

ABRIDGED BALANCE SHEET

as of December 31st, 2022

Form 10

- RON -

Item description	Line no. OMF NO. 4268 /202 2	Line no.	Balance as of January 1 st 2022	Balance as of December 31 st 2022
A		B	1	2
A. NON - CURRENT ASSETS				
I. INTANGIBLE ASSETS (acc.201+203+205+206+2071+4094+208-280-290-4904)	01	01	2.598	1.731
II. TANGIBLE ASSETS (acc.211+212+213+214+215+216+217+223+224+227+231+235+4093-281-291-2931-2935-4903)	02	02	270.761	391.469
III. FINANCIAL ASSETS (acc. 261+262+263+265+267* - 296*)	03	03	31.315	31.315
NON - CURRENT ASSETS – TOTAL (row 01 + 02 + 03)	04	04	304.674	424.515
B. CURRENT ASSETS				
I. STOCKS (acc.301+302+303+321+322+/- 308+323+326+327+328+331+332+341+345+346+347+/- 348+351+354+356+357+358+361+/-368+371+/-378+381+/-388+4091- 391- 392-393-394-395-396-397-398 – from acc.4428-4901)	05	05	2.403.041	4.824.918
II RECEIVABLES 1. (acc. 267*- 296*+4092+411+413+418+425+4282+431***+436***+437***+4382+441 **+4424+ from acc. 4428***+444***+445+446***+447***+4482+451***+453***+456***+4582+ 461+ 4662+473** - 491 - 495 – 496-4902+5187)	06	06a (301)	719.268	918.555
2. Receivables representing dividends allocated during the financial period (acc. 463)	07	06b (302)		
TOTAL (row 06a+06b)	08	06	719.268	918.555
III SHORT TERM INVESTMENTS (acc.501+505+506+507+508*+5113+5114-591-595-596-598)	09	07		
IV. CASH AND BANK (acc. 508*+5112+512+531+532+541+542)	10	08	6.804.266	5.044.322
CURRENT ASSETS – TOTAL (row 05 + 06 + 07 + 08)	11	09	9.926.575	10.787.795
C. PREPAID EXPENSES (acc. 471) (row 11+12)	12	10	210.969	182.558
Current amounts to be reversed (from acc. 471*)	13	11	10.638	50.920
Non-current amounts to be reversed (from acc. 471*)	14	12	200.331	131.638
D. LIABILITIES: AMOUNTS THAT SHOULD BE PAID WITHIN A PERIOD SHORTER THAN ONE YEAR (acc.161+162+166+167+168- 169+269+401+403+404+405+408+419+421+423 +424+426+427+4281+431***+436***+437***+4381+441***+4423+4 428***+444***+446***+ 447***+4481+451***+453*** +455+456***+457+4581+462+4661+467+473***+509+5186	15	13	880.591	386.787

+519)				
E. NET CURRENT ASSETS/ NET CURRENT DEBTS (row 09+11-13-20-23-26)	16	14	9.056.622	10.451.928
F. TOTAL ASSETS LESS TOTAL CURRENT DEBTS (row 04 + 12 +14)	17	15	9.561.627	11.008.081
G. DEBTS: AMOUNTS THAT SHOULD BE PAID WITHIN A PERIOD LONGER THAN ONE YEAR (acc.161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431***+436***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+451***+453***+455+456***+4581+462+4661+473***+509+5186+519)	18	16		
H. PROVISIONS (acc. 151)	19	17	220.161	260.000
I. DEFERRED INCOME (row 19 + 22 + 25 + 28)	20	18		
1. Subsidies for investments (acc. 475), (row 20 +21)	21	19		
Current amounts to be reversed (acc. 475*)	22	20		
Non-current amounts to be reversed (acc. 475*)	23	21		
2. Deferred income (acc. 472) (row 23 + 24)	24	22		
Current amounts to be reversed (acc. 472*)	25	23		
Non-current amounts to be reversed (acc. 472*)	26	24		
3. Deferred income for assets transferred by clients (acc. 478) (row 26+27)	27	25		
Current amounts to be reversed (acc. 478*)	28	26		
Non-current amounts to be reversed (acc. 478*)	29	27		
Negative goodwill (acc. 2075)	30	28		
J. CAPITAL AND RESERVES				
I. SHARE CAPITAL (row 30 + 31 + 32 + 33 + 34)	31	29	4.893.768	4.893.768
1. Subscribed and paid in share capital (acc. 1012)	32	30	4.893.768	4.893.768
2. Subscribed and not paid in share capital (acc. 1011)	33	31		
3. Patrimony of the public company (acc. 1015)	34	32		
4. Patrimony of the research & development national institutes (acc. 1018)	35	33		
5. Other items regarding ownership equity (acc. 1031)	36	34		
II. SHARE PREMIUM (acc. 104)	37	35		
III. REVALUATION RESERVES (acc. 105)	38	36		
IV. RESERVES (acc. 106)	39	37	669.894	864.860
Own shares (acc. 109)	40	38		
Gain related to equity instruments (acc. 141)	41	39		
Loss related to equity instruments (acc. 149)	42	40		
V. RESULT CARRIED FORWARD CREDIT BALANCE (acc. 117)	43	41	1.032.123	1.799.445
DEBIT BALANCE (acc. 117)	44	42	0	0
VI. RESULT OF THE FINANCIAL YEAR				
CREDIT BALANCE (acc. 121)	45	43	2.915.329	3.384.974
DEBIT BALANCE (acc. 121)	46	44	0	0
Profit distribution (acc. 129)	47	45	169.648	194.966
TOTAL OF SHAREHOLDER'S EQUITY (row 29+35+36+37-38+39-40+41-42+43-44-45)	48	46	9.341.466	10.748.081

Public assets (ct. 1016)	49	47		
Private assets (ct. 1017) 1)	50	48		
EQUITIES - TOTAL (row 46+47+48) (row 04+09+10-13-16-17-18)	51	49	9.341.466	10.748.081

*) Accounts to be distributed according to the nature of the said elements

**) Debit balance of those accounts

**) Credit balance of those accounts

1) Will be filled in by the entities that are subject to provisions of the Law nr.668/2014 of the minister of public finance and the minister that has been delegated for the budget for approval of any Mention regarding the elaboration and updating of centralized inventory of immovable goods that are private property of the state and the rights over inventories, considering any subsequent update or modification.

