2023

CONSOLIDATED ANNUAL REPORT

WABERER'S

CONTENTS OF BUSINESS REPORT

The official consolidated financial statements of Waberer's International Plc are published in ESEF format in Hungarian. This document in pdf format is the unofficial English translation of the consolidated financial statements in ESEF format, but cannot be considered as an official document.

MESSAGE FROM THE CEO

"2023 has been a very eventful year for Waberer's Group. Industrial production and consumption data in Western Europe and Hungary, our main markets, stagnated or were even slightly down throughout the year, directly affecting demand for logistics services, while the Hungarian insurance market was forced to deal with the challenges of the special insurance tax. In terms of operations management, the main challenge for us throughout the year was, accordingly, to identify segments and customers in the market that are less affected by the general negative economic environment, relying on our diversified customer and service portfolio, and to allocate our logistics infrastructure towards these customers with the appropriate efficiency.

As a testament to the effectiveness of our work, in 2023 we were able to increase the Group's sales revenue by almost 5% and our annual EBIT generation capacity increased to EUR 42.8 million, the highest in the history of Waberer's Group, which I am particularly proud of. The continuous improvement in our ability to generate profits has enabled us to share our results with our shareholders in the form of dividends in 2023, for the first time in our stock market presence.

In 2023, we updated Waberer's Group's medium-term business and ESG strategy, which will guide and shape our activities in the coming years. Based on this strategy, we intend to grow Waberer's Group into the leading complex logistics provider in the Central and Eastern European region which, according to our plans, will deliver significant growth in earnings. We already managed to take significant steps to implement the strategy in 2023, with starting the development of the largest warehouse in the history of Waberer's on the outskirts of Budapest, the purchase of land in Debrecen to develop a new logistics centre, and the signing of a sale and purchase agreement to acquire a majority stake in the rail logistics leader PSP (Petrolsped) Group and the Serbian distribution company MDI. The first results of these actions will be visible as early as 2024. In 2024, we plan to continue on the path we have started, and I am confident that our investors will appreciate the results achieved, allowing Waberer's shares to remain an attractive investment target in 2024.

Finally, I would like to thank my colleagues for their work throughout the year and ask them to continue to work with the same enthusiasm to achieve our motivating goals for 2024."

Zsolt Barna
Chief Executive Officer

MANAGEMENT REPORT

ABOUT WABERER'S GROUP

3 MAIN AREAS OF OPERATION:

REGIONAL CONTRACT LOGISTICS (RCL) SEGMENT:

Market-leading Hungarian complex logistics service provider with an integrated service portfolio tailored to industry needs and customers (distribution, warehousing, home delivery, production support logistics, container transport, fresh goods logistics, etc.)

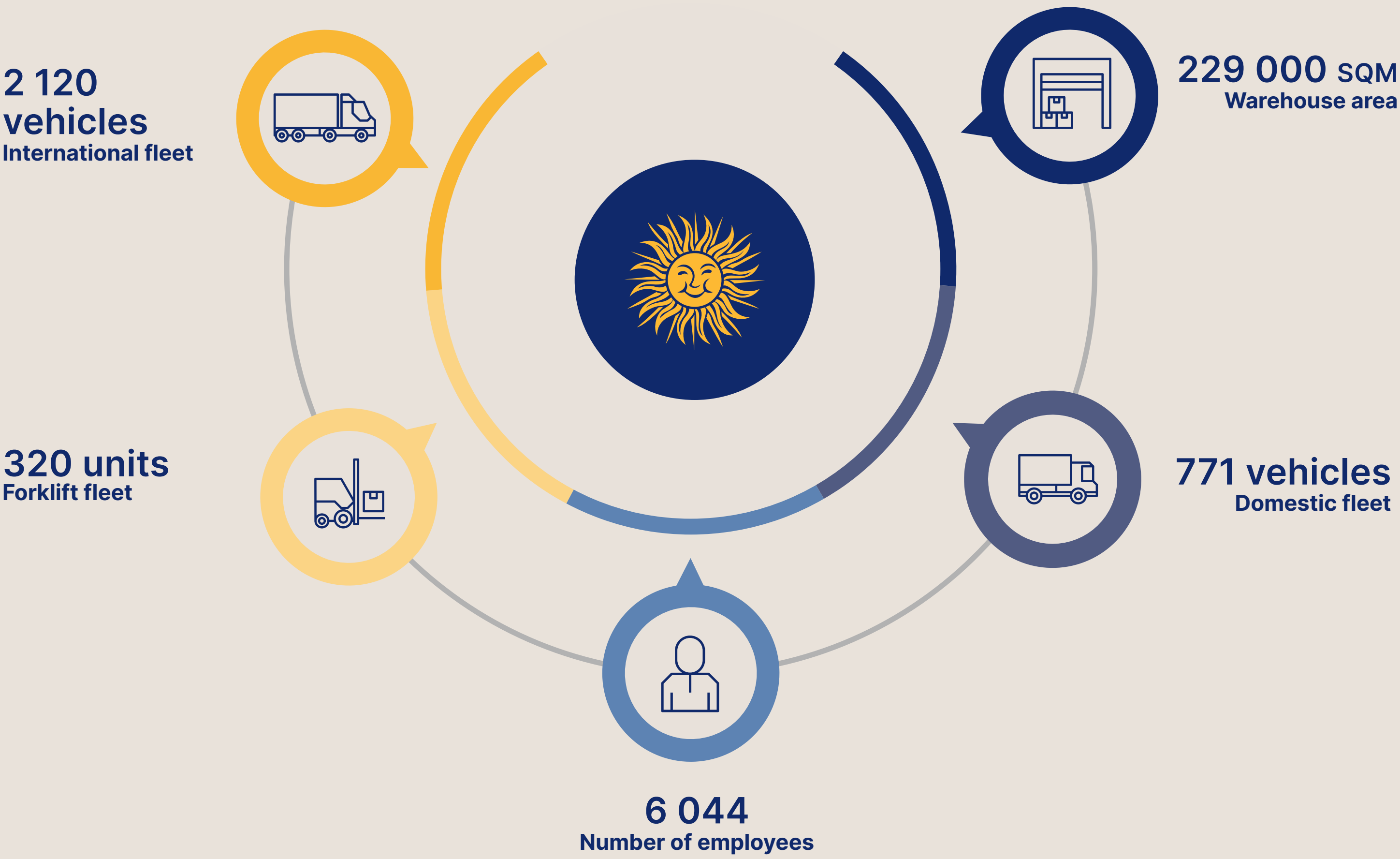
INTERNATIONAL TRANSPORT SEGMENT (ITS):

One of Europe's leading FTL (Full-Truck Load) transport service providers, with own fleet and subcontractor operations, as well as rail and intermodal services (combination of rail and road transport), focusing on Europe's main industrial centres (UK, Germany, France, Italy, Spain, Poland, Hungary, Slovakia) and Central and Eastern Europe.

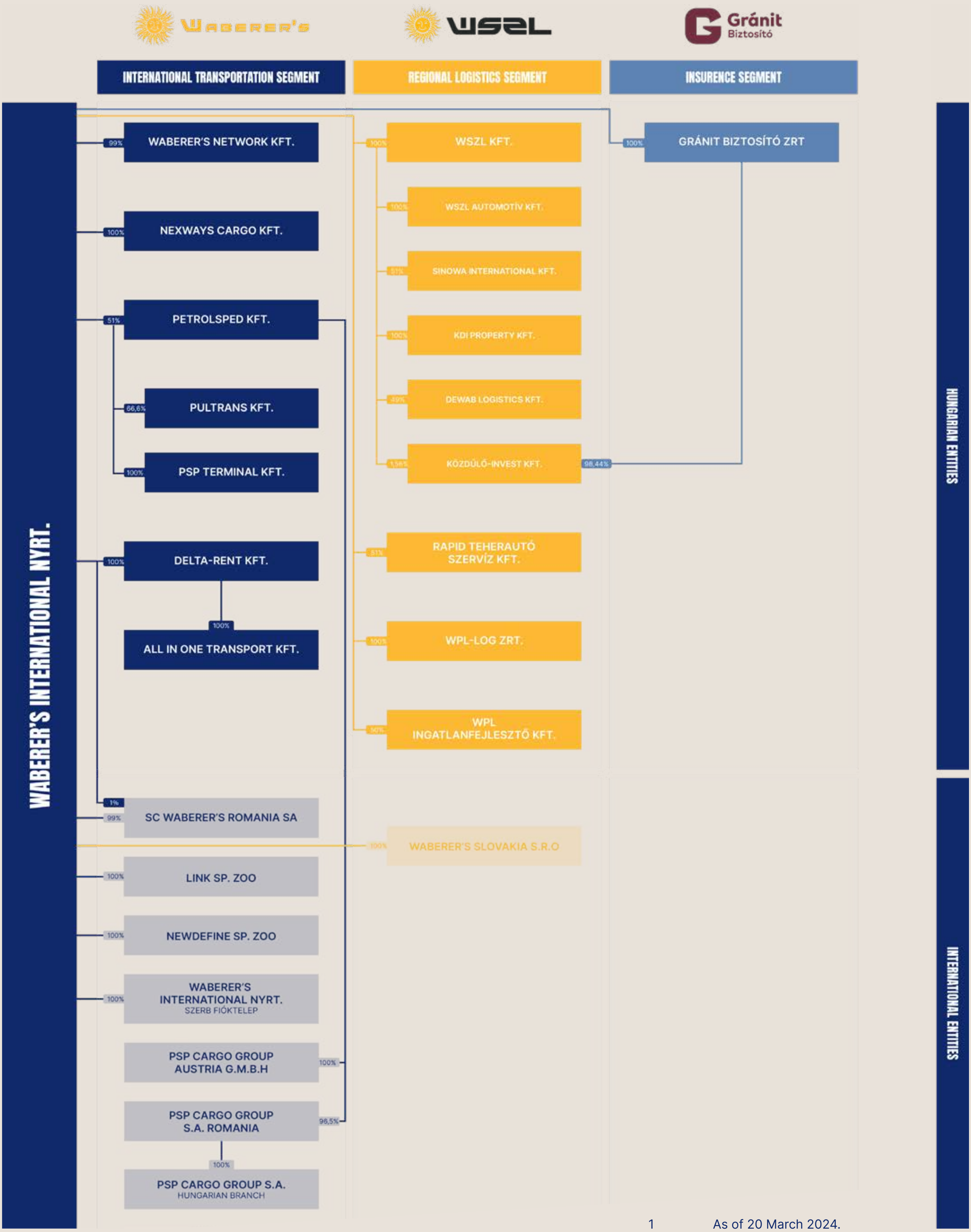
INSURANCE SEGMENT:

Insurance business focusing on non-life insurance products, with a focus on Hungary. Specialist in passenger and commercial vehicle insurance (MTPL, CASCO, CRM) with a significant market share.

KEY OPERATIONAL INDICATORS



PRESENTATION OF THE COMPANY STRUCTURE [1]



1 As of 20 March 2024.

STRATEGY

At the end of 2023, Waberer's Group updated and published its Group strategy towards 2027. The updated strategy builds on the development paths set in 2021 and focuses on further extending the achievements of the past 2 years.

Our Group's vision is to grow Waberer's Group into the leading complex logistics service provider of the Central and Eastern European region.

The main pillars of the strategy to achieve this vision are:

- Infrastructure and technology development
- Increasing added-value
- Diversification
- Sustainability

The following development directions have been defined for the various business segments based on the above pillars:

IN IMPLEMENTING THE PILLARS OF OUR STRATEGY, WE PAY PARTICULAR ATTENTION TO SUSTAINABILITY ASPECTS			
	INFRASTRUCTURE AND TECHNOLOGY DEVELOPMENT	INCREASING ADDED-VALUE	DIVERSIFICATION
CONTRACT LOGISTICS	• **Increasing warehouse capacity** (national coverage) in an energy-efficient manner • Expanding the **alternative powertrain** fleet	• **In-house** logistics growth • Establishing **fulfilment** logistics capability • **Home delivery** growth	• Regional **expansion** (acquisition of MDI) • Entering **new specialised logistics** service **segments**
TRANSPORTATION & FREIGHT FORWARDING	• Fleet **modernisation for more efficient** operations	• **Increasing the share of revenue** from **specialised FTL** services	• Increasing the share of **multimodal services** (acquisition of Petrolsped)
INSURANCE	• **Digitalisation** of back-office activities for claims settlement and customer service • Expansion and digitalisation of **sales channels**	• Delivering **full digital customer experience**	• **Expansion of the product portfolio** • Exploring the possibility of entering regional markets

CONTRACT LOGISTICS SEGMENT

Within the framework of the Group's Contract Logistics segment, which provides complex logistics services, we plan to implement the following major developments:

INFRASTRUCTURE AND TECHNOLOGY DEVELOPMENT

At the end of 2023, the segment provided warehousing and warehouse manipulation services on an area of nearly 230,000 m^2. Current warehousing activity is mainly performed in leased warehouses and concentrated in the Budapest area.

In 2022, we started the development of our first modern, company-owned warehouse in Ecser, along the M0 ring road bypassing Budapest. The close to 47,000 sqm warehouse will be completed in the first half of 2024, after which the warehouse space used by the segment will increase to approximately 300,000 m^2, and at the same time, the cost level of warehousing-related activities will decrease, as owning warehouse capacity will result in a significant cost reduction compared to leasing warehouses. In line with the industrialisation efforts in rural areas, we plan to further expand owned warehouse capacity in major industrial centres in the near future. As a first step in our development plans, in 2023 we acquired a plot of land in Debrecen suitable for the development of a logistics centre, on which we plan to build a 20,000 m^2 logistics centre in 2025, which will be able to serve the logistics needs of manufacturing companies in the region and further increase the efficiency of our national distribution activities. In the coming years, we plan to **expand our warehousing capacity** in more non-Budapest cities, in line with market demand and the pace of industrial production capacity expansion.

The segment carries out its domestic distribution activity with nearly 800 vehicles. For 3 years in a row now, we have been providing our customers with a **distribution service with** low environmental footprint **using alternative powertrain vehicles**, mainly LNG and electric. Given the current technological limitations (800-900 km range for LNG and 2-300 km range for electric vehicles), these vehicles can be integrated into our domestic distribution activities with greater efficiency compared to long-distance international freight transport activities. Our customers' demand for these low environmental footprint distribution services is growing radically. In response, we have built up our capabilities to offer tailor-made solutions to meet these unique customer needs, giving us a significant competitive advantage. In line with our corporate and ESG strategy, we intend to further increase the share of alternative powertrain vehicles in our fleet and maintain Waberer's leading position in green logistics services. In addition to the technologies currently in use and being tested, we are paying particular attention to the emergence of hydrogen-powered vehicles, we expect this technology to play a significant role in the long-distance freight transport industry in the long term, and we intend to start testing this technology within the period covered by our strategy, for which we have entered into a strategic alliance with other potential users and green hydrogen production companies in Hungary.

INCREASING ADDED-VALUE

In the contract logistics segment, we aim to focus sales on activities that can provide the biggest added-value to customers, require the highest expertise and accuracy from the logistics provider, and can become an addition to the existing service portfolio to foster deeper customer relationships.

Accordingly, we would like to further expand our portfolio of customer-facing **in-house logistics** services, which support the customers' existing manufacturing processes in the automotive, oil and chemical industries, and which are to be carried out at the customers' site. We also want to increase **our fulfilment and home delivery capabilities** to support online trade.

DIVERSIFICATION

The contract logistics segment is currently focused on Hungary. We aim to build a complex logistics service portfolio covering the entire region to exploit further growth opportunities and respond to the increasing demands of multinational clients.

We intend to enter markets in neighbouring countries primarily through acquisitions. Given the fact that an efficient logistics operation can only be established with the right economies of scale, entering markets through **acquisitions** can provide us with the infrastructure, workforce and existing customer portfolio to allow us to serve customers at the regional level. The acquisition currently focuses on Poland, the Czech Republic, Slovakia and the Western Balkans.

Further diversification of the segment focuses on services and special sub-segments where we currently have a low market share. Potential segments include serving pharmaceutical customers, and logistics services related to waste recycling, etc.

TRANSPORTATION AND FREIGHT FORWARDING

Infrastructure and technology development

The basis of own-fleet international transport is the existence of a fleet that can be operated efficiently and ensures reliable availability. As a result of **replacing the elements of our fleet** over the past 2 years, the Group has reached its strategic target of having an **average fleet age of 2.5 years.** In the coming years, we intend to maintain this average age and continue the process of ongoing fleet renewal, while we do not plan to make any significant changes to the size of the fleet, fine-tuning it in line with the results of current tenders

INCREASING ADDED-VALUE

In the international transport segment, a turning point is brought about by the shift to **key account focused** operations. The transport service offered by Waberer's can provide a competitive service to customers who expect **outstanding service quality, availability of additional services** (e.g. tracking, special cargo, flexible capacity allocation, alternative fuels, etc.) and customer-oriented operation. Accordingly, we intend to further increase the weight of key account customers and the ratio of freights requiring additional services within the operation, which we aim to increase to 60% by 2027 through the active management of the customer portfolio and sales focus.

DIVERSIFICATION

In international freight forwarding, Waberer's has to date focused on road transport and, to a lesser extent, intermodal transport, which can be considered a combination of road and rail transport. There is a growing expectation from both regulators and customers to significantly reduce the environmental footprint of long-distance transport. This objective can be supported by carrying out these transport tasks **by rail.** Recognising this, Waberer's Group signed a share purchase agreement in 2023 to acquire a majority stake in PSP (Petrolsped) Group, a company with significant infrastructure and experience in rail logistics. The transaction was successfully closed in 2024. We plan to use PSP (Petrolsped) Group as basis for the future transformation of our services to rail, and through this acquisition Waberer's will be able to enter the market for the transport of bulk goods that are already predominantly transported by rail (construction materials, grain, oil products, etc.). In addition to the rail logistics market, in 2023 we also entered the maritime logistics services market, further strengthening our multimodal capabilities and enabling us to provide intercontinental transport services.

