	Sale/acquisition of goods and services
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
Field Insight CEE	Romania	entity under joint control	Sale/acquisition of goods and services, loans granted

26. RELATED PARTY DISCLOSURES (continued)

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

Related party	2021	Sales to related parties 01.01-30.06	Purchases from related parties 01.01-30.06	Amounts owed by related parties As of 30.06	Amounts owed to related parties As of 30.06
Stefan si Compania		439,541	5,420,863	-	1,211,754
Autonom Hungary KFT		23,776	-	43,403	-
Autonom International		-	-	-	-
VMS		1,025,605	109,093	355,734	288
CMS		-	-	-	-
Autonom Assistance SRL		290,655	-	-	310,973
Stefan Autoservice SRL		65,026	619,810	110,166	130
Carcentric SRL		146,822	506,736	1,511	193,765
Autonom Serbia DOO		160	-	191	-
Clockwise SRL		136	-	-	-
Marius Stefan		-	-	-	-
Dan Stefan		-	-	-	-
Standard Marketing		-	-	-	-
Total		**1,991,721**	**6,656,502**	**511,394**	**1,716,909**

Related party	2020	Sales to related parties 01.01-30.06	Purchases from related parties 01.01-30.06	Amounts owed by related parties As of 31.12	Amounts owed to related parties As of 31.12
Stefan si Compania SRL		14,964	3,383,035	929,770	-
Autonom Hungary KFT		31,579	-	-	18,600
Autonom International		-	-	-	-
VMS		278,586	32,138	-4,689	257,566
CMS		1,718,926	55,789	34,209	428,149
Autonom Assistance (Proassista)		657,098	897,745	196,815	29,009
Stefan Autoservice SRL		63,879	362,746	259,448	30,231
Carcentric SRL		145,145	534,154	123,176	-
Marius Stefan		-	-	-	-
Dan Stefan		-	-	-	-
Field Insight		41,963			
Standard Marketing		23,172	-	-	2,531
Total		**2,975,303**	**5,265,606**	**1,538,729**	**766,086**

	30 June 2021	31 December 2020
Loan carrying amount		
Autonom International SRL	10,532,071	8,012,243
Total	**10,532,071**	**8,012,243**

In May 2021, RON 8,886,795 were repaid from the loan previously granted by the Company to its parent Autonom International SRL, and a new loan, with a nominal value RON 10,338,493 was granted for five years with a 3.5% interest rate.

26. RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel of the Group:

	Six month period ended	
	30 June 2021	**30 June 2021**
Short-term employee benefits	435,579	401,666
Total compensation paid to key management personnel	**435,579**	**401,666**

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

27. SEGMENT INFORMATION

For management purposes, until 31 December 2020, the Group was organized into business units based on business units based on independent activities performed by each Group entity and had two reportable segments, as follows:

- Autonom Services SA;
- BT Operational Leasing SA.

The Board of Directors was monitoring the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance was assessed based on net segment profit and segment EBITDA.

Following the merger with the subsidiary BT Operational Leasing, the Group has changed its structure, which has also led to a change in the business segments and, following the disappearance of the subsidiary (which was absorbed by the Company and is no longer monitored separately), starting 1 January 2021, it only has one reportable segment.

Details of the Group's revenues by type of goods and services are included directly in the interim 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), rent-a-car income, revenues from the sale of goods and other operating revenues (see also details in Note 6) are disclosed separately.

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

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

	Six month period ended			
	30 June 2021		30 June 2020	
	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	128,525,899	39,280,079	116,457,912	30,513,554
External, out which:	-	10,300,125	-	520,691
European Union	-	10,070,389		520.691
Greece	-	410,269	-	116.458
France	-	1,780,628	-	-
Germany	-	5,484,099	-	172.093
Bulgaria	-	1,089,511	-	-
Spain	-	1,305,881	-	-
Italy	-	-	-	232.140
Republic of Moldova	-	229,736	-	-
TOTAL OPERATING INCOME:	128.525.899	49,580,204	116,457,912	31,034,245

The non-current assets of the Group are located in full in Romania.

28. EBITDA AND OTHER NON-IFRS RATIOS (UNAUDITED)

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. No exclusion was necessary for the six month period ended 30 June 2021.