ADMINISTRATOR,

Surname and first name:
SOKIALIS IOANNIS

Signature:

**VALID
FORM**

PREPARED BY,

Surname and first name:
ION ANGELICA

Position:
11—ECONOMICS DIRECTOR

Signature:

Registration no. with the professional body:

<p>PROFIT AND LOSS ACCOUNT as of December 31st, 2022</p>	<p>F20 - pg.1</p>
<p>- RON -</p>	

Item description	Line no. OMF no. 4268 /202 2	Line no.	Financial year	
			2021	2022
A		B	1	2
1. Net turnover (row 02+03-04+06)	01	01	30.544.836	35.296.854
- of which, net turnover corresponding to the principal activity carried out	02	01a (301)		35.189.317
Sold production (acc.701+702+703+704+705+706+708)	03	02	138.173	240.337
Revenues from merchandise sale (acc. 707)	04	03	30.406.663	35.414.217
Commercial discounts granted (acc. 709)	05	04		357.7000
Income from operating subsidies related to the net turnover (acc.7411)	06	06		
2. Income related to the cost of work in progress (acc.711+712)				
Credit balance	07	07		
Debit balance	08	08		
3. Income on production of tangible and intangible assets (acc. 721+ 722)	09	09		
4. Income on revaluation of tangible assets (acc. 755)	10	10		
5. Income on production of real estate investments (acc. 725)	11	11		
6. Income on operating subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12	12		
7. Other operating income (acc.751+758+7815)	13	13	535.901	57.314
- of which, income on investment subsidies (acc.7584)	14	14		
- of which, income on negative goodwill (acc.7815)	15	15		
OPERATING INCOME - TOTAL (row. 01+ 07 - 08 + 09 + 10 + 11 + 12 + 13)	16	16	31.080.737	35.354.168
8. a) Raw material and consumable expenses (acc.601+602)	17	17	138.067	30.499
Other material expenses (acc.603+604+606+608)	18	18	37.172	30.229
b) Other external expenses (acc.605), of which	19	19		
- expenses with energy (acc.6051)	20	19a (302)		
- expenses with natural gas (acc. 6053)	21	19b (303)		
c) Merchandise expenses (acc.607)	22	20	24.309.658	27.714.026
Trade discounts received (acc. 609)	23	21		
9. Staff costs (row 23+24)	24	22	1.209.838	1.538.979
a) Wages and salaries (acc.641+642+643+644)	25	23	1.171.230	1.489.239
b) Social security contributions (acc.645+646)	26	24	38.608	49.740
10.a) Tangible and intangible assets value adjustments (row 26 - 27)	27	25	119.576	175.224
a.1) Expenses (acc.6811+6813+6817+ from acc.6818)	28	26	119.576	175.224
a.2) Revenues (acc.7813+ from acc.7818)	29	27		
b) Current assets value adjustments (row 29 - 30)	30	28		322.152
b.1) Expenses (acc.654+6814+ from acc.6818)	31	29		322.152
b.2) Revenues (acc.754+7814+ from acc.7818)	32	30		
11. Other operating expenses (row 32 - 37)	33	31	1.658.403	1.592.767
11.1. External services expenses (acc.611 +612+613+614+615+621 +622+623+624+625+626+627+628)	34	32	1.105.365	1.464.618

11.2. Other duties, taxes and similar levies; expenses with transfers and contributions due based on specific regulations (acc. 635 + 6586*)	35	33	12.675	14.234
11.3. Environmental protection expenses (acc. 652)	36	34		
11.4 Expenses with the revaluation of tangible assets (acc. 655)	37	35		
11.5. Expenses regarding calamities and other similar events (acc. 6587)	38	36		
11.6. Other expenses (acc.651+ 6581+ 6582 + 6583 + 6584 + 6588)	39	37	540.363	113.915
Provision adjustments (row 40 - 41)	40	39	156.258	39.839
- Expenses (acc.6812)	41	40	156.258	260.000
- Revenues (acc.7812)	42	41		220.161
OPERATING EXPENSES – TOTAL (row 17 to 20 - 21 +22 + 25 + 28 + 31 + 39)	43	42	27.628.972	31.443.715
OPERATING RESULT:				
- Profit (row 16 - 42)	44	43	3.451.765	3.910.453
- Loss (row 42 - 16)	45	44	0	0
12. Income from participating interests (acc.7611+7612+7613)	46	45		
- out of which, income from affiliated undertakings	47	46		
13. Interest income (acc. 766)	48	47	1.295	2.060
- out of which, income from affiliated undertakings	49	48		
14. Income from operating subsidies for due interest (acc. 7418)	50	49		
15. Other financial income (acc.762+764+765+767+768+7615)	51	50	9.841	98.407
- out of which, income from other financial assets (acc. 7615)	52	51		
FINANCIAL INCOME - TOTAL (row 45+47+49+50)	53	52	11.136	100.467
16. Value adjustment in respect of financial assets and financial investments held as current assets (row 54 - 55)	54	53		
- Expenses (acc.686)	55	54		
- Revenues (acc.786)	58	55		
17. Interest expenses (acc.666*)	57	56		
- out of which, expenses with affiliated undertakings	58	57		
18. Other financial expenses (acc.663+664+665+667+668)	59	58	69.939	111.602
FINANCIAL EXPENSES - TOTAL (row 53+56+58)	60	59	69.939	111.602
FINANCIAL RESULT:				
- Profit (row 52 - 59)	61	60	0	0
- Loss (row 59 - 52)	62	61	58.803	11.135
TOTAL INCOME (row 16 + 52)	63	62	31.091.873	35.454.635
TOTAL EXPENSES (row 42 + 59)	64	63	27.698.911	31.555.317
GROSS PROFIT OR LOSS:				
- Profit (row 62 - 63)	65	64	3.392.962	3.899.318
- Loss (row 63 - 62)	66	65	0	0
19. Corporate Tax (acc.691)	67	66	477.633	514.344
20. Income tax expenses resulting from settlements within the income tax group (acc.694)	68	66a (304)		
21. Income tax revenues resulting from settlements within the corporate tax group (acc.794)	69	66b (305)		
22. Tax specific to some activities (acc. 695)	70	67		
23. Other taxes not shown under the items above (acc.698)	71	68		
NET RESULT OF THE FINANCIAL YEAR:				
- Profit (row 64 - 65 - 66 - 67 - 68 - 66a + 66b)	72	69	2.915.329	3.384.974
- Loss (row 65 + 66 + 67 + 68 - 64 + 66a - 66b)	73	70	0	0

*) Accounts to be allocated by the nature of the items

Row 24 (cf.OMF no.4268/2022) - comprises the rights of the collaborators, according to labor acts, which are taken over from the debit run of the account 621 "Expenses with collaborators", analytically – "Natural persons collaborators".

Row 34 (cf.OMF no.4268/2022) - in the account 6586 "Other duties, taxes, and similar levies; expenses with transfers and contributions due based on specific regulations will be marked out the expenses representing transfers and contributions based on specific regulations, other than those stipulated in the Tax Code.