INSURANCE

When the insurance business was set up as part of the Group, the primary objective was to efficiently manage the insurance of the Company's own fleet. Over the past 10 years, the insurance company has successfully expanded first in the commercial vehicle market and then in the passenger car market, becoming one of the top 3 insurers in the MTPL and CASCO market, with nearly 90% of its revenue and profit generated from third-party customers.

The lowest operating costs in the Hungarian insurance market form the basis of growth and profitability. This has been highly digitalised and based on efficient internal processes from the very start. The strategic objective of our Insurance segment is the ongoing digitalisation of back-office and customer relationship processes, which will ensure a low operating cost level providing a competitive advantage in the long term. In addition, in the spirit of further diversification, we intend to enter new market segments where Gránit Biztosító's operating model (e.g. in the home insurance market) can also provide a competitive advantage, and to build strategic alliances to expand our sales channels. In order to achieve our diversification objectives, we are also continuously exploring the possibility of participating in the market consolidation process.

As a result of implementing the above strategy, we plan to nearly double the Group's consolidated EBIT generation capacity of 2022 to EUR 61 million, with sales of over EUR 1.1 billion. To implement the strategy, we expect incremental investment of more than EUR 100 million in the period until 2027, of which almost 50% is already secured.

BUSINESS ENVIRONMENT AND RESULTS

INCOME STATEMENT (EUR IN MILLION)[2]

	2023	2022	BETTER (WORSE)
Revenue	710.9	679.4	4.6%
Direct costs	(621.2)	(593.7)	(4.6%)
of which: depreciation and amortisation	(52.8)	(46.7)	(13.1%)
Gross profit	89.7	85.6	4.8%
of which: excluding depreciation and amortisation	142.5	132.3	7.7%
OPEX [3]	(46.9)	(49.1)	4.4%
Operating Income	42.8	36.6	17.0%
Financial result	(4.0)	(11.4)	64.7%
of which: non-cash FX effect	6.5	(4.0)	264.6%
Taxes	(9.1)	(5.8)	(55.5%)
Net income	29.7	19.3	53.6%
Net income excluding non-cash FX effect	23.1	23.3	(0.7%)
Non-recurring items	-	-	-
EBITDA	95.6	83.3	14.8%
EBIT	42.8	36.6	17.0%
Gross margin	20.0%	19.5%	0.6 pp
EBITDA margin	13.4%	12.3%	1.2 pp
EBIT margin	6.0%	5.4%	0.6 pp
Net income margin	4.2%	2.8%	1.3 pp
Average number of trucks	2 891	2 775	4.2%
Average number of employees	6 044	5 816	3.9%
Average number of truck drivers	3 681	3 464	6.3%

2 Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected.

3 The OPEX line includes the following lines in the consolidated statement of comprehensive income: Indirect costs, Other income, Interest income calculated using the effective interest method, Other expenses, Change in results of embedded derivatives (+/-), Net impairment on financial assets

ECONOMIC ENVIRONMENT

Given its operating model and geographic focus, demand for Waberer's Group's services is driven primarily by changes in industrial production and household consumption trends in the main industrial production hubs of Western Europe (UK, Germany, France, Italy, Spain, Benelux), as well as Hungary and Poland.

In 2023, industrial production volumes in the Western European countries relevant for Waberer's declined by an average of 0.8% year-on-year, while the relevant Eastern European countries experienced a smaller decline of 0.2% on average. The volume change in the retail trade of non-food products shows a similar decline in the relevant Eastern European countries, down 0.2% year-on-year, and, compared to industrial production, a more moderate decline in the volume of retail trade of the relevant Western European countries, down 0.4% year-on-year.

As far as main costs are concerned, the fuel price level in 2023 decreased by 13% compared to the average of the previous year, however, volatility through the quarters was significant. Given that in 2022, the clauses in the transport contracts that deal with the impact of fuel price fluctuations have been amended to ensure that our service prices now track the impact of fuel price changes on a monthly basis, the impact of fuel price fluctuations on profits is marginal.

For the stability of operations, it is vital for Waberer's Group to have the appropriate workforce, with over 4,200 drivers and warehouse blue-collar workers supporting our logistic processes at Group level in 2023. In order to ensure sufficient staffing levels, we started recruiting – mainly drivers – from the labour markets of the neighbouring countries several years ago, and for the past 2 years we have been adding Asian staff members to our team. Due to the labour market situation in Hungary last year, there was no need to increase the share of foreign labour, as there was sufficient workforce available domestically, thus the efficient use of the machinery and fleet was not hampered by labour shortages. Regardless of the current labour market situation, we believe it is of paramount importance that we have built the channels that allow us to ensure that securing the right workforce does not pose a significant business risk in the long term.

REVENUE

The annual sales revenue of Waberer's Group increased by 4.6% to EUR 710.9 million in fiscal year 2023

The ITS segment's sales revenue, excluding intersegment items, increased by 3.3% compared to the previous year, to EUR 429.8 million. While the 13% annual average decrease in fuel prices automatically reduced the segment's revenue – due to the clause in the contracts and in order to neutralise the result –, the slight increase in fleet size (+107 vehicles) and the increase in the net fee level, i.e. excluding the impact of fuel and toll changes, offset the revenue-reducing effect of the fuel price change. The RCL segment's revenue, excluding intersegment items, increased by 2.8% to EUR 198.7 million in 2023. The increase in revenue was generated by the higher revenue of logistic activities supporting warehousing and manufacturing, which offset the slight decline of the revenue from distribution activities, driven by lower fuel prices. The Insurance segment, which covers third-party insurance activity, grew by 17.7% in euro terms to EUR 82.4 million, partly due to a slight strengthening of the forint against the euro (2.4%) – as the segment's revenues are mainly realised in HUF – and partly due to the growing contract portfolio.

GROSS PROFIT, EBITDA AND EBIT

In 2023, the gross profit at Group level, excluding depreciation and after reclassification of the insurance provision, was EUR 142.5 million as a result of an improvement of 7.7%. [4] The gross margin rate, excluding depreciation and amortisation, reached 20.0%. The gross margin rate in 2023 reached 17.9% in the ITS segment, 25.8% in the RCL segment and 21.1% in the Insurance segment.

Group EBITDA increased by 14.8% to EUR 95.6 million, with an EBITDA margin rate of 13.4%.

Consolidated EBIT increased to EUR 42.8 million in 2023 as a result of an EUR 6.2 million improvement.

NET INCOME

The result of financial operations was EUR -4.0 million, with an increase of EUR 7.4 million. Within the profit/loss from financial operations, the non-realised financial profit/loss without cash flow was EUR 6.5 million. The non-realised, non-cash FX rate changes are due to the differences of the currencies (HUF and PLN) in which the various subsidiaries keep their books. The decrease in the result from other financial operations is mainly due to the interest on the bond issued in 2022 and the increase in leasing interest rates due to the rising financing environment.

Net profit improved by EUR 10.4 million to EUR 29.7 million in 2023

The Company did not recognise any non-recurring items in 2023, in line with previous year's practice. The improvement in net profit was due to improved profit-generation capability in the core business and favourable exchange rate movements, which offset the impact of higher interest costs and rising tax charges.

4 Az adatokat a jobb összehasonlíthatóság érdekében korrigáltuk, a biztosításhoz kapcsolódó céltartalékok hatásait – amely egy közvetett költség tétel – közvetlen költségként soroltuk át, melynek értéke 2023-ben 4,8 millió euro volt.

CASH FLOW

CASH FLOW STATEMENT (IN MILLION EUR)	2022	2022
Net cash flows from operations	99.9	26.8
of which: change in working capital	45.2	(55.1)
Net cash flows from investing and financing activities	(123.0)	5.0
Change in cash and cash equivalents	(23.1)	31.8
Free cash flow	16.9	32.1
CAPEX	(38.4)	(19.4)

In 2023, cash flow from operations was EUR 99.9 million, EUR 73 million higher than in 2022. Cash flow from operations before changes in working capital decreased by EUR 27.2 million, mainly due to changes in technical reserves.

The operating cash flow in 2023 was EUR 99.9 million, of which EUR 45.2 million is due to changes in working capital. The impact of the change in working capital is mainly (in an amount of EUR 40.5 million) due to the impact of the transition to IFRS17 regarding insurance activities. The operating cash flow excluding the changes in working capital amounted to EUR 54.7 million in 2023, of which EUR -22.8 million is also the impact of the transition to IFRS17 regarding insurance activities.

The cash flow from investment and financing activities in 2023 showed a net outbound amount of EUR 123 million. The cash flow from investment activities in 2023 amounted to EUR -60.0 million, and mainly consisted of the investment in warehouse logistics in Ecser and investments in savings products related to insurance activities. The main components of the financing cash flow are cash outflows related to lease financing of EUR 44 million, leases and cash outflows related to interest paid on the corporate bond issued in 2022 of EUR 11.8 million, and dividends paid in the amount of EUR 4.7 million.

Free cash flow, comprising of cash flow from operations, investments, and elements of the fleet's lease-based financing, moreover, interest received and paid, amounted to EUR 16.9 million in 2023.

DEBT

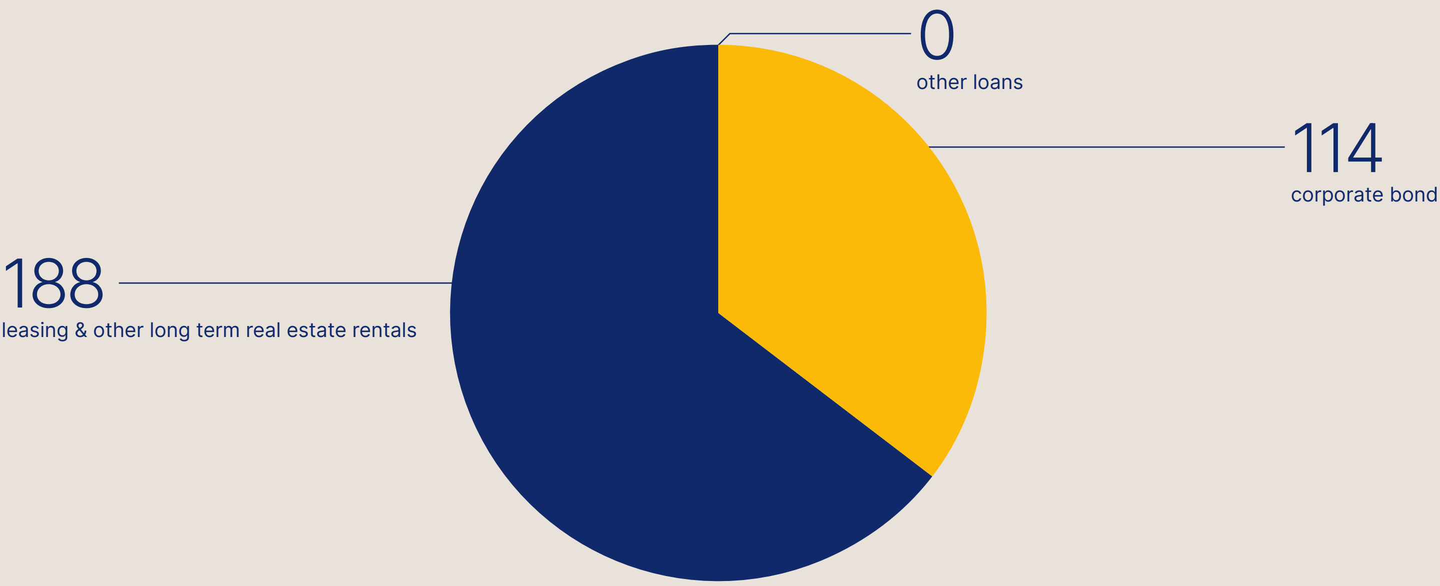
INDEBTEDNESS FIGURES (IN MILLION EUR)	31 DECEMBER 2023	31 DECEMBER 2022
Net financial indebtedness	214.2	150.0
Net leverage	2.2	1.8

The Company's net financial indebtedness position as at 31 December 2023 amounted to EUR 214.2 million, an increase of EUR 64 million compared to the end of the previous financial year.

The rising debt level, in line with previously communicated plans, is mainly due to the increase in lease liabilities (EUR +43 million) from fleet renewal and fleet replacement (with a slight increase in fleet size), and the EUR 38 million value of the Group's investments, the majority of which was related to the development of the Ecser warehouse.

The Company's net leverage, expressed as a multiple of the previous 12 months' recurring EBITDA, increased from 1.8x to 2.2x by the end of 2022.

At the end of 2023, Waberer's Group had access to the following main sources of external financing (in million EUR):



Corporate bond

- fixed-rate bond issued in 2022, maturing in 2032, with repayments starting in 2027 in 10% annual instalments. The purpose of the bond is to refinance loans, finance the construction of logistics warehouses, finance regional acquisitions and finance fleet replacement.

Leasing and long-term real estate rental agreements:

- Waberer's Group finances the vehicles in its fleet mainly through leasing.
- Waberer's Group typically enters into long-term leases for the use of real estate rented for its operations (mainly warehouses and partly office buildings). The value of rents under these agreements is capitalised under current IFRS16 rules, and included in the Group's debt portfolio.

Other credits:

- There were no other working capital and long-term, debt-type items at the end of 2023.

MAIN EVENTS IN 2023

In 2023, the following major events took place at Waberer's Group:

FEBRUARY 2023:

- Construction work begins to build Waberer's new, 47,000 sqm warehouse in Ecser.

APRIL 2023:

- Out-of-court settlement reached with a truck manufacturer in a competition law infringement case opened in 2017
- Waberer's holds its Annual General Meeting
- Zsolt Barna is elected Chairman of the Board of Directors of Waberer's

MAY 2023:

- Merkport Zrt., a member of BDPST Group, acquires the 22.88% share stake owned by HIGH YIELD Vagyonkezelő Zrt.

JUNE 2023:

- Waberer's pays dividends to shareholders for the first time in its history
- Waberer's has met its strategic objective of rejuvenating its fleet, and has again reduced the average age of the fleet to 2.5 years.

JULY 2023:

- A new service element is added to Waberer's Group's service portfolio in sea freight and air cargo service

OCTOBER 2023:

- Waberer's signs a sale and purchase agreement to acquire 55% of MDI in Serbia
- The proprietary MESH digital platform is launched, which provides subcontractors with a standardised freight exchange service and additional ancillary services (e.g. flexible payment schemes, discounted service & transit fee services, etc.), to support the expansion of our transport activities

NOVEMBER 2023:

- Waberer's signs a sale and purchase agreement to acquire 51% of Petrolsped Group, a rail logistics company
- Waberer's publishes its strategy towards 2027
- In line with the objectives set out in the strategy, Waberer's purchases land in Debrecen for warehouse construction
- Waberer's Board of Directors adopts the Group’s ESG strategy

DECEMBER 2023:

- MOL acquires a 15% stake in Waberer’s, and the parties enter into a strategic agreement to expand existing logistics and purchasing cooperation

OWNERSHIP STRUCTURE / CAPITAL MARKET PERFORMANCE / INVESTOR RELATIONS

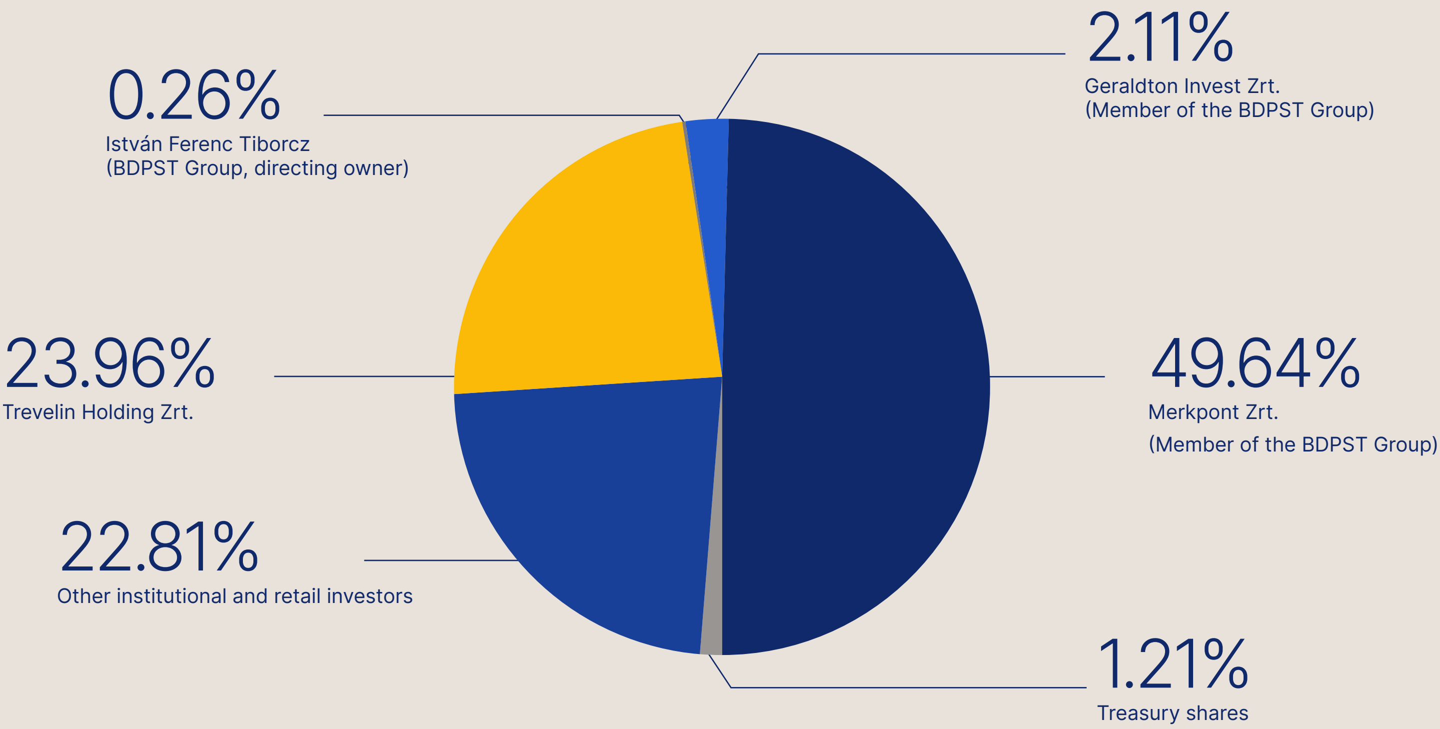
SHAREHOLDER STRUCTURE

The main changes to the ownership structure of Waberer's in 2023 are as follows:

- On 11 May 2023, Merkport Zrt., a member of BDPST Group, acquired the 22.88% share stake owned by HIGH YIELD Vagyonkezelő Zrt.
- Trevelin Holding Zrt. sold a 4.92% block of shares on 22 December 2023.