In addition, the Group 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.

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

		Six month period ended	
	Notes	30 June 2021	30 June 2020
Net profit		**12,517,653**	**4,150,739**
Adjustments to bridge net profit to EBITDA:			
Finance costs minus financial revenues	12	11,562,366	14,762,959
Income tax expenses	13	2,952,925	1,246,338
Depreciation, amortization and impairment of non-current assets	14	52,421,923	48,471,357
EBITDA		**79,454,867**	**68,631,393**
Gains from low price acquisitions			
Normalized EBITDA		**79,454,867**	**68,631,393**
Interest expense	12.1	**8,900,890**	**9,461,432**
Interest coverage ratio		**8.93**	**7.25**

28. EBITDA AND OTHER NON-IFRS RATIOS (UNAUDITED) (continued)

		30 June 2021	31 December 2020
Interest-bearing loans and borrowings, including interest on bonds	18	124,001,935	124,940,720
Bonds	18	97,854,077	96,622,374
Finance lease liabilities	15	293,717,082	278,814,568
Cash and cash equivalents	22	27,318,606	74,613,162
Net financial liabilities		**488,254,488**	**425,764,500**
Equity		**119,406,890**	**106,889,238**
Net financial liabilities/Equity		**4.09**	**3.98**

29. EARNINGS PER SHARE

	30 June 2021	30 June 2020
Profit attributable to ordinary equity holders of the parent	12,517,653	4,150,739
Number of ordinary shares	2,000,000	2,000,000
Earnings per share, basic and diluted (RON / share)	**6.26**	**2.08**

There are no dilutive instruments to be considered.

30. AUDITOR'S FEES

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

The fee for the review of the interim consolidated financial statements as of 30 June 2021 of Autonom Services SA prepared in accordance with MOF 2844/2016 was EUR 39,500 (excluding VAT).

31. EVENTS AFTER THE REPORTING PERIOD

Loans and borrowings

During the period between 30 June 2021 and the date of these financial statements, the Company contracted additional loans in a total amount EUR 8.9 million and RON 10 million, and leases in an amount EUR 2.1 million.

32. OTHER MATTERS

In 2021, Romania continues to face an increased number of COVID-19 cases in all areas of the country.

At the time of publication of this report, Romania is facing the 4th wave of the pandemic. The number of COVID-19 cases is increasing, a new structure of local restrictions has been created depending on the infection rate and if the growth will be accelerated, it is not excluded the implementation of a new quarantine period (night quarantine counting - is already among the measures applicable at local level depending on the infection rate), including the gradual closure of borders, limiting or prohibiting the movement of vehicles or people in / to certain areas. The quarantine could be implemented either at national level affecting the Company's activity throughout Romania, or at local level, affecting only the agencies located in certain counties or regions that are subject to restrictions. The rapid adaptation to the new reality, which contributed to diminishing the negative effect of the pandemic on the Autonomous activity, has already prepared the Management for an adequate response case a new state of emergency will be declared.

In June 2021 Fitch Ratings decided to maintain the IDR (Long-Term Issuer Default Rating) "B+" for Autonom Services. More importantly, Fitch revised our outlook from Negative to Stable in the context of Autonom's good profitability in 2020, 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.

Despite the fluctuations in the number of COVID-19 cases in Romania since the beginning of the year, in the first half of 2021 Autonom recorded increases across all business lines. Local, as well as international companies show increased interest in investing in operating lease services. On the rent-a-car side, Autonom recorded a historical rental rate: 88% in H1 2021 compared to 58% in H1 2020. The company continues to work on different case scenarios to be able to quickly accommodate any last-minute changes. The results recorded by the Company in first half of year 2021 show that the situation is evolving according to the positive scenario planned by Autonom.

The Company continues to make every effort to mitigate the effects of the pandemic on the business and to minimize the risk of employee illness in the Company. At the same time, Autonom is constantly ensuring that vehicles being rented are properly sanitized.

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).

These interim consolidated financial statements on pages 3 to 57 were approved by the Board of Directors and were authorized for issue on 29.09.2021.

Mihaela Angela Irimia
Name
Chairman of the Board of Directors

SC AVH CONSULTING SRL
Name: Hulan Angelica
Professional body reg. no.5138