ADMINISTRATOR,

Surname and first name:
SOKIALIS IOANNIS

Signature:

PREPARED BY,

Surname and first name:
ION ANGELICA

Position:
11—ECONOMICS DIRECTOR

Signature:

Registration no. with the professional body:

MOTODYNAMICS SRL
RO5692980
J40/11950/2009
Bucharest, Sector 1,
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ending 31 December 2022

MOTODYNAMICS SRL

FINANCIAL STATEMENTS

**Prepared in accordance with Order of the Ministry
of Public Finance No.1802/2014 with subsequent
amendments, for the financial year ended on 31 December 2022.**

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Bucharest, Sector 1,
NOTES TO THE FINANCIAL STATEMENTS
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MOTODYNAMICS SRL
RO5692980
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Bucharest, Sector 1,
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ending 31 December 2022

NOTE 1: COMPANY INFORMATION

MOTODYNAMICS S.R.L. is a limited liability company, established in 1994 under the name ELIOPOULOS BROTHERS INTERNATIONAL TRADING SRL, which later become MOTORDYNAMICS SRL, the registered office being registered at the address Str. Odai, No.307-309, Bucharest, Sector 1, Romania. The company is registered at the Trade Register under number J40/11950/2009.

The company is the authorized importer of YAHAMA products (motorcycle and marine division) in Romania, having as main activity "Trade with motorcycles, parts and related accessories: maintenance and repair of motorcycles".

The company markets and provides services in the motorcycle and marine sector for both domestic and international customers. According to the constitutive act, the CAEN code for the main activity is 4540, which is also the CAEN code for the main activity carried out by the company.

The company is part of the MOTODYNAMICS SA Greece group. The consolidated annual financial statements are prepared at the level of the parent company, MOTODYNAMICS SA, having its registered office in Maroussi, Greece. These consolidated annual financial statements are public and can be obtained from www.motodynamics.gr the official website of the group.

NOTE 2: ACCOUNTING PRINCIPLES, POLICIES AND METHODS

2.1 The basics of preparing financial statements

These are the financial statements of MOTODYNAMICS SRL, for the financial year ending 31 December 2022, prepared in accordance with:

- Accounting law 82/1991 (republished in 2008), with subsequent amendments.
- Provisions of the Order of the Minister of Public Finance no.1802/2014, with subsequent amendments ("OMFP 1802/2014")

The accounting policies adopted for the preparation and presentation of the financial statements comply with the accounting principles set out in OMFP 1802/2014.

These financial statements include:

- Balance sheet
- Profit and loss account
- Explicative notes to the financial statements.

The financial statements refer only to MOTODYNAMICS SRL.

The company has no subsidiaries that make consolidation necessary.

The accounting records based on which these financial statements have been prepared are made in lei ("RON").

The accompanying financial statements are not intended to present the financial position in accordance with accounting regulations and principles accepted in countries and jurisdictions other than Romania. Furthermore, the financial statements are not intended to present the results of operations, cash flows and a complete set of notes to the financial statements in accordance with accounting regulations and principles accepted in countries and

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jurisdictions other than Romania. Therefore, the attached financial statements are not prepared for the use of persons who are not familiar with the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no.1802/2014 subsequent amendments.

2.2 Accounting principles

The financial statements for the year ended 31 December 2022 have been prepared in accordance with the following accounting principles:

Principle of continuity of activity

The company will continue in normal operation without going into liquidation or significantly reducing its activity.

Principle of permanence of methods

The company applies accounting policies and evaluation methods consistently from one financial year to the next.

Principle of prudence

In preparing the annual financial statements, recognition and measurement has been made on a prudent basis and in particular:

- a) only the profit realized at the balance sheet date has been included in the profit and loss account.
- b) liabilities arising during the current financial year or a previous financial year have been recognized even if they only become apparent between the balance sheet date and the date of the balance sheet.
- c) impairments have been recognized, regardless of whether the result for the financial year is profit or loss.

Accrual accounting principle

The effects of transactions and other events were recognized when the transactions and events occurred (rather than as cash or its equivalent was received or paid) and were recorded in the accounting and reporting and in the financial statements of the related periods.

All income and expenditure for the financial year have been taken into account, regardless of the date of receipt or payment.

Income and expenses arising directly and concurrently from the same transaction have been recognized simultaneously in the accounts by directly matching the related income and expenses, with separate recognition of such income and expenses.

Principle of intangibility

The opening balance sheet of the financial year agrees with the closing balance sheet of the previous year.

Principle of separate valuation of asset and liability items

In order to determine the total value of a position in the balance sheet, the value of each separate asset or liability item was determined.

Principle of non-compensation

Asset values have not been offset against liability values, respectively income against expenses.

The accounting and presentation of items in the financial statements taking into account the economic substance of the transaction or commitment in question.

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NOTES TO THE FINANCIAL STATEMENTS
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The recording in the accounts and the presentation in the financial statements of economic and financial transactions reflect their economic reality, highlighting the rights and obligations as well as the risks associated with these transactions.

The principle of evaluation at purchase cost or production cost

The items presented in the financial statements have been evaluated on the basis of the acquisition cost principle.

The significance threshold principle

The entity may deviate from the requirements contained in the applicable accounting regulations relating to disclosure and publication, even when the effects of compliance are immaterial.

2.3 Reporting currency

The accounts are kept in Romanian and in national currency ("RON"). The accounting of operations carried out in foreign currency is kept both in national currency and in foreign currency. The items included in these statements are presented in Romanian lei.

2.4 Comparative situations

The financial statements as of 31 December 2022 are comparable with the financial statements of the previous financial year.

2.5 Use of accounting estimates

The preparation of financial statements in conformity with OMFP 1802/2014, as amended, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The preparation of financial statements in conformity with OMFP 1802/2014, as amended, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimated. These estimates are reviewed periodically and, if adjustments are necessary, they are recognized in the income statement in the period in which they become known.

2.6 Continuity of activity

These financial statements have been prepared on a going concern basis, which assumes that the company will continue in business for the foreseeable future. To assess the applicability of this presumption, management reviews forecasts of future cash inflows. Based on these analyses, management believes that the company will be able to continue its activities for the foreseeable future and therefore the application of the going concern basis in the preparation of the financial statements is justified.

2.7 Currency conversions

Transactions rebased in foreign currency are initially recorded at the exchange rate communicated by the National Bank of Romania on the transaction date. At the balance sheet date, monetary items denominated in foreign currency and receivables and payables denominated in RON whose settlement is based on the exchange rate of a currency are valued and presented in the annual financial statements at the exchange rate communicated by the National Bank of Romania, valid at the end of the financial year. Gains and losses from foreign exchange rate differences, both realized and unrealized, between the exchange rate of the foreign exchange market, as communicated by the National Bank of Romania on the date of recording the foreign currency receivables or payables and those denominated in Romanian Lei at settlement, are accounted for based on the exchange rate of a

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NOTES TO THE FINANCIAL STATEMENTS
for the financial year ending 31 December 2022

currency, or the rate at which they are recorded in the accounting and the exchange rate at the end of the financial year, are recognized in the profit and loss account of the respective financial year.