In addition to the above-mentioned and already completed share transactions, on 5 December 2023, Trevelin Holding Zrt. announced its intention to sell a block of shares corresponding to 15% of the shares to MOL Vagyonkezelő Kft, a wholly-owned subsidiary of MOL Nyrt., while the remaining block of shares will be sold through an investment service provider.

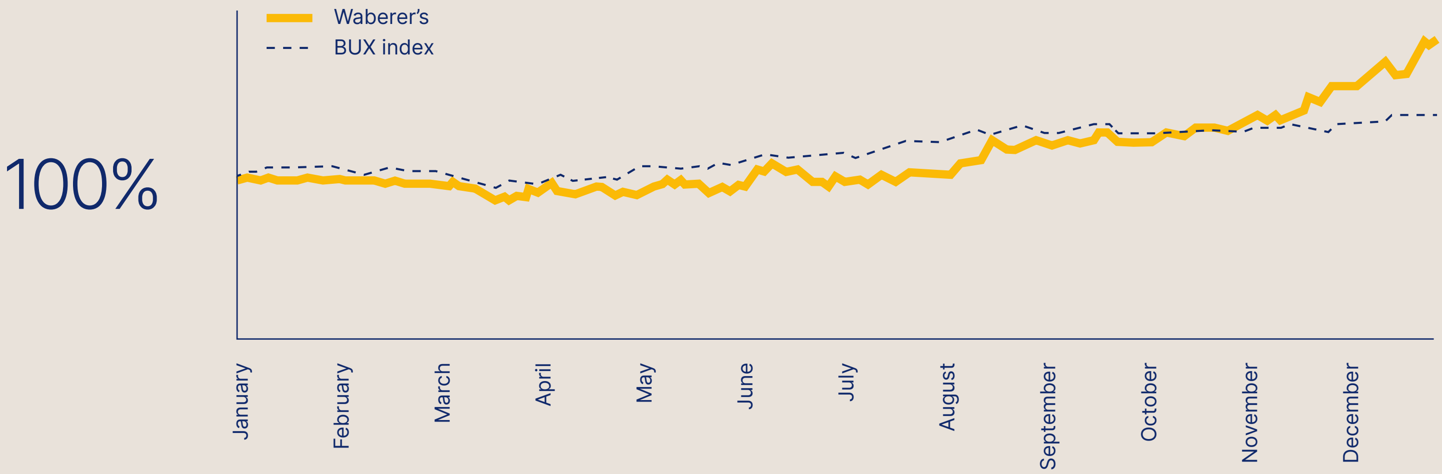
As a result of the above, already implemented changes, the ownership structure of Waberer's International Nyrt. as at 31 December 2023 was as follows[5]:



5 Source: KELER Zrt. and information from the owners. Note: the above figures do not necessarily reflect the ownership structure as recorded in the share register. Registration in the share register is not compulsory. However, shareholders can only exercise their rights as shareholders against the company if they are registered in the share register.

CAPITAL MARKET PERFORMANCE

Waberer's steadily improving performance in recent years has been rewarded by capital market participants, leading to a significant increase in the share price in 2023, outperforming the benchmark BUX index. The company's share price rose by 85% from HUF 2,080 at the beginning of the year to HUF 3,840, compared to a 39% increase in the BUX index.



Both analysts monitoring the company's performance recommend Waberer's shares for buying, and the target price for the shares was also raised during 2023, to HUF 4,211 by Equilor Befektetési Zrt. and HUF 4,800 by Concorde Értékpapír Zrt.

ANALYSTS

The Company's performance in 2023 was regularly monitored by the following 2 research houses.

NAME OF ANALYST FIRM	NAME OF ANALYST	CONTACT DETAILS
Concorde Értékpapír Zrt.	Gábor Bukta	g.bukta@con.hu
Equilor Befektetési Zrt.	Zoltán Árokszállási	zoltan.arokszallasi@equilor.hu

The regular analyses prepared by the analysts are available on the Company's website at:
https://www.waberers.com/hu/befektetoknek/elemzesek

INVESTOR RELATIONS

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DIGITAL TRANSFORMATION

The digital transformation of the logistics industry, which has recently been gaining momentum, is a strategic priority for Waberer's Group. Its main objectives are to optimise operations and increase the efficiency of the workforce, for the purpose of which there have been a number of recent and ongoing IT developments. In the following section, the major projects and developments in this area are highlighted.

MESH ONLINE FREIGHT EXCHANGE

We have introduced a self-developed, free, online freight exchange for our transport directorate, which works with more than 2,000 qualified subcontractors, offering our transport partners a unique opportunity to collaborate in a smooth, convenient, swift and reliable fashion. After the qualification process is completed, partners can win orders, and the entire transport process can be tracked in the system, from ordering to an easy and clear documenting and invoice management process. The launch in autumn 2023 focused on international transport, but the medium-term goal with it is to become a general, regional subcontracting platform to support the national and regional transport community.

DRIVING STYLE APPLICATION

With the help of our proprietary mobile application, we expect to reduce carbon emissions by 900 tonnes per year in the international transport segment.

Innovative solutions move us forward in terms of sustainability and fuel-efficient operations. Our newly-developed mobile app aims to encourage our drivers to drive in an environmentally-conscious and economical manner. The application analyses drivers' driving techniques, and provides specific, personalised advice for more efficient fuel consumption. It was launched in the international transport segment, and will gradually be extended to domestic transport. The app rates drivers based on a number of criteria, such as cruise control use, coasting and effective braking. Drivers are awarded a score based on their performance, and receive daily, weekly and monthly analyses to track their progress.

DIGITAL TRANSFORMATION PROJECTS TO REDUCE PAPER USE

One of the positive benefits of digital transformation projects has been a 30 percent reduction in Waberer's Group's paper consumption over the past years, even though the Company has grown steadily in terms of both headcount and complexity since the COVID period. Examples include software automation with bots, BI dashboards supporting interactive decision-making, mobile and web applications supporting handover processes and questionnaires, the growing adoption of electronic signatures, and last but not least, online training and document posting for drivers.

LINK CARRIER WEB

With the help of the so-called Carrier Web application introduced in the transport business of our Polish subsidiary, the Company is in direct contact with the drivers of its subcontracted partners, and collects information, which greatly speeds up and improves communication, ensuring accurate information flow and transparency, not only to operations, but also towards the customers concerning the status of the order, loading and arrival times, possible changes, incidents.

TECHNICAL IMPROVEMENTS

In fiscal year 2023, technical developments primarily focused on improving the energy efficiency of our sites, speeding up our maintenance processes, and building electric vehicle charging facilities.

ENERGY EFFICIENCY INVESTMENT PROJECTS

We installed solar panels on major Company-owned sites, installed new insulation on major – also Company-owned – office buildings, and upgraded lighting in Company-owned warehouses and office buildings.

As a result of these investments, the energy savings of Hungarian sites in 2023 amounted for 27.7%, while annual energy cost savings reached 36.2%. The above investment projects were implemented in several phases during 2023, and are expected to deliver further energy savings in 2024, when the full year of operation at higher efficiency will have its impact.

ACCELERATION OF MAINTENANCE PROCESSES

For vehicles returning to our sites, we have implemented an AI-based fault detection solution, whereby any damage or visible faults on inbound vehicles are automatically identified as they pass the detection cameras, allowing for more timely and efficient repairs. By introducing the system, we can reduce the time vehicles are parked for maintenance, and improve their utilisation.

INSTALLATION OF ELECTRIC FAST CHARGERS

We installed 4 electric fast chargers at our central warehouse site to charge our electric commercial vehicles. Each charger is equipped with a 90 kW DC charging capacity and a 43 kW AC power socket, allowing the 4 chargers to charge 8 electric vehicles simultaneously. The chargers are equipped with a state-of-the-art remote monitoring system, so that an alarm is immediately sent to the charge management system in case of a breakdown, maximising the availability of the vehicles, and allowing the energy consumption of the vehicles to be supervised in detail.

SUSTAINABILITY

As the largest logistics company in Hungary and one of the largest in the EU, Waberer's Group has been committed to sustainable development, environmental protection and the reduction of pollutant emissions (most notably CO_2) for many years, due to its impact on the environment and society. The Group's Green Division, established in 2021, is responsible for setting and implementing sustainability goals at the strategic level. By analysing the Company's core activities, the division seeks to implement solutions in processes that directly or indirectly help reduce emissions, thus moving closer to carbon neutrality.

In 2023, we were able to increase the volume of the intermodal service, which was launched earlier, combining rail and road transport.

Our alternative fuel fleet currently consists of electric and LNG vehicles, and in 2023, we were able to successfully increase the size of the previous fleet, meaning that by the end of the year we had 9 electric and 9 LNG vehicles, bringing the total in the alternative fuel fleet to 18 vehicles.

To reduce CO_2 emissions from our diesel vehicles, one of the most efficient alternatives in respect of our international fleet is currently the use of HVO100 (hydrogenated vegetable oil), which we were able to increase in 2023. In addition to lower emissions, this type of fuel has the added advantage of being compatible with both existing and new diesel vehicles entering the fleet. It is also important to stress that the continuous replacement of diesel vehicles, thus keeping the average age of the fleet low, in itself helps to reduce consumption and thus emissions.

In the warehousing business, the energy investments made (lighting modernisation, heating modernisation) have also reduced the consumption of natural gas and electricity, which has helped us to reduce our CO_2 emissions.

The installation works of the solar panel system at the Group's central site have been completed, and the system has been connected at the end of 2023. The electricity generated is currently used to fulfil the energy needs of the site.

The construction of the Company's newest logistics centre in Ecser started in 2023. The property is built with sustainability aspects in mind, and will meet the 'Good' BREEAM sustainability rating.

To determine the CO_2 values associated with the above-mentioned emission activities as accurately as possible, we have validated the figures that we can use in our in-house or customer-facing communications as values coming from verified, reliable sources, making it easier and more accurate to quantify our emission reductions.

In order to define further steps on sustainability, the Board of Directors of the Company has adopted a Group-wide ESG strategy, whose main focus areas are:

DEVELOPMENT OF GREEN SERVICES

- Further extension of the intermodal service
- Increasing the fleet of alternative fuel vehicles
- Using alternative fuels, and expanding their use
- Using sustainable warehousing technologies
- Developing a green insurance and investment portfolio

REDUCTION OF EMISSIONS

- Setting and publishing emission targets
- Increasing green infrastructure investment projects
- Reducing fuel consumption
- Improving energy efficiency and the energy performance of buildings

CREATION OF AN ATTRACTIVE WORKPLACE

- Training and developing workers
- Increasing employee engagement
- Improving working conditions
- Leveraging the diversity potential

ENSURING REGULATORY AND INTERNAL COMPLIANCE, AND INCREASING ADAPTABILITY

- Maintaining the highest level of compliance:
  - Corporate governance principles
  - Internal operating standards
- Establishing ESG-centred governance at Group level
- Strengthening relations with stakeholders
- Introducing and developing green financing options

Further sustainability efforts and results of Waberer's Group are presented in detail in the 2023 ESG Report.

EU TAXONOMY REPORT

According to Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852), companies required to publish non-financial reports must report on how and to what extent their activities are considered sustainable. .

This information must show the extent to which the sales revenue, operating costs and CAPEX related to the activities defined in the Taxonomy Regulation are linked to environmentally-sustainable activities. By 2023, current legislation already requires a demonstration of climate change mitigation, climate change adaptive capacity, sustainable use of water and marine resources, transition to a circular economy, prevention of pollution, and protection of biodiversity and ecosystems.

PRESENTATION OF TAXONOMY-ELIGIBLE ACTIVITIES:

Sales revenue: Eligible revenues under the EU Taxonomy were derived from road, rail and maritime transport and freight forwarding activities with modern engines, and from the sale of second-hand vehicles within the circular economy category.

OPEX: There were no cost items eligible for recognition under EU Taxonomy in 2023 for Waberer's Group.

CAPEX: Investments eligible under the EU taxonomy were related to purchase of vehicles that do not exceed specified emission levels (at least EURO6 or alternative propulsion vehicles), solar panel installations, building insulation works, and lighting upgrades.

PRESENTATION OF TAXONOMY-ALIGNED ACTIVITIES:

As Waberer's Group has not yet carried out a climate risk and vulnerability assessment, none of its activities classified as sustainable can be classified as Taxonomy-aligned.

SUMMARY OF ALIGNMENT WITH THE EU TAXONOMY:

[IN MILLION EUR]	GROUP-LEVEL DATA	SHARE OF TAXONOMY-ELIGIBLE ACTIVITIES	SHARE OF TAXONOMY-ALIGNED ACTIVITIES
Sales revenue	711	75%	0%
Operating expenses	693	0%	0%
CAPEX	77	51%	0%

For more detailed background calculations on compliance with the EU Taxonomy, see the 2023 ESG Report.

COMPLIANCE

The main task of our quality management is to track and meet market expectations, while keeping the company's processes systematic, traceable and transparent.

. The management of Waberer's Group has decided to implement the ISO 9001 quality management standard to satisfy customer and statutory requirements, and, integrated with this at the subsidiaries concerned due to their business, the ISO 14001 environmental management, ISO 28000 safety management, ISO 50001 energy management systems, VDA 6.2 automotive supplier standard, HACCP, IFS Logistics food safety system based on HACCP, ISO 45001 occupational health and safety system and TAPA FSR standards. We consider the continuous and flexible development of our integrated management system and the achievement of our objectives to be a priority, in order to secure a long-term future, and contribute to the success of our customers, our employees and the society. The Group's employees embrace the requirements of the integrated management system, and their work is characterised by a focus on precision, quality, environment and energy. All this is supported by an effective training and information system, making a conscious contribution to the implementation of a complete, integrated governance. The Group is committed to safe and healthy work. All our employees have a duty to work in a safe and careful manner in their work area, and are provided with the necessary protective equipment and knowledge, and undergo mandatory annual refresher trainings. Our activities are carried out under appropriate hygiene conditions, with particular attention to personal and warehouse hygiene. We take utmost consideration of and comply with legislation to protect the quality of human life and the natural environment, and other requirements imposed by our customers, as well as with applicable legal and other obligations related to energy efficiency. We support the procurement of energy efficient products and services to achieve better energy efficiency. In order to prevent environmental damage, we have assessed and continuously reduce the environmental impacts and risks of our activities, and we also strive to protect customer property and products.

CSR ACTIVITIES

Creating value, caring for each other and our environment, and social responsibility are the cornerstones of the operation of Waberer's Group.

In practice, our commitment is also reflected in our support for communities and initiatives that help disadvantaged children and young people in need, provide education, preventive healthcare and the protection of our environment, so foundations and organisations regularly benefit from our grants. Social concern is a core principle in our general approach: to help those in need in all circumstances, and to support the work of various aid organisations with our professional expertise.

"WE ARE ALWAYS HAPPY TO HELP IN WHAT WE DO BEST"

“In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words, the Lord Jesus himself said: It is more blessed to give than to receive." (Acts of the Apostles, 20:35)

One might even trace back the origin of the proverb “It is better to give than to receive” to the above biblical quote. In 2019, WSZL, a subsidiary of Waberer's, entered into a strategic partnership with the Hungarian Charity Service of the Order of Malta. Since then, the Charity Service has been able to rely on our transport and storage support in many unusual situations. Last year, we provided more than HUF 15 million worth of transport or other logistical support to the Service.

"The usual words we utter in the time of peace, like ‘donor’ and ‘partnership’, do not and cannot articulate what the quality of the cooperation between the **Hungarian Charity Service of the Order of Malta** and Waberer’s meant and still means to us in our daily lives. We found partners and friends who, in extraordinary situations, did not only live up to their social responsibility as a responsible company, but did much more: got involved organisationally and personally, committed to the mission that we Maltese do for people in need," said Lajos Győri-Dani, Acting Vice-Chairman of the Hungarian Charity Service of the Order of Malta.

However, we did not just support the aid organisation at the Group level, but also performed the charitable delivery and warehousing tasks of the Group’s partners free of charge in 2023.

We have been a Gold level supporter of the **Hungarian Food Bank** since the beginning of 2023, which means that we always carry out their individual delivery needs free of charge.

UNUSUAL MISSION

A four-man team of the Hungarian Charity Service of the Order of Malta left for Turkey on 14 February to assess the situation in earthquake-affected areas in preparation for post-rescue restoration. The survey team escorted around 14 tonnes of donations to Turkey. The truck, which was launched in cooperation with Waberer's transport department and WSZL, delivered durable food, ready-to-eat canned food, hygiene products, warm clothing, blankets, bed linen and medical aids (wheelchairs).

MUSIC OF JOY ON FIVE AXLES – ROLLING SYMPHONY

In the summer of 2023, children studying in the **Symphony** programme of the **Hungarian Charity Service of the Order of Malta** gave a unique concert as a symbol of cooperation and shared progress. The students performed in our Volvo truck, converted for a single evening, on the opening night of the Zsolnay Light Festival in Pécs. The Maltese Symphony is a social programme of the Hungarian Charity Service of the Order of Malta, where music is used as a tool to help the social integration of children with school problems and disadvantages. The aim of the programme is to give children living in difficult circumstances

a sense of achievement, care and belonging to a community. The orchestra of the Maltese Symphony performed on a stage made out of a 40-tonne semi-trailer truck. Just as music brings people together, our truck brought children closer to an experience of a lifetime. This extraordinary partnership and collaboration is a true example of how any vision can become a reality when many good people come together and support one another.

