

## Remuneration Report of AutoWallis Nyrt. for 2023

on the basis of Act LXVII of 2019 on Promoting Long-Term Shareholder Engagement and Amendments to Certain Acts for Harmonisation Purposes (the Shareholder Engagement Act)

AutoWallis Nyrt. first approved its Remuneration Policy on the basis of the Shareholder Engagement Act in 2020, the financial year that began after the act had entered into force, and the Remuneration Policy was first applied in 2021, the subsequent financial year. To comply with its annual reporting obligation, the Company issues the following Remuneration Report for 2023.

### 1. Director

In line with the definition provided in the act, **Directors** include members of the Company's Board of Directors and its Supervisory Board, as well as its Chief Executive Officer.

In the previous financial year, the Company was managed by a Board of Directors consisting of 6 members, with a Supervisory Board consisting of 5 members also in place. The members of the Supervisory Board also made up the Audit Committee consisting of 5 members.

### 2. Remuneration Report

The Company prepares an **annual** Remuneration Report presenting all of the remuneration allocated to Directors in the previous financial year.

### 3. Compliance with the Remuneration Policy

The objective of the Remuneration Policy is to set out principles and practices for remuneration that are aligned with the Company's business strategy, long-term interests and sustainability, in accordance with the relevant legal requirements.

Accordingly, the remuneration of AutoWallis Nyrt. for 2023 is in line with the adopted remuneration policy along the following criteria:

- it offers fixed and variable, as well as short-term and long-term incentives,
- remuneration is **proportional to** the tasks performed, the degree of responsibility, the Company's own assets, the net sales revenue, the number of employees, the Company's profitability and its weight and importance in the national economy,
- it supports the Company's business strategy, **long-term interests and sustainability**, and promotes the transparency and accountability of corporate governance.

The established performance criteria encourage Directors to consider the long-term interests of external and internal stakeholders, investors, owners and employees when making decisions. The performance-based remuneration offered to the Directors is in line with the strategic objectives and values of the Company. Bonus awards include weighted Group-level, business unit, member firm and individual targets corresponding to the Directors' activities. Performance can be clearly assessed based

on the indicators and deadlines assigned to each target. Deferred stock options also provide management with an incentive for excellent long-term performance.

#### 4. Annual changes in remuneration over the past five financial years

For the first five financial years of application of the Remuneration Policy, this provision of the act applies only to remuneration paid under the Remuneration Policy adopted in accordance with the Shareholder Engagement Act, i.e. retroactively until 2021.

The remuneration paid by the Company for the past three years was in line with the requirements applicable then and now, with remuneration being commensurate with performance and supporting the Company's long-term objectives, which provided sufficient counterbalance to short-term interests. The average remuneration of the Company's non-executive employees changed proportionally with the remuneration of the Directors.

**The 36% increase in personnel expenses was proportional to the 36% revenue growth** in 2023Q1-Q4. The rise in personnel expenses was caused primarily by the acquisitions completed in 2022 and 2023 (Nelson's fleet management business, Net Mobilitás Zrt. and Wallis Autómegosztó Zrt.) and the resulting increase in average headcount, as well as the pay rise given in response to changes in the labour market. The Group's average headcount (at its fully consolidated subsidiaries) was up by 124 to 983 compared to the same period of the previous year.

The Group treats the development of core competencies as a strategic investment and makes every effort to ensure that the necessary staff and expertise are available to support growth, while maintaining the real value of salaries wherever possible. Over the past three financial years, the remuneration of the entities has been aligned with the opportunities arising from the Group's performance growth and labour market trends, which makes AutoWallis an attractive employer. Personnel expenses increased by 36% in 2023Q1-Q4, 56% in 2022, and 144% in 2021 in comparison with the base period.

#### 5. Stock option

The Company has been operating an ESOP Organisation since August 2019 in accordance with Act XLIV of 1992 on Employee Share Ownership Programs. The ESOP Organisation was launched by the Company's majority shareholder, and so the ESOP Organisation does not give rise to any expense or liability for the Company and the rest of the owners (other than the operation of the ESOP Organisation), and the share package necessary for launching the ESOP Organisation was provided by the majority shareholder without consideration. The participants of the ESOP Organisation are the Directors as defined in the Remuneration Policy, and the ESOP Organisation covers employees and senior executives specified in the Statutes of the ESOP Organisation and the ESOP Remuneration Policy who have entered into an employment contract or other employment relationship with the Company or another entity under the direct or indirect majority control of the Company and are listed in the decision on launching the program.