Elements purchased with a foreign exchange premium and recorded at historical cost (fixed assets, inventories) are presented on the annual financial statements using the exchange rate at the transaction date. The exchange rates RON/EUR communicated by the National Bank of Romania on 31 December 2022 and 31 December 2021 were as follows:

Currency	31 december 2022	31 December 2021
RON/EUR	4.9474	4.9481

2.8 Intangible assets

Intangible assets are evaluated at cost less accumulated depreciation and impairment losses.

Concessions, patents, licenses, trademarks and similar rights and assets

Concessions, patents, licenses, trademarks and similar rights and assets are recorded in intangible assets accounts at input value or the purchase cost. In this situation the input value is assimilated to the fair value.

Patents, licenses, trademarks and similar rights and assets are depreciated using the straight-line depreciation method over the contract period or the useful life, as appropriate, as follows:

Type	Years
Licenses	5

Other intangible assets

The costs related to the acquisition of computer programs are capitalized and amortized on the base of straight-line method over a period of 3 years of useful life.

2.9 Tangible assets

Cost/Evaluation

The initial cost of tangible assets consists of the purchase price, including import taxes or non-recoverable purchase taxes, transport expenses, handling, commissions, notary fees, expenses for obtaining authorizations and other non-recoverable expenses attributed directly to tangible assets and any costs directly attributable to bringing the asset to the place and in working conditions. Commercial discounts received after the invoicing of identifiable tangible and intangible assets represent income in advance (account 475 "Investment subsidies"), being resumed in the profit and loss account for the remaining life of the respective fixed assets. Commercial discounts received after the invoicing of tangible and intangible assets which cannot be identified represent income of the period (account 758 "Other operating revenues").

Commercial discounts written on the purchase invoice that fully cover the counter value of the purchased fixed assets are recorded in the accounting at fair value, on account of the income in advance (account 475 "Investment

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subsidies”), the incomes in advance related to these fixed assets are taken over in the profit and loss account during the lifetime of the respective fixed assets.

The expenses incurred in connection with tangible immobilizations used based on a rental contract, management location, administration or other similar contracts, are highlighted, in tangible immobilizations or as expenses in the period in which they were incurred, according to the related economic benefits, similar to expenses carried out in the profit and loss account for the lifetime of the respective fixed assets.

Depreciation

Depreciation of the value of fixed assets with limited periods of economic use represents the systematic allocation of the depreciable value of an asset over the entire period of economic use. Depreciation value is represented by the cost.

Depreciation of tangible assets is calculated starting with the month following commissioning and until the full recovery of their input value. When determining the depreciation of tangible assets, the duration of economic use and the conditions of their use are taken into account.

Depreciation is calculated using the linear method throughout the life of the assets.

Investments made in tangible assets used based on a rental contract, management location, administration or other similar contracts are subject to depreciation during the duration of the respective contract.

Useful life for the main categories of tangible assets is presented in the following table:

Type	Years
Buildings	-
Machinery	4
Transport vehicles	3

The revision of the depreciation period may be justified by a significant change in the conditions of use, as well as in the case of investments or repairs, other than those determined by current maintenance, or the obsolescence of a tangible asset. Also, if the tangible immobilization is put into conservation, their use being interrupted for a long period, the revision of the depreciation period can be justified. when the elements that were the basis for the initial determination of the economic useful life have changed, the company establishes a new amortization period. The change in the economic useful life represents a change in the accounting estimate.

Disposals and Scrapping

A tangible asset is going to be out of use upon disposal or scrapped when no future economic benefit is expected from its subsequent use. In the case of removing a tangible asset from the records, the income from the sale, the

expenses representing the unamortized value of the asset and other expenses related to its disposal are highlighted separately.

For the purpose of presentation in the profit and loss account, the gains or losses obtained following the disposal or scrapped of a tangible asset are determined as the difference between the income generated by the removal from the records and its unamortized value, including the expenses caused by this and must be presented as a net value, as compensation or expenses, as the case may be, to the element "Other operating revenues" or "Other operating expenses".

Compensation from third parties

In the case of the total or partial destruction of tangible assets, the receivables or compensatory amounts collected from third parties, related to them, as well as the subsequent acquisition or construction of assets being distinct economic operations are registered as such based on supporting documents.

Thus, the depreciation of the assets is highlighted at the time of its determination, and the right to collect the compensations is highlighted on account of the income according to the accrual accounting, at the time of its establishment.

2.10 Depreciation of fixed assets

Determination of impairment losses

The recoverable value of tangible and intangible fixed assets is considered the higher of the fair value less the costs of sale and the value in use. Estimating the value in use of an asset involves discounting the estimated future flows 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 the case of an asset that does not independently generate significant cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The accounting value of the company's fixed assets is analyzed at each balance sheet date to determine if there are any impairment losses. If such an impairment loss is probable, the value of the impairment losses is estimated.

Correcting the value of tangible and intangible assets and bringing them to the level of the inventory value is carried out, depending on the type of existing depreciation, either by recording an additional depreciation, in case an irreversible depreciation is found, or by constituting or supplementing the adjustments for depreciation, in case a reversible depreciation of them is established. As mentioned in note 2.8 *Intangible assets*, the adjustments for the depreciation of the goodwill correct its value.

Resuming adjustments for impairment losses

An adjustment for depreciation of fixed assets is resumed if there has been a change in the estimates used to determine the recoverable amount. In the case of adjustments recognized for the depreciation of the goodwill, they are no longer added to income.

An adjustment for impairment can be resumed to the extent that the book value of the asset does not exceed the recoverable amount, less depreciation, which would have been determined if the adjustment for impairment had not been recognized.

2.11 Inventories

The main categories of inventories are goods, including those in third-party custody and consumables.

The cost of inventories includes all the costs related to the acquisition and processing, as well as other costs incurred to bring the inventories in the form and in the place where they are found. The commercial discounts granted by the supplier and written on the purchase invoice adjust in the sense of reducing the purchase cost of the goods. When the purchase of products and the receipt of trade discounts are treated together, the trade discounts received after invoicing also adjust the purchase cost of the goods. Commercial discounts received after invoicing correct the cost of the inventories they refer to if they are still under management. If the stocks for which the subsequent reductions were received are no longer under management, they are highlighted separately in the accounting (account 609 "Trade discounts received"), on account of third-party accounts. If the commercial discounts written on the purchase invoice fully cover the counter value of the purchased goods, they are recorded in the accounting at fair value, on account of current income (account 758 "Other operating revenues").

The cost of inventories is determined based on the standard cost.

Upon exit from management, inventories are valued based on the weighted average cost method.

At the balance sheet date, inventories are valued at the lower of cost and net realizable value. The net realizable value is the sale price estimated to be obtained during the normal course of the activity, less the estimated costs for completing the good, when applicable, and the estimated costs necessary for the sale.