"For us, this cooperation is much more than financial support – it is a contribution to giving children the experience of a lifetime and to bringing young musicians from converging communities in the public eye."

A FOCUS ON THE GENERATION OF THE FUTURE

Assisting children and passing on opportunities to future generations are matters of paramount importance to the Group. In 2007, we launched our scholarship scheme to support talented, top performing but disadvantaged pupils and students with a monthly scholarship. The scheme was devised with an objective to ensure supporting top performing but socially disadvantaged children and young people even until the completion of their tertiary studies, enabling them to improve their chances in life. With the assistance of the **International Children's Safety Service (Nemzetközi Gyermekmentő Szolgálat),** today as many as 30 pupils and students receive financial support all year round representing an enormous help for participating families. As a part of this scheme, every year since 2017 we have organised an afternoon event in a real Christmassy mood for our scholarship fellows to have a chat with each other.

The cooperation of WSZL and Waberer's with the **Saint Francis Foundation of Déva (Dévai Szent Ferenc Alapítvány)** goes back more than 10 years. Last year, too, we participated in the 'Angels Walking' (Angyaljárás) initiative, in the course of which Waberer's trucks were used to deliver Christmas presents to children living in Transylvanian orphanages. Yet again, we were able to fulfil the Christmas wish of thousands of children brought up in orphanages across the border. However, the donationdelivery activity of our Group does not focus solely on the festive season, as last year there were a number of occasions where we acted hand in hand with our partners – Dr.Oetker, Mars, Reckitt Benckiser, Unilever – to deliver presents to two communities in Szeklerland (Székelyföld).

We have also not forgotten about the **Nest Child Protection Association of Érd (Érdi Fészek Gyermekvédő Egyesület)** in 2023 either. We have been delivering clothes, toys, books, household articles and detergents to them for a number of years now.

At Christmas, we donated equipment needed in daily life for the 50 children recovering at the **Tűzoltó utca Children's Clinic,** and the hospital staff.

In the framework of the **"Adopt a family"** programme of the **Egy Lépéssel Több Hajós István Alapítvány (One Step More Hajós István Foundation)**, we support a boy adopted by us for 1 year.

TESZEDD! (YOU PICK IT!)

This year, for the first time, Waberer's Group staff also participated in the TeSzedd! (You Pick It!) – Volunteering for a Clean Hungary campaign, the largest voluntary waste collection movement in Hungary.

We are proud that with the participation of more than 60 colleagues, we managed to collect 90 bags of rubbish in 2 days at our main sites, i.e. at the BILK Logistics Centre and in the area around our Nagykőrösi út site.

SUPPORTING QUADRUPEDALS

The relationship between WSZL and Nestlé Purina PetCare Europe goes back to many years. During our partnership, we jointly delivered several tons of pet food donations to various animal sanctuaries.

If we had to highlight one more element of our interconnectedness with Purina that we were proud of last year, it would be the 15th anniversary of our partnership, and to honour the occasion, this time we provided support for guide dogs. The donation of 15 pallets of Pro Plan dog food and reward treats donated by Purina, worth a total of HUF 12 million, was delivered to the Hungarian Federation of the Blind and Partially Sighted (MVGYOSZ). This amount is enough to feed puppies for a long time, and to care for the teeth of adult dogs.

We are also proud that, thanks to Purina, WSZL has been a dog-friendly workplace for the third year now. It is common knowledge that the presence of quadrupedals produces a positive effect on us, bipeds. Furthermore, there are studies confirming that employees taking their pets with them to work, show less signs of stress. Owing to all these beneficial effects and Purina's support, we also joined the Purina Pets At Work Alliance.

PROMOTING HEALTH & HEALTHY LIFESTYLE

In 2022, Waberer's Group continued to support the special cancer screening lorry of the International Children's Safety Service (Nemzetközi Gyermekmentő Szolgálat), and provide citizens with poor access to healthcare services with regular screening opportunities. Waberer's fully assumed the maintenance and upkeeping costs of a lorry that was transformed for gynaecological screening purposes, including the lorry's preparation for off-site deployment.

Last year, health promotion and healthy lifestyle-related activities played a central role in the life of our Company. All our staff were given the opportunity to participate free of charge in various screening tests and healthy lifestyle presentations and advice.

In this spirit, we also decided to become the name sponsors of the Hungarian Gymnastics Federation and the Gymnastics Challenge World Cup in Szombathely in 2023. Gymnastics is one of the sports that makes a major contribution to the development of a culture of physical activity from an early age, and also plays an important role in promoting a healthy lifestyle.

HUMAN RESOURCES

The key elements of Waberer's Group's workforce management and the 2023 results are presented in detail in the Group's ESG Report.

CORPORATE GOVERNANCE AND CORPORATE BODIES

BOARD OF DIRECTORS

The Company's executive body is the Board of Directors, which manages the affairs of the Company and the Group, represents the Company towards third parties, courts or other authorities.

Acting for and on behalf of the Company, the Board of Directors may acquire rights, assume liabilities, and determine the Company's business activities. The members of the Board are obliged to carry out their activities with due diligence that can generally be expected of the holders of such office, prioritising the interests of the Company.

The Board of Directors is made up of at least 3 (three) and not more than 7 (seven) members. The members of the Board of Directors are elected by the General Meeting for a term of three years. Unless the General Meeting makes no other provision, the mandate of the members lasts until 31 May of the third year following their election, with the proviso that if in the year of the expiration of their mandate the annual general meeting is held prior to 31 May, their mandate expires on and by the day of the general meeting. The Board of Directors elects a chairperson from among their members. The division of tasks and competences among the members of the Board of Directors is defined in detail in the rules of procedure of the Board of Directors (https://www.waberers.com/befektetoknek/tarsasagiranyitasi-adatok/tarsasagiranyitasi-alapdokumentumok). The Board of Directors determines its rules of procedure at its own discretion.

The Board of Directors may make a decision regarding all matters and cases affecting the Company, unless they fall within the exclusive competence of the General Meeting. In all matters where decision-making falls within the exclusive competence of the General Meeting by law, the Board of Directors must submit a proposal regarding the decision to be made by the General Meeting.

The duties of the Board of Directors include in particular but are not limited to the following matters:

- the verification of the individual and consolidated business and financial plans of the Company and Group members, including their major capital investments, acquisitions and divestitures;
- the submission of the annual report as per the Accounting Act (including a proposal for the utilisation of net earnings/profit after tax) to the general meeting;
- the submission of the report outlining the corporate governance practice of the Company to the annual ordinary General Meeting, including the ongoing supervision of the efficiency and effectiveness of the corporate governance practice;
- the preparation of a report on the management and on the Company's financial position and business policy at least once a year for the General Meeting and on a quarterly basis for the Supervisory Board;
- ensuring the proper and compliant keeping of the Company's business books;
- participation in laying down the strategic guidelines and in developing a corresponding strategy; participation in any strategic cooperation agreement, partnership and/or joint venture by, for and on behalf of the Company or any Group member;
- exercising the shareholder's rights with respect to Major Subsidiaries;
- setting the corporate objectives in agreement with the Supervisory Board, including the ongoing supervision of their accomplishment, and the provision of information about implementation to the Supervisory Board;
- ensuring the compliance of financial and accounting reports;
- exercising the employer's rights towards employees in key positions, determining the remuneration principles of management, supervising their activities and, if necessary, taking the appropriate measures to enforce that the Remuneration Policy approved by the General Meeting is observed;
- managing the cases of conflicts of interest, approving associated transactions, approving guidelines that are designed to strengthen the application of the arm's length principle, i.e. the usual terms and conditions to be applied between and among independent parties, tracking the related practice adopted by the Company, approving the Code of Conduct of the Company;
- determining the risk management guidelines and policies that are designed to ensure the mapping and assessing of risk factors, the appropriateness of internal control mechanisms, including their legal compliance;
- specifying the mechanism of how to appoint the members of the Board of Directors;
- determining the principals and fundamental rules of management succession;
- laying down the principles concerning the transparency of corporate operation and the disclosure of important corporate information, including the supervision of adherence thereto;
- ensuring that appropriate contacts (with appropriate frequency) are maintained with shareholders, approving the policy governing insider dealing, including the discharging of tasks as per the powers set out in the policy;
- deciding on the appointment of external advisers to assist the work of the Board of Directors.

The meeting of the Board of Directors has quorum if at least half of its members are present. The Board of Directors passes its resolution by open voting with the simple majority of the members present, unless the rules of procedure provide otherwise. Additional rules regarding the holding, the powers of and decision-making by the meetings of the Board of Directors are set forth in the rules of procedure of the Board of Directors.

The members of the Board of Directors may hold senior management / executive positions in another economic operator engaging in core activities that are identical with those of the Company (international and domestic road haulage) only if such positions were approved / authorised by the general meeting of the Company, or (in the case of another business engaging in an activity that is identical with that of the Company) by the Board of Directors of the Company.

With a view to the fact that the Company operates a two-tiered governance model, it is not necessary to scrutinise the independence of the members of the Board of Directors.

The members of the Board of Directors, the status of their independence and the date of their appointment in 2023 (the professional curriculum vitae of current members is available on the website of the Company, their name in the table below is shown in bold):

NAME	POSITION	DATE AND TERM OF ELECTION
Zsolt Barna	**non-independent, executive member / chairman**	**19/04/2023 – 31/05/2026**
Róbert Barlai	**independent non-executive (external) member**	**19/04/2023 – 31/05/2026**
Barna Erdélyi	**non-independent, executive member**	**01/09/2021 – 31/05/2024**
György Péter Wáberer	non-independent (beneficial owner and Chairman of the Board of Directors of High Yield Zrt. shareholder), non-executive (external) member	20/04/2021 – 18/04/2023
Dr. Márk Czéh-Tóth	independent non-executive (external) member / chairperson	20/04/2021 – 18/04/2023

The members of the Board of Directors did not hold any Waberer's shares as at 31 December 2023.

CHIEF EXECUTIVE OFFICER

The Company's work is organised, directed, managed and controlled by the Chief Executive Officer (CEO), in accordance with the law and the Articles of Association, pursuant to decisions made by the General Meeting and the Board of Directors. Decisions on matters concerning which the General Meeting, the Board of Directors or the Supervisory Board do not have exclusive powers, fall within the scope of authority of the CEO. The CEO develops the Company's work organisation, and exercises employer's rights towards and over the Company's employees (excluding senior officers in key positions), which powers may be delegated to the employees of the Company.

Effective from 16 April 2018, the CEO of the Company is elected by the Board of Directors for this position. The CEO of the Company is Zsolt Barna who has served in the position of Chief Executive Officer since 1 September 2021.

THE PRESENTATION OF THE MANAGEMENT

In 2023, the following persons belonged to the key management positions of the Company and the Group:

ZSOLT BARNA
serves as the CEO of the Company from 1 September 2021 and as Chairman of the Company's Board of Directors from 19 April 2023, and served as Managing Director of the regional contracted logistics business from 2008 until 1 October 2023;

BARNA ERDÉLYI
is an executive member of the Board of Directors, and has served as the Director for Corporate Affairs from 1 September 2021. He holds the position of Chairman of the Boards of Directors of Gránit Biztosító Zrt. (prior to 15/02/2024: Wáberer Hungária Zrt.) and LINK Sp. z o.o, as well as other executive positions within the Group;

SZABOLCS GÁBOR TÓTH
serves as Deputy Chief Financial and Strategic Officer from 23 June 2020. Until 1 October 2023, he served as co-Managing Director of WSZL Kft., and is currently a member of the Boards of Directors of subsidiaries Gránit Biztosító Zrt. (prior to 15/02/2024: Wáberer Hungária Zrt.) and LINK Sp. z o.o, as well as holding other executive positions within the Group.

The professional curriculum vitae of management members employed by the Company is available on the website of the Company.

The relationship between the Board of Directors and management:

The executive Board members (Zsolt Barna and Barna Erdélyi) of the Company participate in the decision-making of the Board of Directors, whilst the Company's Chief Financial and Strategic Officer and the Chief Legal Counsel, along with the heads of the business lines, are permanent guests invited to the meetings of the Board of Directors. The Board of Directors may invite additional directors of various professional areas in an ad hoc manner to discuss certain subjects.
Regarding the profitability of the Company's and the Group's activities, the management delivers monthly reports to the members of the Board of Directors during the ordinary meetings of the Board of Directors, apart from which flash financial reports are also sent to Board members on a weekly basis. The monthly management report features a uniform, standard structure providing information about the monthly and year-to-date (cumulative) figures of the Company's and the Group's operations, highlighting the deviation of profitability and key performance indicators from values in the base period and the business plan. Key economic and other operational data presented in the monthly management report include:

- changes in the consolidated profit of the Group;
- changes in revenue, EBITDA and EBIT values of the Group by key areas, including a detailed variance analysis of deviations from the plan and the base period;
- changes in the consolidated turnover of the Group;
- changes in the profit, key performance indicators and quality ratios of the various business areas (including in particular the international transport and regional contracted logistics segment and insurance activities);
- changes in the assets, financial position and indebtedness of the Group;
- changes in the current employee headcount of the Group by professional areas; with a focus on professions with talent shortage;
- the status of business relations with major customers and suppliers;
- working capital management;
- the current status of key corporate projects;
- the status of property development plans and investments;
- description of the various steps taken towards acquisition targets;
- other strategic decisions, action plans.

Regarding major changes to and in projects that either affect the operations of the Company and Group or that are deviating from the business plan, management carries out ad hoc analyses for the Board of Directors.

SUPERVISORY BOARD

The Supervisory Board is a body consisting of at least 5 (five) members, which functioned with 5 members until the date of the Annual General Meeting held on 18 April 2023, and currently functions with 6 (six) members. Members of the Supervisory Board are elected by the General Meeting for a term of 3 (three) years.

Unless the General Meeting provides otherwise, the mandate of the members lasts until 31 May of the third year following their election, with the proviso that if in the year of the expiration of their mandate the annual general meeting is held prior to 31 May, their mandate expires on and by the day of the General Meeting. One third of the Supervisory Board consists of employees' delegates. The employees' delegates are appointed by the Works Council from among the employees, taking into account the opinion of the trade unions operating at the Company. Apart from membership based on employee participation rules, no employee of the Company may be a member of the Supervisory Board. Following the election of its members, the Supervisory Board elects a chairman from among its members for the duration of the chairman's term of membership.

The majority of the members of the Supervisory Board must be independent persons. A member of the Supervisory Board is considered independent if they have no legal relationship with the Company other than their membership of the Supervisory Board and a transaction which is part of the normal activities of the Company and which meets the needs of the member of the Supervisory Board. The majority of the members of the Supervisory Board has no relationship of any kind with the Company, its management and its controlling shareholders. The Supervisory Board requests the members to confirm their independence annually, prior to the preparation of the Corporate Governance Report.

The members of the Supervisory Board must participate in person in the Supervisory Board's operation. The members of the Supervisory Board are independent from the management of the Company and may not be instructed in their activities. The Supervisory Board establishes its own rules of procedure that is approved by the General Meeting.

A member of the Supervisory Board may not be a senior officer or, except for the acquisition of shares in a public limited company , acquire shareholding in companies which are engaged in an economic activity as core activity identical to that of the Company, unless the General Meeting of the Company has given its consent. A member of the Supervisory Board or their relative – with the exception of usual everyday transactions – may not conclude contracts in the scope of the core activity of the Company in their own name or for their own benefit. A member of the Board of Directors of the Company or their relative may not be elected as a member of the Supervisory Board. If a member of the Supervisory Board takes a new mandate for another executive office, they shall notify the Company within 15 (fifteen) days of accepting such mandate.

The Supervisory Board supervises the management of the Company in order to safeguard the interests of the Company. In order to carry out this activity, it may inspect the Company's documents, accounting records and books, request information from the Board of Directors and the Company's employees, examine the Company's payroll, cash, securities and goods and contracts and have them examined by an expert. The Supervisory Board is obliged to examine the proposals submitted to the General Meeting, and to present its position on them to the General Meeting. The General Meeting's proposal on the Remuneration Policy must also be assessed in advance by the Supervisory Board. The General Meeting may render decision on the annual accounts in accordance with the Accounting Act and the use of profit after tax only after receiving a written report from the Supervisory Board.

If, in the opinion of the Supervisory Board, the activities of the management are in conflict with the law or the Articles of Association, contrary to the resolutions of the General Meeting or otherwise prejudicial to the interests of the Company, the Supervisory Board is entitled to convene a General Meeting to discuss the matter and take the necessary decisions.

The Supervisory Board renders its decisions with the simple majority of those present. The detailed rules of the operation of the Supervisory Board are set out in the Supervisory Board's rules of procedure.

The members of the Supervisory Board, the status of their independence and the date of their appointment in 2023 (the professional curriculum vitae of current members is available on the website of the Company, their name in the table below is shown in bold):

NAME	POSITION	DATE AND TERM OF ELECTION
Éva Hegedűs	**independent / chairman**	**19/04/2023 – 31/05/2026**
Dr. Attila Végh	**independent**	**20/04/2021 – 31/05/2024**
Krisztián Hall	**independent**	**19/04/2023 – 31/05/2026**
David William Moffat Thompson	**independent**	**28/08/2018 – 31/05/2024**
Sándor Székely, employees' delegate	**non-independent**	**11/05/2017 – 31/05/2024**
Attila Verestóy, employees' delegate	**non-independent**	**08/04/2022 – 31/05/2024**
Dr. Norbert Szivek	independent	20/04/2021 – 18/04/2023

The members of the Supervisory Board did not hold any Waberer's shares as at 31 December 2023.