Participants of the ESOP Organisation acquire membership shares in the ESOP Organisation free of charge. If one or more of the conditions set out for the relevant ESO Program under the ESOP Remuneration Policy are fulfilled simultaneously, the participant will become entitled to receive or

acquire the number and type of shares issued by the Company and the yield (dividend) derived therefrom as determined under the ESOP Remuneration Policy. The date at which the entitlement arises is the date of fulfilment of one or more of the conditions set out for the relevant ESO Program under the ESOP Remuneration Policy, but not earlier than 24 months from the launch of the ESO Program. Participants of the program will receive their actual share if the targets set for the program are met. As of the same day, the ESOP Organisation will withdraw the participant's membership share by simultaneously reducing the initial capital by an amount corresponding to the nominal value of the membership share withdrawn.

**In April 2023**, the Group's second Employee Share Ownership Program was successfully completed. As part of the program, the Group's key managers received a total of 700,000 shares.

## 6. Reclaimed payments

The Company's Remuneration Policy stipulates that no bonuses that have been legally paid on the basis of fulfilled criteria may be reclaimed. Payments may be reclaimed in case of an infringement, including, in particular, if

- payment has been made on the basis of a material error in the Company's financial statements or reports, or
- the Director has misrepresented in a misleading or deceptive manner the achievement of an objective or result that is a condition for payment, or the decision-maker was otherwise mistaken in his assessment thereof,
- the Director has received the payment through an infringement committed either by him or by a third person.

The Company may reclaim payments from the Director within the limitation period under employment law.

## 7. Deviations from the Remuneration Policy

There were **no deviations** from the Remuneration Policy in connection with current-year remunerations.

## 8. Considering the vote of the General Meeting on the Remuneration Report for the previous year

Based on a vote of opinion, the General Meeting approved the Remuneration Report for the financial year 2022 prepared and proposed by the Board of Directors of the Company in accordance with Act LXVII of 2019 on Promoting Long-Term Shareholder Engagement and Amendments to Certain Acts for Harmonisation Purposes and the Company's currently effective Remuneration Policy.

## 9. Reviews by the auditor

The Company's designated **auditor verifies** whether the Remuneration Report contains the information required by the relevant law.

## 10. Payments based on the Remuneration Policy

Remuneration may be paid by the Company to its Directors **only on the basis of the Remuneration Policy** proposed for a vote of opinion at the General Meeting.

## 11. Publication of the Remuneration Report

This Remuneration Report will be made publicly available by the Company free of charge **on its website for a period of ten years** following the vote of opinion of the General Meeting.

The following table provides information on the remuneration of each Director in 2023.

Total earnings in 2023																	
Name of Director	Position at AutoWallis	Other positions	Fixed remuneration						Variable remuneration								Relative percentages of fixed and variable remuneration
			Based on employment and/or assignment with AW		Received from members of the Group		Other		AW Bonuses		AW Shares and share options		Received from members of the Group		Other		
			Type	Amount (thHUF)	Type	Amount (thHUF/EUR)	Type	Amount (thHUF)	Type	Amount (thHUF)	Type	Number of units	Type	Amount (thHUF/EUR)	Type	Amount (thHUF)	
Zsolt Müllner	Chairman of the <b>Board of Directors</b>	Wallis Asset Management Zrt. Member of the Board of Directors	Salary	9,969	-	-	Emoluments	3,175	Bonus	4,112	-	-	-	-	-	-	75%-25%
Gábor Ormosy	Member of the Board of Directors	Chief Executive Officer of AutoWallis Nyrt.	Salary	47,295	-	-	Emoluments	2,540	Bonus	33,857	ESOP	50,000	-	-	-	-	55%-45%
Péter Antal	Member of the Board of Directors	AutoWallis Nyrt. Retail and Services Business Unit Director, Executive Officer at Wallis Autókölcsönző Kft., Wallis Motor Ljubljana d.o.o. and AvtoAktív SLO d.o.o., Executive Officer at Wallis Motor Duna and Wallis Motor Pest	Salary	38,576	Salary	EUR 15,996	Emoluments	2,540	Bonus	27,996	ESOP	48,000	Bonus	EUR 15,996	-	-	55%-45%
Andrew John Prest	Member of the Board of Directors	Member of the Board of Directors at Wallis Asset Management Zrt., Executive Officer at AWD and AWD OPL	Salary	32,000	-	-	Emoluments	2,540	Bonus	10,695	ESOP	48,400	-	-	-	-	65%-35%



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			Type	Amount (thHUF)	Type	Amount (thHUF/EUR)	Type	Amount (thHUF)	Type	Amount (thHUF)	Type	Number of units	Type	Amount (thHUF/EUR)		Type	Amount (thHUF)
	Board and the Audit Committee																

Budapest, 4 April 2024