Where appropriate, value adjustments are made for obsolete, slow-moving or defective inventories.

2.12 Trade receivables

Trade receivables are initially recognized and recorded at the value according to the invoices, or according to the documents certifying the delivery of the goods, respectively the provision of services.

The assessment of the recoverable value of the receivables at the balance sheet date is done at their probable collection or payment value. The differences found in the minus between the inventory value established at the inventory and the accounting value of the receivables are recorded in accounting on account of the adjustments for depreciation. Adjustments for depreciation are constituted when there is evidence according to which the company will not be able to collect the receivables at the initial aggregate maturity.

Uncollected receivables are recorded as expenses when they are identified.

The impairment loss relating to a receivable is reversed if the subsequent increase in recoverable amount can be related to an event that occurred after the impairment loss was recognized.

2.13 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank accounts, bank deposits (overnight).

2.14 Trade payables

Trade payables are recorded at cost, which represents the amount of the obligation to be paid in the future for goods and services received, whether they have been invoiced to the company.

2.15 Operational leasing contracts

Leasing contracts in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leasing contracts.

Payments under an operating leasing contract are recognised as an expense in the income statement on a straight-line basis over the operating leasing contract term. Incentives received for entering a new or renewed operating leasing contract are recognized as an integral part of the net consideration agreed for the use of the leased asset, regardless of the nature of the incentive, the form or timing of the payment, thereby reducing rent expense over the lease term on a straight-line basis.

2.16 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the liability can be measured reliably.

The amount recognized as a provision is the best estimate at the balance sheet date of the costs required to settle the current obligation.

The best estimate of the costs required to settle the current liability is the amount that the company would rationally pay to settle the liability at the balance sheet date or to transfer it to a third party at that time.

If the effect of the time value of the bank loan is significant, the amount of the provision represents the present value of the estimated expenditure required to settle the obligation. The discount rate used reflects current market assessments of the time value of money and the risks specific to the debt. Updating is carried out by specialized persons.

Gains resulting from the expected disposal of assets are considered in the valuation of a provision.

If it is estimated that part or all the expenses related to a provision will be reimbursed by a third party, the reimbursement should be recognized only when there is clear evidence that the reimbursement will be received. Reimbursement is considered a separate asset. The amount recognized as reimbursement does not exceed the value of the provision. If the company can ask another party to pay, in whole or in part, the expenses imposed for the

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settlement of a provision, and the company is not responsible for the amounts in the case, the company does not include the respective amounts in the provision.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If an outflow of resources is no longer likely to settle an obligation, the provision must be canceled by resuming income.

Other provisions

Not the case.

2.17 Pensions and post-employment benefits

As part of its current activity, the company makes payments to the Romanian State for the benefit of its employees. All employees of the Company are members of the Romanian State pension plan. The Company does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions. In addition, the company has no obligation to provide additional benefits to former or current employees.

2.18 Share capital

The share capital, composed of social shares, is registered at the value established based on the articles of incorporation. The company recognizes changes to the share capital only after their approval at the Trade Registry.

2.19 Legal reserves

It is constituted in the proportion of 5% of the gross profit from the end of the year until the total legal reserves reach 20% of the social capital paid in accordance with the legal provisions.

2.20 Dividends

Dividends are recognized as debt in the period in which their distribution is approved. The distribution of dividends is made after the approval of the financial statements.

2.21 Reported result

The accounting profit remaining after the distribution of the realized legal reserve share, within the limit of 20% of the share capital, is taken within the carried forward result at the beginning of the financial year following the one for which the annual financial statements are drawn up, from where it will be distributed to the other legal destinations.

Highlighting in accounting the destinations of the accounting profit is carried out in the year following the decision of the sole shareholder who approved the distribution of the profit, by recording the amounts distributing dividends due to the sole shareholder, reserves, and other destinations, according to the law.

2.22 Revenues

Turnover

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The revenues corresponding to the turnover are determined according to the specifics of the activity carried out.

Net turnover means the amounts obtained from the sale of products and the provision of services after deducting commercial discounts and value added tax and other taxes directly related to turnover. The net turnover corresponds to the mainly carried out activity presented in the profit and loss account, it is the net turnover related to the activity carried out under CAEN code 4540 "Trade in motorcycles, related parts and accessories: maintenance and repair of motorcycles". By the predominant activity carried out is understood the activity related to the CAEN code that generates the largest share of the company's net turnover. The company determined that the activity of trade in motorcycles and parts, maintenance, and repair, carried out under CAEN code 4540 "Trade in motorcycles, parts and related accessories, maintenance and repair of motorcycles" represents over 99.32% of the company's net turnover. To make this determination, the company applied the Order of the President of the National Institute of Statistics 337/2007 regarding the updating of the Classification of activities in the national economy - CAEN, proceeded to allocate the revenues related to the turnover recorded in accounting by CAEN sections and divisions and identified the suitable CAEN code.

Revenues from the sale of goods

Revenues from sales of goods are recorded at the moment of handing over the goods to the buyers, their delivery based on the invoice or under other conditions stipulated in the contract, which attests the transfer of the ownership of the respective goods to the customers.

Revenues from the sale of goods are recognized when the following conditions are met:

- a) the company has transferred to the buyer the significant risks and advantages arising from the ownership of the goods.
- b) the company no longer manages the sold goods at the level at which it would have done it, normally, in the case of owning them, nor does it have effective control over them.
- c) the amount of revenues can be reliably assessed.
- d) it is likely that the economic benefits associated with the transaction will be generated to the entity.
- e) transaction costs can be reliably assessed.

If the company retains only a significant risk related to the property right, the transaction represents a sale, and the income is recognized.

The moment when the significant risks and advantages related to the ownership of the goods are transferred is determined after examining the circumstances in which the transaction took place, and the terms of the sales contracts.

For the goods delivered under a consignment contract, it is considered that the delivery of the goods from the consignor to the consignee takes place from the date on which the goods are delivered by the consignee to his customers.

For goods sent for testing or compliance verification, it is considered that the transfer of ownership of the goods took place on the date of acceptance of the goods by the beneficiary.

Commercial discounts granted after invoicing, regardless of the period to which they refer, are highlighted separately in accounting (account 709 "Trade discounts offered"), on account of third-party accounts. If the commercial discounts represent events after the balance sheet date, they are recorded on the balance sheet date in account 418 "Customers – invoices to be issued" and are reflected in the financial statements of the exercise for which the report is made if the respective amounts are known from the balance sheet date.

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Revenues from the provision of services

Revenues from the provision of services are recognized in the period in which they were provided and in correspondence with the stage of execution. The provision of services includes the execution of works and any other operations that cannot be considered deliveries of goods.