AUDIT COMMITTEE

From the independent members of the Supervisory Board, the General Meeting elects an Audit Committee of at least 3 (three) members for a term of office equal to the term of each member's membership in the Supervisory Board.

Members of the Audit Committee, their status and term of mandate (the professional curriculum vitae of current members is available on the website of the Company, their name in the table below is shown in bold):

NAME	POSITION	DATE AND TERM OF ELECTION
David William Moffat Thompson	**independent / chairman**	**for a term equal to the term of Supervisory Board membership**
Éva Hegedűs	**independent**	**for a term equal to the term of Supervisory Board membership**
dr. Attila Végh	**independent**	**for a term equal to the term of Supervisory Board membership**
Krisztián Hall	**independent**	**for a term equal to the term of Supervisory Board membership**
Dr. Norbert Szivek	independent	for a term equal to the term of Supervisory Board membership

The Audit Committee assists the Supervisory Board in monitoring the financial reporting system, selecting the auditor, and cooperating with the auditor. The Audit Committee is entitled to use external consultant(s) as necessary to carry out its tasks. The Audit Committee oversees the effectiveness of risk management, the operation of the internal control system, the selection of the auditor, and the independence of the auditor.

NOMINATION AND REMUNERATION COMMITTEE

Based on powers granted by the Articles of Association, from the independent members of the Board of Directors and the Supervisory Board, the Board of Directors elects a Nomination and Remuneration Committee of at least 2 (two) members for a term of office equal to the term of each member's membership in the given committee. The Board currently has 2 (two) members, elected by the Board of Directors by Board of Directors Resolution No. 7/2023. (05. 23.). The rules of procedure of the Nomination and Remuneration Committee are approved by the Board of Directors of the Company.

The purpose of this body is to make proposals and assist the Board of Directors in its personnel-related decisions in terms of employment, remuneration and incentives of employees in key positions. The Committee contributes to the performance evaluation of key management personnel, to the formulation of the Group's Remuneration Policy, and gives its opinion on the Company's Remuneration Report.

Members of the Nomination and Remuneration Committee, their status and term of mandate (the professional curriculum vitae of current members is available on the website of the Company, their name in the table below is shown in bold):

NAME	POSITION	DATE AND TERM OF ELECTION
Róbert Barlai	**independent**	**23/05/2023 – 31/05/2026, or, if earlier, the date of the Annual General Meeting**
Krisztián Hall	**independent**	**23/05/2023 – 31/05/2026, or, if earlier, the date of the Annual General Meeting**

The Nomination and Remuneration Committee recommended to the Board of Directors for approval unanimously and without holding a meeting, the bonus awards of the Key Management Personnel of the Group for fiscal year 2023, along with the 2024-2025 Remuneration Policy announced under the Employee Share Ownership Programme.

INTERNAL CONTROLS AND RISK MANAGEMENT

SYSTEM OF INTERNAL CONTROLS

The compliant operation of the Company is ensured by the internal control system. Within the internal control mechanism, all managers and executives must assess the risks in their area of management, and mitigate them by issuing internal policies, and monitoring compliance. The Internal Audit Department may monitor the effectiveness of the internal control mechanism in the framework of its annual audit programme and ad hoc audits, and reports quarterly to the Supervisory Board on its findings and corrective measures.

The Company's financial statements are monitored by the segmental and central controlling functions, which are reviewed weekly by senior management and monthly by the Board of Directors. An in-depth and comprehensive review of the financial statements takes place on a quarterly basis, when all the above-mentioned functions and bodies review the figures and messages to be published, and quarterly reports are also reviewed by the Audit Committee before publication.

The Company's internal control procedures are governed by the following principles:

SHARED RESPONSIBILITIES.

Each task is assigned to at least one function and manager.

SEPARATION OF RESPONSIBILITIES.

Corporate functions and employees have clearly identified and fixed responsibilities.

INDEPENDENT INTERNAL AUDIT FUNCTION.

The Internal Audit Department reports to the Supervisory Board and the Audit Committee.

TECHNOLOGICAL CONTROLS.

Where possible, technological – data-based – controls are implemented to prevent human error or misconduct.

RECORDS.

Record-keeping procedures are implemented at all levels to ensure that the Company can track its past experience

RISK MANAGEMENT FRAMEWORK

The Company is committed to identifying, assessing and managing risks in its business activities in order to deliver stable and profitable performance, and create value for shareholders. Taking into account the potential negative consequences is, therefore, an integral part of the day-to-day operational as well as strategic long-term decision-making process.

The primary objective of the Company's risk management process is to understand the risks and their potential impact. The Company recognises that in most cases, it is not possible to eliminate risks, and therefore prefers to mitigate and manage the negative impact of risks effectively. Accordingly, the Company will only take on any risks after proper assessment and effective management of the impacts and, where possible, mitigate the likelihood and impact of these risks through internal control reviews and process controls.

In this context, the Company has defined its risk management policy as follows:

- **Universal approach.** For each key activity, project or other aspect, the relevant risks that could have a significant impact on the company's operations are identified and assessed as accurately as possible. These risks, assessed during the risk assessment interviews with the Group's managers, are mapped in the annual audit planning process on a "risk map" according to the probability of occurrence and the impact of occurrence.
- **Holistic approach.** Daily risks are identified, assessed and managed at operational level. However, all risk factors and risk management practices should be examined and assessed at group level.
- **Regular monitoring.** The development and management of risks is monitored at operational level, while strategic risks are monitored by the Audit Committee and the Board of Directors.
- **Order of priority** Investigations under the annual internal control plan, and resources are allocated to place more emphasis on managing the risks that are most likely to occur and have the greatest potential impact.
- **Effectiveness of risk management.** When choosing the method of risk management, the most effective tool is selected.

RISK FACTORS

Waberer's has identified five categories of risks that it faces in its business, and that are relevant to stakeholders such as investors, customers or employees: market risk factors, regulatory risk factors, financial risk factors, operational risk factors and insurance-specific risk factors.[6]

MARKET RISK FACTORS

Through its International Transport Segment, the Group operates in the multi-player transport and freight forwarding sector, which includes a number of European freight forwarding and logistics companies. With its EU-focused international freight services (the “International Transport Segment”), the Group competes primarily with other carriers that provide long-haul freight services and freight forwarding services similar to those provided by the Group. In Hungary and in the Central and Eastern European region, the operating segment offering regional freight forwarding and logistics services (the “Regional Contract Logistics segment”) competes primarily with other companies offering regional logistics, warehousing and distribution services in Hungary. Gránit Biztosító Zrt. (the “Insurer”) competes with other non-life insurers in Hungary. The Company, therefore, operates in a number of logistics-related markets in Europe and the Central and Eastern European region, and is exposed to a number of factors that could adversely affect the Group's business, operative profits/losses, financial status, cash flows, prospects and reputation.

6 The risk factors presented below are not intended to be an exhaustive list or explanation of all the risks that stakeholders may encounter when dealing with the Company, and should be used as a guide only. There may be other risks and uncertainties not currently known to the Group or which the Group currently considers to be intangible, but which individually or cumulatively could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and prospects. The order of risk factors described below is not based on the materiality or likelihood of occurrence of the factors.

These factors include, among others:

MACROECONOMIC RISKS.

Economic conditions that reduce the demand for logistics services or transport, or increase the supply of relevant services (in particular transport or distribution) may put pressure on rates or asset utilisation, thereby reducing asset productivity, particularly in market segments and industries where the Group's customers are concentrated (including FMCG, the automotive, logistics and electronics sectors), and in regions of Europe where the Group has significant business activities (including Hungary, Poland, Slovakia, Germany, Italy, France, Spain, the Netherlands, Belgium and the United Kingdom). There are a number of specific factors that can adversely affect such general economic conditions, of which the most significant macroeconomic uncertainties are currently stagnating GDP at EU level and, especially in Hungary, household consumption, but further weakening of the European integration, and anti-EU political movements, as well as region-specific deterioration in economic performance or external trade relations in Central and Eastern Europe, also have a negative impact on the economic environment for logistics operators.

SECTOR SPECIFIC RISKS.

The European transport sector is exposed to a number of risks that affect the profitability of the transport services provided by the Company. These risks can vary from country to country and include, for example, unexpected changes in taxes, customs duties, tolls, or employment and environmental regulations.

STRATEGY.

In 2023, the Group adopted an ambitious growth strategy, which included international acquisition plans, significant investments in logistics infrastructure, and the acquisition of customers with significant high value-added logistics services. Achieving growth may involve macroeconomic, market, implementation and technological risks.

CUSTOMER SERVICE.

In order to maintain and increase revenues and profitability, it is important that the Group retains its existing customers, and continues to acquire new customers all over its businesses. The Group's contract business is based on a competitive bidding process involving the Group and its competitors. There can be no assurance, however, that the Group's existing contracts will be renewed or that the Group will continue to participate successfully in future tenders. Given that there are significant differences in the profitability levels generated by the Group's customers, maintaining cooperation with customers that generate higher profit levels is critical to improving Group-wide performance.

EMPLOYEES AND KEY PERSONNEL.

Of all the employee groups, Waberer's identifies the group of drivers, warehouse workers and production support logistics workers as the most important element in its human resource management model. As a result of the fleet size optimisation in the International Transport Segment (ITS), the number of foreign (non-Hungarian and non-Polish) staff employed by the Group has been significantly reduced, and the outflow of domestic labour is lower due to reduced demand for labour in Hungary, thus the risks associated with driver shortages have been somewhat mitigated. In the medium to long term, however, the labour market situation that requires a higher share of foreign workers may re-emerge. In the future, it is conceivable that the recruitment of foreign labour may be necessary not only for international transport activities, but also for domestic distribution and warehousing activities. In the medium term, major industrial investment projects in Hungary will generate significant labour demand, which may make it difficult to recruit the necessary number of workers. In anticipation of this risk, Waberer's continues to be present in the labour markets of the neighbouring countries (Serbia, Romania, Belarus), and is opening up to recruit workers from more distant countries, which can provide us with a significant long-term supply of workers. As a first step, we have recruited a limited number of staff from India and the Philippines, but depending on the labour market situation, we may be able to increase their number significantly in the future.

SUPPLIERS AND SUBCONTRACTORS.

The Group relies on suppliers and service providers to provide it with certain specialised products and services, including, but not limited to, products and services related to the purchase of trucks, trailers, fuel and tolls. Of particular note are subcontractors related to transport and warehousing, on which the Company relies much more heavily to serve its customers. There is a risk that the Company may not be able to maintain business relationships with suppliers and subcontractors, or that suppliers and subcontractors may not be able to provide products and services to meet the Group's needs, or that the price or quality of the products and services they offer may change in an unfavourable direction.

ENVIRONMENTAL AND TECHNOLOGICAL RISKS.

Given the current significant environmental footprint of road transport, a possible tightening of CO_2 emissions could pose a serious challenge to the transport industry. Although Waberer's Group is continuously testing and, as far as possible, deploying vehicles in the fleet that can be operated with a smaller environmental footprint, the technology is not yet at a level of maturity where current transport operations can be carried out with significant CO_2 emission reduction in the short term. Also to mitigate this risk, Waberer's has entered the rail logistics market through acquisition, but rail transport solutions will not be able to fully replace road transport with a higher environmental footprint.

FUEL AND ENERGY PRICE RISK.

Although the Company regulates the risks arising from significant increases in fuel prices in its customer contracts, significant fluctuations in fuel prices may lead customers to reconsider and possibly adjust their transport portfolio. The significant rise in electricity and gas prices has put the Company under significant cost pressure, which the Group is managing through investments in energy generation and efficiency improvements, and the introduction of contractual clauses similar to those used to manage fuel price changes.

GEOPOLITICAL RISKS.

Although the armed conflict in the Ukraine does not directly affect Waberer's operations, it could have a knock-on effect on the Group's operations through possible disruptions to customer supply chains, the availability of workers from the region, and the macroeconomic impact of the events. A possible escalation of the conflict could pose further, currently unknown, challenges for the Company.

REGULATORY RISK FACTORS

The Company's exposure relates to the regulatory environment of all the countries in which it operates, as well as to supranational and intergovernmental rules, the most important of which is the European Union. This requires licences to operate the Group's transport, logistics and insurance branches. The most important rules for transport and logistics services, such as international transport contract conditions, road safety policies, environmental standards and drivers' pay, working hours and other conditions, are regulated at national, EU and UN level. The most significant regulatory change for the cross-border road transport sector in Europe to date has been the introduction of the so-called "Mobility Package", which has set common rules on, among other things, rest periods for drivers, minimum wage levels for drivers, and cabotage activities, which can have a significant impact on a company's business. The long-term effects of the introduction of regulation and the risks involved in monitoring compliance remain unpredictable in the long term. In the shorter term, the Company sees a risk of possible increases in operating costs and specific fines resulting from possible breaches of operationally challenging rules, but in the longer term, higher cost levels are expected to be reflected in prices, and we also expect possible reductions in price pressure generated by carriers from countries further east.

We can consider the EU's regulatory will to reduce the environmental footprint of road transport – and the domestic regulatory will to reflect this – to be regulatory risks. In the first instance, this regulatory objective will result in a significant increase in tolls for conventional-drive vehicles and, in the longer term, in a reduction in the weight of road transport. In response to these regulatory objectives – and the market demand that is emerging in parallel – Waberer's is building up its rail logistics capabilities, and is continuously testing the possibility of introducing alternative-drive vehicles into its fleet.

FINANCIAL RISK FACTORS

The Company's financial risks include credit risk, liquidity risk, interest rate risk and foreign exchange risk.

CREDIT RISK.

Credit risk is the risk that the Group will suffer losses due to customers defaulting on contractual terms, which in the case of Waberer's is primarily the risk of default by customers. The Company uses commercial credit lines, and continuously monitors exposures and maturities to manage credit risk.

LIQUIDITY RISK.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Some of the financial liabilities relate to fleet leasing, while others are bonds and project loan-type liabilities. The repayment schedule for Waberer's Group's warehouse development project loan is aligned with the timing of the completion of the warehouse, while repayment of the principal of the corporate bond issued in 2022 is due from the 5th year after issuance.

FINANCING RISK

Financing risk refers to the availability of short and long-term financing solutions (including vehicle leases, short and long-term loan products, factoring facilities, bank guarantees, etc.) provided to the Company by banks and leasing companies, and the availability of external financing sources for future investment plans. Due to the cash generation capacity of the Company and the EUR 111 million raised as a result of the bond issued in the second quarter of 2022, the funding risk is not significant in the short term. A repayment obligation may arise for the issued bond on factors that are considered standard covenants for similar types of financing solutions (e.g. pari passu, negative pledge, failure of investment plans, bankruptcy, liquidation, winding-up proceedings, non-payment of bond obligations, indirect breach of contract), if the Company's net indebtedness exceeds the 4.00 rate or if the Board of Directors of the Company proposes to the General Meeting of Shareholders a dividend payment higher than 30% of the relevant annual net profit after tax.

FOREIGN EXCHANGE RISK.

Most of the income and expenses of the companies within the Group are in the Group's functional currency, the euro. For some Group members, the functional currencies are the Romanian leu, the Polish zloty and the Hungarian forint, and therefore fluctuations in the RON/EUR, PLN/EUR and HUF/EUR exchange rates are the Group's currency risk. Open foreign exchange positions arising from costs not incurred in EUR and not covered by revenues (natural hedge) are partially hedged by the Company through foreign exchange hedges.

INTEREST RATE RISK.

The Company has, among others, floating rate leases as interest-bearing debt obligations, which are currently not hedged, with interest costs rising in 2022 and 2023 as financing rates increase. However, the corporate bond issued in 2022 and the project loan for warehouse development have a fixed interest rate, so it does not generate any interest rate risk for the Company.

WAGE REGULATION AND TAX RISK.

From the perspective of the Company's tax profile and operating model, the most significant risk is considered to be tax and regulatory changes related to wages (e.g. minimum wage). It may take significant time for the Company to compensate for any changes that have a negative financial impact.

OPERATIONAL RISK FACTORS

Operational risks arise from the possibility that the Company may suffer losses due to internal weaknesses, possible failure of controls, operations or procedures. Such risks can arise from a number of factors, including:

FAILURE OF INTERNAL SYSTEMS OR PROCESSES.

The Group is exposed to operational risks arising from the failure of internal processes or systems to function properly, or from the failure or loss of internal processes or systems or from external events. The Group is exposed to risks arising from, among other things, fraud by employees or third parties, road accidents, unauthorised transactions and operational errors, clerical or record-keeping errors, and errors resulting from faulty computer or telecommunications systems.

PERFORMING WORK.

If Group employees are involved in a strike, walkout or other slowdown event, Group operations may be interrupted.

ADVERSE WEATHER CONDITIONS AND OTHER FORCE MAJEURE EVENTS.

The Group's activities are exposed to adverse weather conditions and natural disasters, unforeseen public health crises, an unstable political environment, and the consequences of the refugee crisis in Europe and potential disasters.

IMPROPER USE OF VEHICLES.

There is a risk that trucks and trailers owned by the Group may be used illegally and that its agreements with drivers and customers are violated due to smuggling of goods, drug trafficking, illegal cross-border transport of persons and other illegal activities.

CYBER RISK.

The Group is exposed to cyber risks, as information is valuable and vulnerable in this business sector, and must be protected. The Group has internal rules on information security that can be applied in the design and implementation of business processes, solutions and services. Cyber risk is defined as any event that could lead to a data breach, financial loss, reputational damage and interruption of operations caused by the failure of technological systems and procedures.

RISK FACTORS SPECIFIC TO INSURANCE

The Insurer is exposed to specific risk characteristics, including but not limited to:

- Investigations carried out by the Hungarian Financial Supervisory Authority ("MNB");
- The operation of the Insurer is subject to the granting, renewal or continuation of licences and authorisations issued by the MNB;
- The Group's insurance coverage, when the Group acts as its own insurer, and the Group's reinsurance coverage may not provide effective coverage in all circumstances;
- The severity or frequency of claims against the Insurer may increase unexpectedly;
- Disasters and severe weather events can generate significant insurance claims;
- Adverse financial market conditions may significantly affect the ability of the Insurer to optimise its portfolio allocation and realise a profit on its investments;
- The Insurer operates in a specialised scope of the insurance market (vehicle and transport insurance services), and cannot compensate for any negative changes in this market in the short term with its business in other insurance submarkets;
- Changes to industry-specific special taxes affecting financial markets, including insurance markets.