The stage of execution of the work is determined based on the work situations that accompany the invoices, reception minutes or other documents that certify the stage of completion and the reception of the services provided.

Commission revenues

When the company acts as an agent and not as a principal in a transaction, revenues are recognized at the net value of the company's commission.

When acting in its own name, the company considers that it fulfills its performance obligation either by directly providing a specified good or service or by employing another party (for example, a subcontractor) to fulfill a partial performance obligation or in entirely in his name: in the other cases, the company considers that it acts as an agent.

2.23 Taxes and fees

The company registers current profit tax in accordance with the Romanian legislation in force at the date of the financial statements. Liabilities related to taxes and fees are recorded in the period to which they refer.

2.24 Financial incomes and expenses

Financial income includes interest income, income from exchange rate differences. Financial income is recognized based on accrual accounting. Thus, interest income is recognized periodically, proportionally, as the respective income is generated.

Financial expenses include expenses with exchange rate differences. Financial expenses are recognized based on accrual accounting.

2.25 Accounting errors

The errors found in the accounting can refer either to the current financial year or to the previous financial years; the errors from previous periods also refer to the erroneous presentation of information in the annual financial statements. Errors are corrected on the date of their discovery. Errors from previous periods are omissions and erroneous statements contained in the entity's financial statements for one or more previous periods resulting from the mistake of using or not using reliable information that:

- a) were available at the time the financial statements for those periods were approved to be issue.
- b) could have been reasonably obtained and considered in the preparation and presentation of those annual financial statements.

The correction of the errors related to the current financial exercise is carried out on account of the profit and loss. The correction of the significant errors related to the previous financial exercises is carried out on account of the carried over result. The insignificant errors related to the previous financial exercises are corrected on account of the profit and loss.

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The correction of errors related to previous financial exercises does not determine the modification of the financial statements of those exercises. In the case of errors related to the previous financial exercises, their correction does not require the adjustment of the comparative information presented in the financial statements. The comparative information regarding the financial position and financial performance, respectively the change in the financial position, are presented in the explanatory notes. In the explanatory notes to the financial statements, information is also presented regarding the nature of the errors detected and the periods affected by them.

2.26 Related parties

A related party is a person or an entity that is related to the entity that prepares financial statements, hereinafter referred to as the reporting entity.

A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity.
- ii. has a significant influence on the reporting entity.
- iii. It's a member of the key personnel in the management of the reporting entity or of the parent company of the reporting entity.

An entity is linked to a reporting entity if it meets any of the following conditions:

- i. the entity and the reporting entity are members of the same group (which means that each parent company, subsidiary, and subsidiary in the same group is linked to the others)
- ii. an entity is an associated entity or jointly controlled entity of the other entity (or an associated entity or jointly controlled entity of a member of the group of which the other entity is a part)
- iii. both entities are jointly controlled entities of the same third party
- iv. one entity is a jointly controlled entity of a third entity, and the other is an associated entity of the third entity.
- v. the entity is a post-employment benefits plan for the benefit of the employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself represents such a plan, the joint employers are also linked to the reporting entity.
- vi. the entity is controlled or jointly controlled by a person or a close member of the respective person's family who has control or joint control over the reporting entity, has significant influence over the reporting entity; or is a member of the key staff in the management of the reporting entity or of the parent company of the reporting entity.
- vii. a person or a close member of that person's family who has joint control over the reporting entity significantly influences the entity or is a member of the key management staff of the entity (or the entity's parent company)
- viii. the entity or any member of a group of which it is a part provides services to key personnel in the management of the reporting entity or the parent company of the reporting entity.

Key management personnel represent those persons who have the authority and responsibility to plan, direct and control the entity's activities, directly or indirectly, including any director (executive or otherwise) of the entity.

A person's immediate family members are those family members who can be expected to influence or be influenced by that person in their relationship with the entity and include:

- a) the children and the spouse or life partner of the respective person
- b) the children of the wife of life partner of the respective person
- c) the dependents of the respective person or the spouse or life partner of this person

According to OMFP 1802/2014, affiliated entities mean two or more entities within the same group.

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NOTE 3: FIXED ASSETS

The name of the immobilization element	Gross book value						Value adjustments (depreciation and adjustments for depreciation or loss of value)						Net book value	
	Balance at 1 Jan 2022	Increase	Revaluation	Decrease	Transfer	Balance at 31 Dec 2022	Balance at 1 Jan 2022	Depreciation	Discounts	Decrease	Transfers	Balance at 31 Dec 2022	Balance at 1 Jan 2022	Balance at 31 Dec 2022
0	1	2	3	4	5	5=1+2+3-4-5	6	7	8	9	10	11=6+7-8-9-10	12=1-6	13=5-11
Intangible assets														
Set-up and development expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Concessions, patents, trademarks, rights and assets and other intangible assets	129.188	0	0	0	0	129.188	126.590	867	-	-	-	127.457	2.598	1.731
Total intangible assets	129.188	0	0	0	0	129.188	126.590	867	-	-	-	127.457	2.598	1.731
Tangible assets														
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Technical installations and machines	377.945	528.885	-	313.240	-	593.590	233.806	152.048		66.196	-	319.658	144.139	273.932
Other equipment, tools and furniture	301.632	-	-	0	-	301.632	175.010	22.310	-	-	-	197.320	126.622	104.312
Tangible assets in progress	-	13.225	-	-	-	13.225	-	-	-	-	-	-	-	13.225
Total tangible assets	679.577	542.110	0	313.240	0	908.447	408.816	174.358	0	66.196	0	516.978	270.761	391.469
Financial assets														
	31.315	0	0	0	0	31.315	0	0	0	0	0	0	31.315	31.315
Total financial assets	840.080	542.110	0	313.240	0	1.068.950	535.406	175.225	0	66.196	0	644.435	304.674	424.515

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3.1 Intangibles assets

At 31 December 2022, net book value of intangible assets is of 1.731 lei, representing the integrated informatics program used for the activity carried out. Depreciation value of intangible assets is in amount of 127.457 lei, from which 867 lei in 2022.

3.2 Tangibles assets

At 31 December 2022, net book value of tangibles assets is of 391.469 lei.
 Depreciation value of tangibles assets is in amount of 516.978 lei, from which 174.358 lei in 2022.

Financial assets

The company has registered financial immobilizations in the amount of 31.315 lei (31 December 2021: 31.315 lei) and represents the guarantee for the lease agreement for premises with PROMTEH BUSINESS, starting with the year 2009, which has maturity until 31.08.2030.

Tangible assets in progress

During the year ended on 31 December 2022, the company rented a commercial space located at the same address as the registered office, with the intention of renovating it and using it as a showroom for marine products. In December, the company registered expenses related to the design of the new space in the amount of 13,225 lei.

Other information

Gross book value of tangible assets fully amortized at 31 December 2022 is of 219.413 lei (31 December 2021: 216.893 lei).

NOTE 4: INVENTORIES

	31 December 2021			31 December 2022		
	Cost	Adjustments for depreciation	Total	Cost	Adjustments for depreciation	Total
Raw materials and consumables	5.630	-	5.630	27.736	-	27.736
Finished goods	1.669.115	-	1.669.115	3.132.468	(97.627)	3.034.841
Inventories in progress	119.280	-	119.280	8.856	-	8.856
Inventories at third parties	609.016	-	609.016	1.753.485	-	1.753.485
Total	2.403.041	-	2.403.041	4.922.545	(97.627)	4.824.918

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NOTE 5: RECEIVABLES

At 31 December 2022 receivables of the company are as follows:

	Receivables	31 December 2021	31 December 2022	Liquidity term for the 31 December 2022 balance	
				Under 1 year	Above 1 year
1	Trade receivables – Third parties	455.295	784.708	784.708	-
2	Total trade receivables	455.295	784.708	784.708	-
3	Amounts to be collected from affiliated entities	167.995	3.565	3.565	-
4	Other receivables	95.978	130.282	130.282	-
5=2+3+4	Total trade receivables and other receivables	719.268	918.555	918.555	-

Trade receivables are non-interest bearing and generally have a payment term between 30-90 days.

Other receivables mainly comprise of income tax to be recovered and uncashed sick leave benefits in amount of 130.282 RON (31 December 2021: 95.978 RON).

NOTE 6: CASH AND BANK ACCOUNTS

	31 December 2021	31 December 2022
Bank accounts in RON	6.751.326	4.914.184
Bank accounts in currency	44.897	122.604
Cash	8.043	7.534
Total	6.804.266	5.044.322

NOTE 7: DEFERRED EXPENSES

	31 December 2021	31 December 2022	Amounts at 31 December 2022 to be resumed in a period of	
			< 1 year	> 1 year
Other expenses in advance	210.969	182.558	50.920	131.638
Total	210.969	182.558	50.920	131.638

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Expenses incurred in advance, with amounts to be recovered over a period of more than 1 year, mainly relate to expenses for the renovation of the motorcycle showroom in 2019, which will be recovered during the term of the lease contract.

NOTE 8: PAYABLES

At 31 December 2022 payables of the company are as follows:

		31 December 2021	31 December 2022	Chargeability term for the balance at 31 December 2022		
				Under 1 year	1-5 years	Over 5 years
1	Advances received on account of the orders	452.743	-	-	-	-
2	Trade payables – other related parties	83.611	10.619	10.619	-	-
3	Trade payables – suppliers third parties	105.958	206.318	206.318	-	-
4=1+2+3	Total trade payables	642.312	216.937	216.937	-	-
5	Amounts owed to entities in the group	-	-	-	-	-
6	Other payables	238.279	169.850	169.850	-	-
7=4+5+6	Total	880.591	386.787	386.787	-	-

Other payables mainly include payments to the state budget and the social insurance budget in the amount of 169.634 RON (2021: 236.870 RON).

NOTE 9: PROVISIONS

Name of provision	31 December 2021	Transfer in account	Transfer from account	31 December 2022
Provisions for other employee benefits	156.258	260.000	156.258	260.000
Provisions for litigation	63.903	-	63.903	-
Total	220.161	260.000	220.161	260.000

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The provisions for other employee benefits refer to the bonus that will be granted to employees the following year for meeting the objectives.

NOTE 10: CAPITAL AND RESERVES

Subscribed share capital

	31 December 2021	31 December 2022
Subscribed capital shares (cash)	55.611	55.611
Nominal value social shares (RON)	88	88
Value of subscribed share capital (RON)	4.893.768	4.893.768

The share capital of the company is fully paid up on December 31, 2022.

Structure of associates

	31 December 2021	%	31 December 2022	%
MOTODYNAMIKI SA	4.893.768	100	MOTODYNAMIKI SA	100

Result of the financial year and profit distribution

Profit Distribution	2021	2022	Proposal 2023
Reported result to be distributed at the beginning of the financial year	1.032.123	3.777.805	-
Net profit to be distributed	2.915.330	3.384.974	1.978.360
-legal reserve	169.648	194.966	-
-dividends related to 2021, and 2020	-	1.978.360	-
Undistributed profit, undistributed carried forward result at the end of the financial year	3.947.453	5.184.419	-

Profit will remain undistributed, until a new Decision of the Sole Shareholder.

NOTE 11: NET TURNOVER

Sales by geographic areas

Sales by activity

	2021	2022
ROMANIA	27.309.479	30.018.181
EUROPEAN UNION	2.468.612	4.176.658
REPUBLIC OF MOLDOVA	766.745	1.102.015

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Total sales	30.544.836	35.296.854
-from which, corresponding to the predominant activity carried out	30.483.368	35.189.317

NOTE 12: OTHER OPERATING REVENUES

Other operating revenues includes sales of assets in amount of 301.446 Ron with a related expense of 247.044 Ron, resulting net gains from the sale of tangible assets in amount of 54.402 Ron.

NOTE 13: PERSONEL EXPENSES AND INFORMATION REGARDING EMPLOYEES, MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

13.1 Administrators and directors

At 31 December 2022, the company had no obligation regarding the payment of pensions to the former administrators and executive management.

At the end of the financial year, there are no guarantees of future obligations assumed by the company on behalf of the administrators or directors.

13.2 Employees

Average number of employees has evolved as follows:

	2021	2022
Management staff	2	2
Administrative staff	6	9

The expenses with salaries and related taxes recorded during the years 2021 and 2022 are the following:

	2021	2022
Expenses with salaries	1.127.536	1.432.204
Expenses with benefits in kind for employees	6.129	6.623
Expenses with meal tickets granted to employees	37.565	50.412
Expenses with social security	38.608	49.740
Total	1.209.838	1.538.979

NOTE 14: OTHER OPERATING EXPENSES

In the table below, other operating expenses are detailed according to their nature:

	2021	2022
--	-------------	-------------

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1	Transport of goods and personnel expenses	58.399	97.104
2	Royalties and rental expenses	368.567	449.822
3	Bank commissions and similar charges expenses	29.707	38.596
4	Insurance premiums expenses	11.603	15.011
5	Maintenance and repair expenses	6.518	14.577
6	Postage and telecommunications expenses	19.163	17.963
7	Travel expenses	16.509	43.378
8	Entertaining, promotion and advertising expenses	159.653	223.771
9	Other third-party services	435.247	564.396
10 (rd 1-0)	Other third-party expenses	1.105.366	1.464.618
11	Other taxes, duties, and similar expenses	12.675	14.234
12	Other expenses	991.435	711.858
13 (rd 10-12)	Total	2.109.476	2.190.710

Within the expenses with royalties and rental is included the value of the royalties paid to PROMTEH BUSINESS SRL in amount of 327.602 Ron (2021: 251.867 Ron).