FIGHT AGAINST CORRUPTION AND BRIBERY

Waberer's Group is committed to conducting business in a corruption and bribery-free manner, and condemns all forms of corruption, whether directly or indirectly related to the activities of the Group or its business partners, and all employees, partners and subcontractors are prohibited from engaging in or failing to engage in any conduct, in the broadest sense, that could lead to, or that would lead to, or contribute to, corruption or the influence of a third party. In addition, all of our business partners acknowledge the provisions of the Waberer’s Group Code of Ethicsas binding. Furthermore, in accordance with the CEO's Instruction on the Prevention of oney Laundering and Terrorist Financing, all employees, partners and subcontractors of the company expressly agree to contribute to the fight against the commission of crimes related to money laundering and terrorist financing.

The anti-corruption measures include the "four-eyes principle" enshrined in the Group's Articles of Association, i.e. signing on behalf of the Company may only be performed by two directors, or by one director and one authorised signatory, or by two signatories authorised by the Board of Directors. In addition, the Group has specific instructions for contracting and procurement that incorporate a multistage review and adjudication system into the contracting process and include minimum safeguards to screen out risky transactions. In addition, the Group's rules on the exercise of the right to authorise payments ensure that payments are made only after the joint approval by a content approver and an authorising officer. Acceptance of business gifts is governed by the Group's Conflict of Interest Policy and Procurement Policy.

Waberer's Group’s employees can report ethical or anti-corruption incidents by sending an email to visszaelesek@waberers.com, and the Group's Ethical Conduct at Work Reporting Procedure is used to investigate such incidents.

MANAGEMENT DECLARATION

I, the undersigned, confirm that Waberer's International Nyrt. takes full responsibility that the financial statements including the Waberer's Group's results for the period between January and December 2023 published today have been prepared based on the applicable accounting laws and are based on my best judgement and on the information at my disposal. The financial statements give true and fair view of the consolidated financial position of the Waberer's International Nyrt and the consolidated entities, describe main risks and uncertainties, present major events and transactions that occurred during the reporting period as well as their effects on the financial position of Waberer's International Nyrt. and the companies included in the consolidation.

Budapest, 20 March 2024

Zsolt Barna
Chief Executive Officer

Szabolcs Gábor Tóth
Deputy CEO - Finance and Strategy

INDEPENDENT AUDIT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2023

STATISTICAL CODE: 10387128522911401 **COMPANY REGISTRATION NUMBER: 01-10-041375**

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

NOTES

INDEPENDENT AUDITOR'S REPORT
(Free translation)

To the shareholders of Waberer's International Nyrt.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Waberer's International Nyrt. (the "Company") and its subsidiaries (together the "Group") included in the digital file 5493006YOYPOSXPIQG40-2023-12-31-hu.zip (SHA 256 HASH algorithm value: DC0762ED541398A7E571004239FCB0E78B6BE611C71797A30BC12D57D81400CA) for the financial year ended on 31 December 2023 which comprise the consolidated statement of financial position as at 31 December 2023 (in which total assets equal to total liabilities and equity are TEUR 703,562), the consolidated statement of comprehensive income (in which the total comprehensive income is TEUR 44,304 profit), the consolidated statement of changes in equity, the consolidated cash flows statement for the financial year then ended and the notes to the consolidated financial statements comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and they have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Accounting Act") relevant for the consolidated annual financial statements prepared in accordance with IFRS as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee dated 20 March 2024.

Basis for opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in force in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and we also comply with further ethical requirements set out in these.

The non-audit services that we have provided to the Company and its controlled entities within the EU in the period from 1 January 2023 to 31 December 2023 are disclosed in note 43 to the consolidated financial statements.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its controlled entities within the EU are in accordance with the applicable laws and regulations in Hungary and that we have not provided non-audit services that are prohibited under Article 5 of Regulation of the European Parliament and Committee No 537/2014 and Subsection (1) and (2) of Section 67/A of Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall group materiality	Overall group materiality applied was TEUR 2,389
Group Scoping	In addition to the parent company Waberer's International Nyrt., we included four subsidiaries in our audit, WSZL Szállítmányozási és Logisztikai Kft., Nexways Cargo Kft., Gránit Biztosító Zrt. and LINK Sp. z.o.o which are operating in two countries Hungary and Poland respectively. These five companies represent 95% of the consolidated revenue and 96% of the consolidated EBITDA.
Key Audit Matters	● Goodwill impairment assessment ● Revenue recognition in the correct period

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Materiality	TEUR 2,389
Determination	2.5% of the consolidated EBITDA
Rationale for the materiality benchmark applied	We chose consolidated EBITDA (earnings before taxes, net financial results, depreciation and amortization and expected credit losses on bonds) as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and it is a generally accepted benchmark. We chose 2.5%, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We have identified 4 subsidiaries, which, in our view, required an audit of their complete financial information, due to their financial significance or risk to the Group. Those reporting components are operating in Hungary and Poland.

For the remaining components we performed analytical review on Group level. This together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	*How our audit addressed the key audit matters*
Goodwill impairment assessment	
The Group's Goodwill amounts to EUR 17,900 thousand as at 31 December 2023 in the consolidated financial statements. Impairment assessment involves significant estimates that are sensitive to changes in assumptions in particular the input variables, discount rate and assumptions underlying future operating cash flows. Management concluded that there was no need for impairment of goodwill. Details of the nature of the goodwill impairment assessment performed by management are given in notes 3. e) Intangible assets and 6. a) Goodwill to the consolidated financial statements.	We agreed the cash-flow forecasts used in the impairment assessment to forecasts approved by the board of directors. We considered management's expectations in respect of material impacts of the external environment and planned operational improvements and whether these were appropriately reflected in the cash flow forecasts. We compared actual historical cash-flow performance with forecasts and determined whether any differences fell within an acceptable range. We independently calculated the weighted average cost of capital with reference to market data. We assessed the sufficiency of the sensitivity analysis performed by management and performed further sensitivity analysis primarily focusing on changes in operating cash-flows. We read the notes 3. e) Intangible assets and 6. a) Goodwill of the consolidated financial statements in order to assess whether they are in line with the requirements of *IAS 1 Presentation of financial statements* and *IAS 36 Impairment of assets*.
Revenue recognition in the correct period	
The Group's revenue from customer contracts in 2023 is EUR 710,909 thousand, therefore it is significant from the point of view of the consolidated financial statements. Revenue is recognized when the criteria of the 5-step model according to *IFRS 15 Revenue from Customer Contracts* are met. The Group considers sales revenue as a key performance indicator, which can encourage sales revenue to be accounted for before the criteria of the above 5-step model are met.	Our audit procedures included, among others the understanding the process of revenue recognition. In addition, we tested the correspondence of the revenue recognised in the current year with the issued invoices and the financial consideration received, and that the criteria of the 5-step model according to *IFRS 15 Revenue from Customer Contracts* are met. We tested on a sample basis the open claims against the customers at the balance sheet date. In order to assess whether the revenue was recorded in the correct period, we tested transactions before and after the period end date and credit notes issued after the balance sheet date on a sample basis.

Based on the above, we considered the recognition of revenue in the correct period to be a key audit matter.

The Group presents the information related to revenue in notes 3 (k) Revenues, 5. Segment information and 22. Revenue of the financial statement.

Furthermore, we examined whether the Group properly discloses the information related to revenue in the consolidated financial statements in accordance with *IFRS 15 Revenue from Customer Contracts* standard.

Other information: the consolidated business report (consolidated management report)

Other information comprises the consolidated business report (which is stated as consolidated management report in the annual report) of the Group for the financial year ended on 31 December 2023. Management is responsible for the preparation of the consolidated business report in accordance with the provisions of the Accounting Act and other relevant regulations, and for the preparation of the annual report in accordance with Act CXX. of 2001 on Capital Market. Our opinion on the consolidated financial statements does not cover the consolidated business report or the annual report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the consolidated business report and the annual report and, in doing so, consider whether the consolidated business report and the annual report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that the consolidated business report and the annual report is materially misstated, we are required to report this fact, and based on the Accounting Act, also the nature of the misstatement.

Based on the Accounting Act, it is also our responsibility to consider whether the consolidated business report has been prepared in accordance with the provisions of the Accounting Act and other relevant regulations, if any, and to express an opinion on this and on whether the consolidated business report is consistent with the consolidated financial statements.

Because the Company's transferable securities are admitted to trading on a regulated market of a Member State of the European Economic Area, our opinion on the consolidated business report shall cover the information prepared under Paragraphs e) and f) of Subsection (2) of Section 95/B, and state whether the information referred to in Paragraphs a)-d), g) and h) of Subsection (2) of Section 95/B of the Accounting Act has been provided.

As the Company is a public interest entity preparing consolidated financial statements and the conditions in Paragraph a) and b) of Subsection (5) of Section 134 of the Accounting Act are met at the balance sheet date, the Company shall publish a non-financial statement required by Section 95/C and Section 134 in its consolidated business report relating to the companies included in the consolidation. In this respect, we shall state whether the consolidated business report includes the non-financial statement required by Section 95/C, and Section 134.

In the course of fulfilling our obligation, in respect of forming our opinion on the consolidated business report we have considered the requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 on Supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation") as the regulation prescribing further requirements for the consolidated business report.

In our opinion, regarding the financial year ended on 31 December 2023, the consolidated business report, also including the information prepared under Paragraphs e) and f) of Subsection (2) of Section 95/B, and the annual report of the Group is consistent, in all material respects, with the consolidated financial statements for the financial year ended on 31 December 2023, and the consolidated business report has been prepared in accordance with the provisions of the Accounting Act and the other relevant regulation referred to above.

We are not aware of any other material inconsistency or material misstatement in the consolidated business report and the annual report and therefore we have nothing to report in this respect.

We state that the information referred to in Paragraphs a)-d), g) and h) of Subsection (2) of Section 95/B of the Accounting Act has been provided. The consolidated business report includes the non-financial statement required by Section 95/C, and Section 134.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and to prepare the consolidated financial statements in accordance with the supplementary requirements of the Accounting Act relevant for the consolidated annual financial statements prepared in accordance with IFRS as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HNSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HNSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Group on 8 April 2022. Our appointment has been renewed annually by shareholders' resolutions representing a total period of uninterrupted engagement appointment of 2 years.

The engagement partner on the audit resulting in this independent auditor's report is Mészáros Balázs Árpád.

Report on the compliance of the presentation of the consolidated financial statements with the requirements of the regulation on the European single electronic format

We have undertaken a reasonable assurance engagement on the compliance of the presentation of the consolidated financial statements of the Group included in the digital file 5493006YOYPOSXPIQG40-2023-12-31-hu.zip ("consolidated financial statements in ESEF format") with the requirements set out in the ESEF Regulation.

Responsibilities of the management and those charged with governance for the consolidated financial statements in ESEF format

The management is responsible for the presentation of the consolidated financial statements in ESEF format that comply with the ESEF Regulation. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable XHTML format;
- the selection and application of appropriate iXBRL tags as required by ESEF Regulation using judgement where necessary, including the full application of relevant tags and the proper creation and linking of extension elements; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's financial reporting process including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether the presentation of the consolidated financial statements in ESEF format complies, in all material respect, with the requirements of the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Hungarian National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the tagging, obtaining an understanding of the Group's internal controls relevant to the application of the requirements of the ESEF Regulation, and verifying whether the XHTML format was applied properly, evaluating the completeness of the Group's tagging of the consolidated financial statements using the XBRL markup language, evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified and evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the presentation of the consolidated financial statements in ESEF format of the Group's for the financial year ended 31 December 2023 included in the digital file 5493006YOYPOSXPIQG40-2023-12-31-hu.zip complies, in all material respects, with the requirements of the ESEF Regulation.

Budapest, 20 March 2024

Mészáros Balázs Árpád
Partner
Statutory auditor
Licence number: 005589
PricewaterhouseCoopers Könyvvizsgáló Kft.
1055 Budapest, Bajcsy-Zsilinszky út 78.
Licence number: 001464

Translation note:

This English version of our report is a translation from the original version prepared in Hungarian on the consolidated financial statements prepared in Hungarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this English translation.

INDEPENDENT
AUDIT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2023

STATISTICAL CODE: 10387128522911401

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

NOTES

WABERER'S INTERNATIONAL NYRT.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LINE ITEM	NOTE	31/12/2023	31/12/2022 ADJUSTED	01/01/2022 ADJUSTED
NON-CURRENT ASSETS				
Land and buildings	7	73 888	51 226	54 020
Vehicles	7	167 741	127 643	90 733
Other equipment	7	3 804	2 915	3 541
Total property, plant and equipment		**245 433**	**181 784**	**148 294**
Intangible assets	6	12 600	13 084	16 153
Goodwill	6	17 900	17 892	17 730
Non-current financial assets measured through other comprehensive income - Debt instruments	10	109 510	51 189	70 325
Non-current financial assets measured at amortised cost – Debt instruments	10	8 018	21 036	-
Other non-current financial assets	9	444	8	12
Investments in associates and joint ventures	8	8	-	-
Assets from reinsurance contracts	19	37 814	44 771	41 982
Deferred tax assets	32	2 934	6 323	6 010
TOTAL NON-CURRENT ASSETS		**434 661**	**336 087**	**300 506**
CURRENT ASSETS				
Inventories	11	4 781	4 170	3 631
Current income taxes	33	664	654	1 202
Receivables from supplies of goods and services (trade receivables)	12	107 079	108 496	90 282
Other current assets	13	42 260	25 849	26 043
Current portion of financial assets measured through other comprehensive income - Debt instruments	10	29 113	37 050	23 395
Current portion of financial assets measured at amortised cost – Debt instruments	10	13 357	9 151	-
Derivative financial instruments	13	3 768	2 585	679
Cash at bank and in hand	15	67 068	90 124	58 583
Assets held for sale	14	811	1 214	71
TOTAL CURRENT ASSETS		**268 901**	**279 293**	**203 886**
TOTAL ASSETS		**703 562**	**615 380**	**504 392**
EQUITY				
Share capital	16	6 118	6 118	6 118
Capital reserve	16	23 712	23 712	68 438
Retained earnings	16	124 148	100 604	39 488
Other reserves	16	5 239	(4 946)	(4 789)
Translation difference	16	(8 209)	(12 620)	(7 952)
Equity attributable to the parent company		**151 008**	**112 868**	**101 303**
Non-controlling interest		**263**	**233**	**325**
TOTAL EQUITY		**151 271**	**113 101**	**101 628**
LIABILITIES				
Long-term loans and borrowings	36	-	-	20 761
Non-current liabilities from the issue of bonds	36	113 830	113 813	-
Non-current portion of lease liabilities	17	141 379	117 083	78 286
Deferred tax liability	32	1 914	3 244	4 530
Provisions	18	18 769	25 297	21 328
Other non-current liabilities		-	1 431	2 575
Insurance technical reserves	19	79 337	67 385	63 554
TOTAL NON-CURRENT LIABILITIES		**355 229**	**328 253**	**191 034**
Short-term loans and borrowings	20	1 511	1 916	24 756
Current portion of lease liabilities	17	45 873	36 054	53 889
Liabilities from supplies of goods and services (trade liabilities)	34	96 093	98 184	87 609
Current income taxes	32	3 596	1 668	1 168
Contract liabilities	41	240	3 373	0
Other current liabilities	21	43 950	26 385	25 293
Derivative financial instruments	13	0	1 026	1 532
Insurance technical liabilities		5 799	5 420	17 483
TOTAL CURRENT LIABILITIES		**197 062**	**174 026**	**211 730**
TOTAL LIABILITIES		**552 291**	**502 279**	**402 764**
TOTAL LIABILITIES AND EQUITY		**703 562**	**615 380**	**504 392**

Budapest, 20 March 2024

all figures in thousand EUR

WABERER'S INTERNATIONAL NYRT. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	NOTE	2023	2022 ADJUSTED
NET SALES REVENUES	**22**	**710 909**	**679 357**
of which: Insurance revenues		71 924	61 325
Direct costs	23-27	-625 976	-586 566
of which: Depreciation and amortisation		-52 807	-46 693
of which: Insurance service expenses		-54 832	-26 334
of which: Result of reinsurance contracts		-6 680	-5 878
GROSS MARGIN		**84 933**	**92 791**
Gross margin before depreciation		137 740	139 484
Indirect costs	29	-67 131	-57 809
Other income	30	21 952	9 646
Interest income calculated using the effective interest method		7 926	4 691
Other expenses	31	-8 595	-9 575
Change in results of embedded derivatives (+/-)	40	3 294	-3 450
Net impairment on financial assets		412	284
OPERATING PROFIT		**42 791**	**36 578**
Revenues from financial transactions	32	18 876	9 275
Financial transactions costs	32	-22 903	-20 687
Financial profit (+) / loss (-)	**32**	**-4 027**	**-11 412**
of which: unrealised exchange differences from financial profit/loss		6 541	-3 974
Share of profit of associates and joint ventures	8	-1	0
PROFIT BEFORE TAXATION		**38 763**	**25 166**
Income tax expense	33	-9 076	-5 837
Profit for the year		29 687	19 328
Of which:			
Profit attributable to shareholders of the parent company		29 471	19 303
Profit attributable to non-controlling/minority shareholders		216	25
Other comprehensive income:			
Items which are or may be subsequently transferred to profit/loss:			
Fair value difference of debt instruments - less deferred taxes		8 238	-2 341
Cash flow hedge gain / (loss)	13	11 899	-2 008
Effective portion of cash flow hedge reclassified to profit or loss	13	-8 594	4 200
Cash flow hedge coverage costs	13	-1 338	0
Foreign currency translation differences on foreign operations		4 412	-4 668
OTHER COMPREHENSIVE INCOME		**14 617**	**-4 817**
TOTAL COMPREHENSIVE INCOME		**44 304**	**14 511**
Of which:			
Profit attributable to shareholders of the parent company		44 088	14 486
Profit attributable to non-controlling/minority shareholders		216	25
Normal and diluted earnings per share (EUR/share)	**4**	**1,69**	**1,1**