Other expenses mainly include depreciation expenses and provisions in amount of 532.850 Ron.

Other expenses with third party mainly include customs services, office utilities and RAR services in amount of 405.375 Ron (2021: 290.998 Ron).

NOTE 15: FINANCIAL REVENUES AND EXPENSES

		2021	2022
Financial revenues			
1	Interest income-deposit	1.295	2.060
2	Foreign exchange gains	9.841	98.407
3=1+2	Financial revenues, total	11.136	100.467

		2021	2022
Financial expenses			
1	Foreign exchange expenses	69.939	111.602
2	Financial expenses, total	69.939	111.602

NOTE 16: RELATED INFORMATION REGARDING RELATED PARTIES

16.1 Nature of related party transactions

Company name (including legal form)	Relationship nature	Type of transactions
MOTODYNAMICS SA	Sole Shareholder	Goods purchases/ good deliveries

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MOTODYNAMICS EOOD	Other related party	Goods purchases/ good deliveries
MOTODIKTIO SA	Other related party	Goods purchases/ good deliveries

16.2 Amounts due and receivables from related parties

16.2.1 Receivables from related parties

	31 December 2021	31 December 2022
MOTODYNAMICS SA	167.995	3.565
Total	167.995	3.565

16.2.2 Payables to related parties

	31 December 2021	31 December 2022
MOTODYNAMICS SA	83.611	10.619
MOTODIKTIO SA	32.544	-
Total	116.155	10.619

16.3 Information regarding transactions with related parties

16.3.1 Sales of goods and services and/or fixed assets

	2021	2022
MOTODYNAMICS SA	188.823	73.722
MOTODYNAMICS EOOD	476.272	344.754
Total	665.095	418.476

16.3.2 Purchases of goods and services

	2021	2022
MOTODYNAMICS SA	18.422.955	23.971.747
MOTODYNAMICS EOOD	397.645	341.399
MOTODIKTIO SA	38.989	3.071
Total	18.859.589	24.316.217

NOTE 17: CORRECTION OF ACCOUNTING ERRORS

In the financial year ended on 31 December 2022, the company did not adjust amounts on account of retained earnings.

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At 31.12.2021, the company has classified in the financial statements the amount of 452.742 Ron on account of advances for orders, this being in fact the amount settled by netting and discount in the following year, being corrected on 31.12.2022, as follows:

	Balance at 01.01.2022	Corrected on 31.12.2022
II. Receivables	719.268	266.525
D. Payables	880.591	427.848

NOTE 18: QUOTAS

18.1 Taxes

All amounts due to the State for taxes and duties have been paid or recorded at the balance sheet date. The tax system in Romania is in the process of consolidation and continuous change, and there may be different interpretations of tax legislation by the authorities, which may give rise to additional taxes, duties, and penalties. If the state authorities discover violations of the legal provisions in Romania, they may determine as appropriate: confiscation of the amounts in the case, imposing of additional tax obligations, application of fines, application of late payment surcharges (applied to the amounts outstanding). Therefore, tax penalties resulting from violations of legal provisions can reach significant amounts to be paid to the State.

The Company considers that it has paid on time and in full all taxes, duties, penalties, and penalty interest to the extent applicable.

In Romania, the tax year remains open for audits for a period of 5 years.

18.2 Transfer price

Under the relevant tax legislation, the tax assessment of a related party transaction is based on the concept of the market price of that transaction. Under this concept, transfer prices must be adjusted to reflect market prices that would have been established between entities between which there is no affiliation, and which act independently, based on "normal market conditions".

It is likely that transfer price verifications will be carried out in the future by the tax authorities to determine whether these prices comply with the "normal market conditions" principle and that the Romanian taxpayer's tax base is not distorted.

18.3 Legal claims (including the estimated value)

On 31 December 2022, the company has pending at the Bucharest Sector 6 Court, case no.21438/303/2022, opened against Mr. GRUMAZESCU STEFAN DRAGOS and NCM PLUS SRL as parties, with an estimated value of 1.000 Euro.

The company believes that this litigation will not have a material impact on the company's operations and financial position.

18.3 Environmental issues

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The company incurred environmental protection expenses for waste management in the amount of 6.661 Ron (2021: 5.398 Ron).

NOTE 19: COMMITMENTS

19.1 Commitments regarding future rent and leasing payments

During the 2022 financial year, the company recorded an amount of 122.220 Ron (2021: 116.700 Ron), related to rents paid in connection with operational leasing contracts.

ADMINISTRATOR,
IOANNIS SOKIALIS

ECONOMICS DIRECTOR,
ANGELICA ION

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SC MOTODYNAMICS SRL.
ODAI STREET, NO. 307-309 SECTOR 1, BUCHAREST
Registered at O.R.C. under no. J40/11950/2009
CUI RO 5692980, assigned fiscally RO

MANAGEMENT REPORT
Concluded as of 31.12.2022

SC MOTODYNAMICS SRL, having its head office in Bucharest, Sector 1, Odai Street, no. 307-309, is registered in the Trade Registry under no. J40/11950/2009, with the unique registration code RO 569980.

SC MOTODYNAMICS SRL performed its activity during the period 01.01.2022-31.12.2022, falling in line with accounting law 82/1991 republished, modified, and completed. There have been no changes in accounting policies, methods used in revaluation, recording of elements of patrimony and financial results, assuring the comparability of the financial information, as prescribed by the consistency principle.

During the period 01.01.2022-31.12.2022, the entity obtained a net turnover of 35.296.854 RON. The entity concluded the financial exercise at year end 2022 with a profit of 3.384.974 RON, obtained from the following:

- Operating Income	35.601.212 RON
- Operating Expenses	31.443.715 RON
- Operating Result	+3.910.453 RON
- Financial Income	100.467 RON
- Financial Expenses	111.602 RON
- Financial result	-11.135 RON
- Result (Gross Profit)	3.899.318 RON
- Income Tax	514.244 RON
- Net Profit	3.384.974 RON

Total Income was in the total amount of 35.701.679 RON, and total expenses, including income tax in amount of 514.244 RON, were in the total amount of 32.316.705 RON resulting a net profit of 3.384.974 RON.

The Company is a VAT paying entity and at 31.12.2022 it owed VAT payable in amount of 77.583 RON. The amount has been paid through PO (payment order) no. 49/23.01.2023.

Petty cash and cash at bank as of 31.12.2022 is in total amount of 5.044.322 RON.

Taxes to be paid to the state budget have been calculated in accordance with the relevant legislation within the legally prescribed timeframe.

The postings within the balance sheet correspond with the ones in the trial balance ended at 31.12.2022.

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ADMINISTRATOR
IOANNIS SOKIALIS

ECONOMICS DIRECTOR
ANGELICA ION