DETAILED INFORMATION:	2023	2022 ADJUSTED
EBITDA	95 598	83 329
EBIT	42 791	36 636

Budapest, 20 March 2024 all figures in thousand EUR

WABERER'S INTERNATIONAL NYRT. CONSOLIDATED CASH FLOW STATEMENT			
LINE ITEM	**NOTE**	**2023**	**2022**
PROFIT BEFORE TAXATION		**38 764**	**25 166**
Unrealised exchange losses/gains on other assets and liabilities denominated in foreign currencies (-)	31	-6 542	3 974
Depreciation and amortisation charge	6, 7	47 406	40 167
Impairment on non-financial assets - or reversal		-	-
Impairment on financial assets - or reversal		-412	-342
Interest expense	31	11 827	7 248
Interest income	31	-3 574	-2 080
Difference between provisions made and used	18	-6 528	5 791
Change in insurance technical reserves		-22 851	1 657
Profit/loss from disposal of property, plant and equipment		-3 364	69
Profit or loss from the disposal of non-current assets held for sale		-	241
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		**54 725**	**81 891**
Change in inventories	11	-207	-1 683
Change in trade receivables		1 939	-14 741
Change in other current assets and derivative financial instruments		-12 379	-31 069
Change in trade liabilities		-1 883	11 022
Change in other current liabilities and derivative financial instruments		22 298	1 109
Change in insurance technical liabilities		40 536	-13 505
Income tax paid	33	-5 098	-6 197
I. NET CASH FLOW FROM OPERATING ACTIVITIES		**99 932**	**26 827**
Purchase of property, plant and equipment	6, 7	-38 403	-19 395
Proceeds from the disposal of property, plant and	7	1 052	338
equipment		9 347	10 690
Proceeds from the disposal of non-current assets		-437	-
Increase of other non-current financial assets		-	5
Decrease of other non-current financial assets	8	-7	-
Acquisition of associates and joint ventures	10	-250 158	-93 475
Purchase of insurer's debt and equity instruments	10	214 955	93 329
Sale of insurer's debt and equity instruments	31	3 296	483
II NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-60 356**	**-8 025**
Repayment of borrowings	35	-1 834	-23 923
Issue of bonds	35	-	110 932
Loan repayments	35	-	-20 761
Lease repayments (scheduled)	35	-38 459	-37 431
Lease repayments (in connection with disposals)	35	-5 795	-11 646
Interest paid	35	-11 811	-4 049
Dividend paid	35	-11 811	-4 049
Fizetett osztalék		-4 733	-117
III NET CASH FLOW FROM FINANCING ACTIVITIES		**-62 632**	**13 005**
IV CHANGE IN CASH		**-23 056**	**31 807**
Cash and cash equivalents at beginning of year	15	90 124	58 583
Exchange rate effect			-266
Cash and cash equivalents at end of year	15	67 068	90 124

all figures in thousand EUR

WABERER'S INTERNATIONAL NYRT.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Capital reserve	Retained earnings	Hedging reserves	Revaluation reserve	Total other reserves (hedging and revaluation)	Translation difference	Equity attrib-utable to the parent company	Non contorlling interest	Total equity
OPENING BALANCE AS AT 01/01/2022 ORIGINALLY PRESENTED		**6 118**	**68 438**	**6 198**	**-777**	**-3 533**	**-4 310**	**-7 952**	**68 492**	**325**	**68 817**
Adjustments of previous period due to switch to IFRS 17		0	0	33 290	0	-479	-479	0	32 811	0	32 811
OPENING BALANCE AS AT 01/01/2022 ADJUSTED		**6 118**	**68 438**	**39 488**	**-777**	**-4 012**	**-4 789**	**-7 952**	**101 303**	**325**	**101 628**
Fair value differences on cash flow hedging instruments		0	0	0	2 192	0	2 192	0	2 192	0	2 192
Fair value difference on non-current financial assets	36	0	0	0	0	-2 341	-2 341	0	-2 341	0	-2 341
Exchange difference in foreign operations		0	0	0	0	0	0	-4 668	-4 668	0	-4 668
Other comprehensive income		**0**	**0**	**0**	**2 192**	**-2 341**	**-149**	**-4 668**	**-4 817**	**0**	**-4 817**
Profit/(loss) for the year	36	0	0	19 303	0	0	0	0	19 303	25	19 328
Total comprehensive income		**0**	**0**	**19 303**	**2 192**	**-2 341**	**-149**	**-4 668**	**14 486**	**25**	**14 511**
Transfers to capital reserve		0	-44 726	44 726	0	0	0	0	0	0	0
Dividends to minority shareholders		0	0	0	0	0	0	0	0	-117	-117
Other movements		0	0	-2 913	0	-8	-8	0	-2 921	0	-2 921
CLOSING BALANCE AS AT 31/12/2022 RESTATED		**6 118**	**23 712**	**100 604**	**1 415**	**-6 361**	**-4 946**	**-12 620**	**112 868**	**233**	**113 101**
CLOSING BALANCE AS AT 31/12/2022 ORIGINALLY PRESENTED		**6 118**	**23 712**	**66 859**	**1 415**	**-7 918**	**-6 503**	**-12 620**	**77 566**	**233**	**77 799**
Adjustments of previous period		0		33 745		1 557	1 557	0	35 302	0	35 302
CLOSING BALANCE AS AT 31/12/2022 ADJUSTED		**6 118**	**23 712**	**100 604**	**1 415**	**-6 361**	**-4 946**	**-12 620**	**112 868**	**233**	**113 101**
Fair value differences on cash flow hedging instruments	13	0	0	0	1 967	0	1 967	0	1 967	0	1 967
Fair value difference on non-current financial assets		0	0	0	0	8 238	8 238	0	8 238	0	8 238
Exchange difference in foreign operations		0	0	0	0	0	0	4 412	4 412	0	4 412
Other comprehensive income		**0**	**0**	**0**	**1 967**	**8 238**	**10 205**	**4 412**	**14 617**	**0**	**14 617**
Profit/(loss) for the year		**0**	**0**	**29 471**	**0**	**0**	**0**	**0**	**29 471**	**216**	**29 687**
Total comprehensive income		**0**	**0**	**29 471**	**1 967**	**8 238**	**10 205**	**4 412**	**44 088**	**216**	**44 304**
Transfers to capital reserve		0	0	0	0	0	0	0	0	0	0
Dividends to minority shareholders		0	0	0	0	0	0	0	0	-186	-186
Dividends provided for or paid	16	0	0	-4 762	0	0	0	0	-4 762	0	-4 762
Other movements		0	0	-1 165	9	-29	-20	-1	-1 186	0	-1 186
CLOSING BALANCE AS AT 31/12/2023		**6 118**	**23 712**	**124 148**	**3 391**	**1 848**	**5 239**	**-8 209**	**151 008**	**263**	**151 271**

Budapest, 20 March 2024

all figures in thousand EUR

INDEPENDENT AUDIT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2023

STATISTICAL CODE: 10387128522911401 **COMPANY REGISTRATION NUMBER: 01-10-041375**

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

NOTES

1. REPORTING ENTITY

A Waberer's International Nyrt. (a továbbiakban: „Társaság") magyarországi székhelyű társaság. A Társaság székhelyének címe: 1239 Budapest, Nagykőrösi út 351. A 2023. december 31-i fordulónappal készített, az ezzel a nappal végződő üzleti évre vonatkozó konszolidált pénzügyi kimutatások tartalmazzák a Társaság és leányvállalatainak, együttesen a Csoport (a továbbiakban együttesen: „Csoport", külön-külön: „a Csoporthoz tartozó gazdálkodó egységek") pénzügyi információit. A Csoport főtevékenysége a fuvarozási, szállítmányozási és logisztikai szolgáltatás.

2. BASIS OF PREPARATION

2.1. Going concern disclosure

As a result of the successful stabilising efforts and new business model introduced in 2020 and followed in 2021 in response to the losses suffered in 2019 and in 2020, the Group returned to profit and managed to sustain its profitability. It achieved an outstanding profit in 2022 and 2023 representing the highest profit levels since the Company's IPO.

The main contributor to the Group's improved results in the past three and a half years was the significant improvement of profit in the ITS business segment as a result of the measures taken. At the same time, the RCL and the Other segments, which were highly profitable in earlier years, also sustained and increased their profitability as well as their share in the Group's activities, which created a positive effect in the distribution of activities. All segments performed well in 2023, exceeding their targets while laying the foundations for future growth.

The Group successfully issued bonds with a nominal value of EUR 111 million in April 2022. The bond carries a fixed interest rate, has a maturity of 10 years, with a 10% repayment in years 5-9 and a 50% repayment in year

10. In line with its strategy outlined in December 2021, the Group has and is using the proceeds from the bond issue to finance the construction of a new warehouse, the fleet replacement and regional acquisitions, as well as to refinance its existing loans. The capital raised has provided predictable long-term funding for Waberer's continued growth and will thus enable the Group to improve its competitiveness, develop its core infrastructure, and geographically expand its already successful contract logistics services in the following years.

As a combined result of successful and profitable business operations, and the extra funding from the bond issue, the Group now has strong liquidity; cash balances at 31 December 2023 amounted to EUR 67 million.

For the assessment of the going concern basis, management considered a number of various factors, including Group profits and available funding, as follows:

- The Group's profits exceeded the budgeted figures in 2021, 2022 and in 2023, which is mainly attributable to the implementation, fine-tuning, and improvement of the new business model.
- The Group had successful business operations in the second half of 2020, in 2021, 2022 and in 2023, and is expected to maintain its success in the coming years as a result of the future impacts of management's action plans. The sustained period of success confirms the lasting positive effect and crisis resilience of the business model. However, risks associated with the adverse and rapidly changing political and economic environment might have an impact on the Company's ability to further improve its performance.
- Based on management's estimate, the Group's financial leeway is positive – in particular with regard to the international transportation (ITS HU) and regional contract logistics (RCL) segments, which are members of the cash pool group – and still can be improved by the funding sourced by the bond issued in 2022.
- The results of business operations and the bond issue ensure that working capital needs can be funded. Also, the agreements with different credit institutions make it possible to extend leases expiring in year 2024.
- The Company's new ownership structure also creates an environment which fosters its development and financial stability.
- The Company published its mid-term business plan, the "Waberer's Group – Strategy 2027" in November 2023. The plan projects an attractive growth path on the basis of the successful core activities, the envisaged expansions and actions to be taken, which are expected to give rise to a sustainable competitiveness without harming a conservative debt level.

Both management and the Waberer's International Nyrt.'s Board of Directors consider that the Group has sufficient funds to continue operating as a going concern in the foreseeable future, and the financial statements have been prepared on this basis.

The consolidated financial statements do not contain any adjustments of the amounts and classifications presented which would be necessary if the going concern basis could no longer be applied to the Group.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

2.2. Statement of compliance with International Financial Reporting Standards

The Group's consolidated financial statements were prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

IFRSs comprise accounting standards issued by the IASB and its predecessor, as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor.

The consolidated financial statements were approved by the Board of Directors on 20 March 2024.

2.3. Basis of measurement

With the exception of derivative financial instruments and the non-current financial assets measured at fair value through other comprehensive income – Debt instruments, which are measured at fair value, the consolidated primary financial statements were prepared on a historic cost basis.

2.4. Functional and presentation currency

90% of the Group's business is done within the European Union. The Group is financed in EUR and, owing to the special and EU-wide nature of the Group's business, the country risk premium for Hungary is barely considered by the Group's funders when establishing their interest premiums. Accordingly, the consolidated financial statements are prepared in EUR, which has been the Group's presentation currency since 1 January 2013.

The functional currencies, other than EUR, used by Group entities are presented below:

COMPANY	2023	2022
Waberer's - Szemerey Logisztika Kft.	HUF	HUF
Gránit Biztosító Zrt.**	HUF	HUF
Közdűlő Invest Kft.	HUF	HUF
KDI Property Kft.	HUF	HUF
WPL-Log Zrt.*	HUF	HUF
WPL Ingatlanfejlesztő Kft	HUF	-
SinoWa Kft	HUF	-
Waberer's Románia SA	RON	RON
LINK Sp. z o.o.	PLN	PLN
NewDefine Sp. zoo	PLN	PLN

During the year 2023 formerly named WPL Fulfillment Zrt's name changed to WPL-Log Zrt.
On 15 February 2024. formerly named Wáberer Hungária Biztosító Zrt's name changed to Gránit Biztosító Zrt. (hereafter "the Insurance company").

2.5. Use of estimates and judgments

The preparation of financial statements in accordance with the following accounting policies requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual figures may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognised in the period in which the estimate is adjusted and in any future periods affected by the adjustments.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the notes below:

- measurement of the recoverable amount of cash-generating units comprising goodwill (Note 6 (a))
- provisions and contingent items (Note 18 and 39)
- insurance technical assets and liabilities (Note 19)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

3.1. Standards and interpretations issued but not yet effective, but adopted by the EU

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

The Amendments become effective for annual periods beginning on or after 1 January 2024. The Amendments clarify that liabilities must be classified as current or non-current liabilities based on the rights existing on the reporting date. A liability is classified as non-current if the company has a substantial (but not necessarily unconditional) right to defer settlement of the liability for at least 12 months after the reporting date.

The Amendments made in October 2022 state that covenants applicable after the reporting date do not determine if a liability is current or non-current on the reporting date. Neither does the management's expectation for settlement affect classification to current or non-current liability. A liability shall be classified as current liability if there is a breach in covenant on or before the end of the reporting period even if the lender releases the covenant after the reporting date. And the other way around, the liability is a non-current liability if the breach in covenant occurs after the reporting date.

The Amendments become effective for annual reporting periods beginning on or after 1 January 2024 and will need to be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Group believes that these amendments entering into force will not have a significant impact on the Group's consolidated financial statements.

3.1.2. IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)

On 22 September 2022 the IASB issued "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)" with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions to be accounted for as a sale in line with the rules of IFRS 15. Seller-lessee is not allowed to present gain or loss related to the value of the held right-of-use assets. Lease liability shall be evaluated even if it is not an index- or ratio determined variable fee.

The amendments are effective for annual periods beginning on or after 1 January 2024. The Group believes that these amendments entering into force will not have a significant impact on the Group's consolidated financial statements.

3.1.3. IAS 7 Cash flow statement and IFRS 7 Financial instruments disclosures

The amendment issued on 25 May 2023 details disclosure requirements of supplier finance arrangements aiming to enhance transparency and visibility of effects made on the entities' liabilities and cash-flow statements and to show impacts on liquidity risks.

3.2. Standards and interpretations issued but not yet effective and not yet adopted by the EU

3.2.1. IAS 21 The Effects of Changes in Foreign Exchange Rates

The amendment issued on 15 August 2023 provides guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not, it also provides information about information to be disclosed in case of lack of exchangeability.

3.3. The accounting policies applied in the preparation of the consolidated financial statements are consistent with those applied in the previous financial year except for the following amended IFRSs which were adopted by the Group as of 2023:

3.3.1. IFRS 17: Insurance contracts

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective of the amendment is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The standard is effective from 1 January 2023 and the Group applies it from that date.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Effects of IFRS 17 on the consolidated financial statements are detailed in Note 36.

CHANGE COMPARED TO IFRS 4 ACCOUNTING	IMPACT ON EQUITY AFTER INTRODUCTION OF IFRS 17
Decline in net claims reserve due to implementation of best estimatey	Increase
Introduction of risk adjustment	Decrease
Discontinuation of deferred acquisition costs	Decrease

3.3.2. 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. The standard is effective from 1 January 2023 and the Group applies it from that date.

3.3.3. IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The amendments become effective for annual reporting periods beginning on or after 1 January 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. The standard is effective from 1 January 2023.

3.3.4. IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments are effective for periods beginning on or after 1 January 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12 Income taxes, 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, concurrently recognise an asset and a liability. Deferred tax shall be recognized on initial recognition for such transaction if the transaction results in equal value of taxable and deductible temporary differences. The standard is effective from 1 January 2023.

3.3.5. IAS 12 Income taxes: International tax reform – Pillar Two rules (Amendments).

IASB issued amendments to IAS 12 Income taxes in May 2023. The amendments respond to the coming implementation of the Pillar Two model rules issued by the Organisation for Economic Co-operation and Development (OECD) as a result of the international tax reform. The amendments provide temporary exemption form deferred tax recognition and presentation rules defined by legally effective or substantially adopted taxation law changes whose purpose is to implement Pillar Two model rules. In line with the IASB's effective date, companies may apply the exception immediately, but disclosure is mandatory for annual periods beginning on or after 1 January 2023.

1. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries were amended if this was necessary to ensure consistency with the policies applied by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any realized and unrealized income and expenses arising from intra- group transactions are eliminated in preparing the consolidated financial statements.

Associates and joint ventures

In 2023 the Group acquired interests in two companies. These investments do not grant control over the reporting entities, but significant influence or joint control have been obtained, therefore these investments are accounted for using the equity method.

2. Currency other than the functional currency

Transactions in currencies other than the functional currency

Transactions in currencies other than the functional currency are translated to the respective functional currencies of Group entities at central bank's exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies other than the functional currency at the balance sheet date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in a currency other than the functional currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are translated to the functional currency at the exchange rate at the date when the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to EUR at exchange rates at the balance sheet date. Income and expenses of foreign operations are translated to EUR at annual average exchange rates.

3. Financial instruments

The Group's financial assets typically consist of trade receivables other than cash, corporate bonds measured at amortised cost, government and other securities measured at fair value through other comprehensive income, and other receivables and derivatives, which are detailed further below.

The Group essentially holds securities within two business models, typically to collect contractual cash flows but there are some with dual purpose as to collect cash flows and sell. Accordingly a significant part of financial assets are measured at amortised cost whilst the remaining part is measured at fair value through other comprehensive income.

SPPI test

Purchased securities and corporate bonds have fixed terms, fixed interest and fixed repayment schedules. They contain no other risks, volatility impacted, or event-driven cash flows. Aside from the time value of money, interest only covers credit and liquidity risk, loan-related costs and the lender's profit. According to the SPPI test (contractual cash flows are typical) the Group has no financial assets for which the measurement at fair value through profit or loss would be obligatory.

The Group's financial liabilities are typically leases, other loans and borrowings, issued bonds and other liabilities and derivatives, which are detailed in the following sections. Apart from derivative transactions, financial liabilities are measured at amortised cost.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Group has no equity instruments within the kind of financial assets for which IFRS 9 rules would be applicable.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivative transactions are initially recognised at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivative transactions qualifying as cash flow hedges are measured at fair value at year-end, and the effective portion of the fair value is recognised directly in other comprehensive income while the ineffective portion is recognised through other expense or other income.

In accordance with the Group's accounting policies, any effective gains or losses realised on cash flow hedges closed in the reporting period are recognised as a decrease or increase in sales revenues in case of covering sales, while for transactions covering wage costs and fuel costs they are recognised under direct costs.

In 2023 the Group further enhanced the covering of the foreign exchange rate risks by starting Knock-out forward (KO forward) transactions, which consist of two options. KO forward transactions are structures of combined options having a pre-defined level of exchange rate (KO level) on which the transaction is ceased at maturity if the interbank exchange rates achieve that level. The Group defines the intrinsic value of the option as hedging instrument and presents the time value coverage cost in other comprehensive income.

4. Property, vehicles and equipment

Recognition and measurement

Items of property, vehicles and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, vehicles and equipment have different useful lives, they are accounted for as separate items (major components) of property, vehicles and equipment.

Gains and losses on the disposal of an item of property, vehicles and equipment are determined by comparing the proceeds from the disposal with the carrying amount of the item and are recognised on a net basis in profit or loss as other income.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and the cost of that part can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and based on the depreciable amount of the asset. The depreciable amount of an asset is its cost less any residual value. Land is not depreciated.

The estimated useful lives for the current and comparative period are as follows:biak:

- buildings 30-50 years
- plant and equipment 7 years
- vehicles 4-5 years
- other equipment and fittings 7 years

IFRS16 Right-of-use assets

The Group enters into lease agreements for the use of vehicles and real estates. Accordingly, right-of-use assets are presented amongst Vehicles and Land and building in the statement of financial position.

In the case of the regional logistic segment, the useful life and residual value of leased vehicles are set in accordance with the useful life set in the lease agreement and the buy-back value at the end of useful life provided by the vehicle manufacturer. In the case of the international transportation segment, the right of use of the assets is presented on asset value based on the cash outflows during the lease term, which is accounted for as straight-line depreciation during the contractual term in line with the rules of IFRS 16.

Right-of-use assets are amortised during the term of the relevant lease classified by the Group in accordance with IFRS 16.

All right-of-use assets from rental rights with a term shorter than 12 months or with an individual underlying asset value lower than tEUR 5 are not recognised as assets. The rental expenses are reported as direct costs in the profit and loss statement.

5. Intangible assets

Goodwill

Cost of goodwill:
For business combinations, the Group determines goodwill as the difference between the consideration paid and the fair value of net assets acquired.

Other intangible assets

Other intangible assets acquired by the Group which have definite useful lives (software, licences) are recognised at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenses

Subsequent expenses are capitalised only when they increase future economic benefits embodied in the specific asset to which they relate. All other expenses, including expenses of brand names, are recognised in profit or loss when incurred.

Amortisation

Except for goodwill, amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative period are as follows:
- software 10 years
- intangible property rights 6 years

6. Inventories

I
nventories are measured at the lower of cost and net realisable value. The cost of spare part inventories and fuel inventories in tanks includes expenses incurred in acquiring the inventories, their production or transformation costs, and other expenses incurred in bringing them to their existing location and condition. Derecognition cost is determined at average price for spare parts and based on the FIFO principle for the inventories in tanks.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

7. Impairment loss

Financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments measured at amortized cost or fair value through other comprehensive income (FVOCI), and recognizes impairment for such losses on a monthly basis.

The simplified approach does not require the tracking of changes in credit risk but requires the recognition of lifetime ECL on an ongoing basis. For trade receivables or contract assets that do not contain a significant financing component where the Company decided not to adjust the consideration for the interest component for revenue recognition purposes because it does not contain a significant financing component, the Group has decided to apply the simplified approach. The impairment of other financial assets is recognized in line with the general approach.

Under the simplified approach, the Group determines lifetime ELCs using an impairment matrix, which takes into consideration certain circumstances of the debtors and the number of days past due. The impairment rates applied in the matrix are determined considering the general requirements of IFRS 9 for the calculation of expected credit losses.

If, in a subsequent period, the amount of impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor’s credit rating), the previously recognized impairment is reversed by adjusting the allowance account through profit or loss for the year. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- ceasing collection activity, and
- where the recovery method is foreclosure on collateral and the value of the collateral is insufficient for a full recovery of the receivables.

Subsequent recoveries of amounts previously written off are credited to impairment through profit or loss for the year.

Non-financial assets

The carrying amounts of non-financial assets within the scope of IAS 36 are reviewed by the Group at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at least at each balance sheet date.

The Group examines on an annual basis and if there are any indications that impairment needs to be recognised whether the recording of impairment may be justified for goodwill. Accordingly, the recoverable amount of the cash-generating unit to which the goodwill is related must be estimated. To determine the recoverable amount, the Group assesses the future cash flows of the cash-generating unit, and selects an appropriate discount rate to calculate the present value of the cash flows.

8. Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) whose carrying amount will be recovered principally through a sale transaction rather than through continuing use are considered to be non-current assets classified as held for sale. The Group typically classifies assets bought back from leases to this category if the expected time of sale is within 12 months.

9. Employee benefits

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed to a detailed formal plan to terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy, without a realistic possibility of withdrawal. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

10. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

11. Sales revenue

I
FRS 15 - Revenue from Contracts with Customers
The Group's revenues are generated in three segments: international transportation (ITS), regional contract logistics (RCL) and the 'other' segment.

The Group distinguishes the following types of revenue that are within the scope of IFRS 15 Revenue from Contracts with Customers:

- international forwarding and transportation
- warehouse logistics
- in-house logistics

The Group has generally concluded that in line with the rules of IFRS 15:

- it continuously satisfies the performance obligation in the course of transportation and forwarding services and recognises its revenue over the period of time calculated by output method based upon the kilometres performed
- in the case of other customs clearance, freight insurance, goods securing and packaging services related to the transportation and forwarding activity, the performance obligation is fulfilled at the point of time
- it continuously satisfies the performance obligation in the course of warehouse logistics
- in the case of international transportation damage compensations paid to a customer are part of the transaction price and are deducted from sales revenues
- it basically acts as the principal in the contracts concluded with customers because it typically controls the goods and services before transferring them to customers, and in the case of services the Group bears all the liability and recognises gross revenues as principal
- it acts as agent in case of freight insurance cases
- there is no significant financing component because the period between the transfer of the promised good or service to the customer and payment by the customer for that good or service is expected to be one year or less at contract inception.

Other segment revenues include revenues from insurance contracts. The related accounting policies are detailed in section (o) below.

12. Finance income and expense

Finance income comprises the following: interest income on investments. Interest income is recognised in profit or loss on a time proportion basis, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, and interest on the issued bond.

Realised foreign exchange gains and losses are recognised on a gross basis whilst the unrealised foreign exchange gains and losses are recognised on a net basis.

13. Income tax

Income tax expense comprises current and deferred income taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Local business tax and innovation contribution payable in Hungary are also presented as income tax.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

14. IFRS 17 Insurance contracts

With an insurance contract one party (the issuer) takes significant risk from the other party (the policyholder) by agreeing to indemnify the policyholder if an uncertain future event (the insured event) adversely affects the policyholder.

With reinsurance contracts the group transfers significant insurance risks related to the underlying insurance contracts to another party.

The Group obliged to apply IFRS 17 for the followings:

- insurance contracts issued by the Group, including reinsurance contracts
- the reinsurance contracts the Group holds

The Group classifies its insurance contracts into portfolios. Portfolios consist of contracts with similar risks and handled together in similar way.

The following portfolios have been identified:

- Motor third-party liability insurance (MTPL), as the most significant product
- Casualty and Collison insurance (CASCO), as the second most significant product
- Other liability insurance with less than 4% share within portfolios
- Other property insurance (shipment, passenger, property) with a less than 1,1% share within portfolios

Reinsurance contracts are not managed together and the Group considers them as separate portfolios.

Contracts cover maximum period of one year in most cases and the Group uses the simplified cost allocation method to evaluate its portfolios. Under this method, all direct portfolios cash-flows related to the acquisitions of contracts are recognised as an expense when the costs arise. Within any models, cash-flows may arise before recognizing a group of contracts which is presented within assets or liabilities by the Group.

The groups of contracts possessed by the Group are not unfavourable at their initial recognition and the Group holds no reinsurances which would be net profitable at initial recognition. The Group reviews whether these conditions are met each year.

Insurance and reinsurance contracts are divided into cohorts by the Insurance company. The individual cohorts are formed according to the calendar year of the starting of the contracts, based on the beginning of risk bearing.

Limits of insurance contracts

In IFRS 17, when evaluating insurance contracts, all future cash flows arising from each contract entered into by the group must be taken into account.

Cash flows are linked to the particular insurance contract if they arise from actual rights and obligations existing in the reporting period in which the insurer can force the policyholder to pay premiums or in which the entity has an actual obligation to provide insurance services to the policyholder. The limits of the Group's insurance contracts are clear, since the contracts can be freely repriced or terminated by the Group at the anniversary, therefore renewed contracts can be considered as new contracts under IFRS17.

Managing insurance tax and insurance supplementary tax

Cash flows linked to a particular insurance contract are cash flows directly related to the performance of the contract. This includes transaction-based taxes, including insurance tax, which arise directly from existing insurance contracts.

The Group considers insurance tax to be directly related to contract groups and treats it as an item that reduces insurance premium revenue, and includes it as such in the IFRS 17 calculations. The Group also considers the insurance supplementary tax as an item directly related to the contract groups, and its amount is included in the costs of insurance services.

15. IFRS 17 Insurance sales revenue and premium incomes

Insurance sales revenue for the period comprises the premium income allocable to the period. The occurrence of damages and the incurring of costs can be considered evenly over the insurance period, therefore income from premiums is allocated based on time. Total premium income is recorded based on premiums actually paid or expected to be paid, not on the demand for payment.

Insurance service expenses - expenses deriving from damage claims – comprise:

- the actual and estimated costs arising from known damage claims and the estimation of incurred but not yet reported damage claims during the period.
- adjustments arising from increases and decreases in actual and estimated costs identified during the period in relation to damages incurred in earlier periods.

The Group accounts for insurance financial incomes and expenses after taking into account the time value of money and the effects of financial risks.

<u>Discounting</u>

To evaluate insurance contracts, IFRS 17 relies on net present value method, for which discounting and yield curves are needed. For its discounting, IFRS17 requires the use of curves that are the same (or very close) to the yield of an asset whose cash-flow and liquidity characteristics are the same as those of the given insurance contract. With regard to the cash flows resulting from insurance contracts, there is no substitute asset or portfolio of substitute assets, therefore the Group chooses a different technique to determine the yield curves required for discounting.

Cash flows from insurance contracts do not depend on underlying assets.

The Group follows a bottom-up approach to determine yield curves, during which an appropriate liquid risk-free yield curve is increased by an illiquidity premium (ILP). The Group evaluates groups of contracts in Hungarian forints (HUF), euros (EUR) and pounds sterling (GBP), thus the calculation is performed for all three currencies. To determine the ILP on the asset side, the Group identifies the illiquidity premium with the interest difference between government bond yields and interest rate swap yields, in line with the method also followed by the MNB. The Group considers asset-side and liability-side base ILP to be the same.

The Group relies on Solvency II dependent damage reserve methodology to determine the cash flow of incurred damage claims.

16. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and the value of purchased bonds and treasury bills maturing within 3 months.

17. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incidental expenses directly attributable to the issue of ordinary shares are recognised as a reduction of equity, net of any tax effects.

Repurchased share capital (treasury shares)

Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or subsequently reissued, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is recognised through retained earnings.

18. Fair value hierarchy

For fair value measurement, the Group uses a fair value hierarchy, in which the inputs of measurement methods used to determine fair value are classified in three categories.

The Group uses the following basis for fair value measurement of non-current debt and equity financial assets:

a. listed fixed and variable interest bonds and discounted treasury bills (except for government bonds and discount treasury bills in the primary dealer system) are measured consistently in the measurement period as the aggregate of the last closing quoted net rate, adding, when determining market value, any interest accumulated until the reporting date;
b. the market values of government securities in the primary dealer system with fixed and variable interest rate and a remaining term of more than 3 months and discounted government securities are measured as the aggregate of the arithmetical average of the best net buy and sell rates published by the Government Debt Management Agency (ÁKK) at the reporting date or the preceding working day plus any interest accumulated until the reporting date;
c. the market values of government securities with fixed and variable interest rate and a remaining term of less than 3 months and discounted government securities (including securities with government surety) are measured as the aggregate of the net rate calculated for the reporting date and any interest accumulated until the reporting date, based on the 3-month reference yield published by ÁKK at the reporting date or the preceding working day;
d. if no quoted price of listed debt securities over 30 days is available (except for government securities in the primary dealer system), the market value is determined based on the last recorded volume weighted average net OTT price published until the reporting date plus any interest accumulated until the reporting date, provided that such information is within 30 days. The same measurement method applies to unlisted debt securities;
e. if none of the above measurement methods is practicable, the market price is determined by adding any interest accumulated since the last interest payment until the reporting date to the net acquisition price.

Fair values of derivatives and embedded derivatives presented in contract liabilities are exclusively evaluated by techniques using market data. Derivatives are measured on the basis of Mark to Market indicators from the banks, thus the evaluation is based on level 2 inputs.

4. EARNINGS PER SHARE

The issued share capital of Waberer's International Nyrt. at 31 December 2023 and 31 December 2022 amounted to EUR 6,192,807 and comprised 17,693,734 dematerialized ordinary shares each with a face value of EUR 0.35.

Of which treasury shares: 214,699 (total face value EUR 75,144).

Number of treasury shares 31/12/2023: 214,699, face value: EUR 75,144

Number of treasury shares 31/12/2022: 214,699, face value: EUR 75,144

The weighted average of ordinary shares in 2023: 17,479,035
The weighted average of ordinary shares in 2022: 17,479,035

There was no diluting effect either in 2023 or in 2022, therefore diluted earnings per share are identical with earnings per share.

EARNINGS PER SHARE	2023	2022 ADJUSTED
Profit attributable to shareholders of the parent company tEUR	29 471	19 303
Weighted average of ordinary shares	17 479 035	17 479 035
Earnings per share EUR	1,69	1,10
Diluted earnings per share EUR	1,69	1,10

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

5. SEGMENT INFORMATION

IFRS 8 „Operating segments" requires listed entities to disclose appropriate information to the investors for the sake of transparency. The Group has created an 'international transportation', a 'regional contract logistics', and an 'other' segment based on its business lines.

The operations of the Group are governed by Group management based on these three segments comprising the following activities:

International transportation: International Full Truck Load ("FTL") transportation and forwarding, and international collective transportation

Regional contract logistics: Domestic FTL and LTL (Less than Truck) transportation, warehousing, in-house logistics and vehicle repairs for third parties

Other: Insurance services

Details of the Group's business segments are presented below.
Sales revenues and key OCI items:

2023

DESCRIPTION	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTER- SEGMENT ELIMINATION	TOTAL
Revenues from transportation with own fleet	304 294	77 763	0	1 868	383 925
Revenues from subcontracting	107 855	34 313	0	-3 430	138 738
Other sales revenues	25 113	97 758	82 450	-17 075	188 246
Inter-segment elimination (-)	-7 497	-11 140	0	18 637	0
Net sales revenues	**429 765**	**198 694**	**82 450**	**0**	**710 909**
EBITDA	45 893	30 796	18 906	3	95 598
Depreciation	-36 995	-15 517	-295	0	-52 807
EBIT	8 898	15 278	18 612	3	42 791

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

2022

DESCRIPTION	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTER- SEGMENT ELIMINATION	TOTAL
Revenues from transportation with own fleet	302 871	74 568	0	-1286	376 153
Revenues from subcontracting	104 002	34 317	0	-873	137 446
Other sales revenues	18 581	90 506	70 028	-13 357	165 758
Inter-segment elimination (-)	-9 377	-6 139	0	15 516	0
Net sales revenues	**416 077**	**193 252**	**70 028**	**0**	**679 357**
EBITDA	41 655	25 779	15 895	0	83 329
Depreciation	-31 748	-14 650	-295	0	-46 693
EBIT	9 907	11 129	15 600	0	36 636
Profit for the year 2023	-1 884	13 751	17 821	-1	29 687
Profit for the year 2022	-15	4 914	14 429	0	19 328

The other sales revenue in the case of regional contract logistics comprises warehouse logistics and in-house logistics revenue.

The following table shows other income by segment:

DESCRIPTION	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTER-SEGMENT ELIMINATION	TOTAL
2023	18 739	4 032	7 161	-54	**29 878**
2022	10 799	1 731	1 786	21	**14 337**

The following table shows other expenses by segment:

DESCRIPTION	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTER-SEGMENT ELIMINATION	TOTAL
2023	-4 788	-2 667	-1 352	212	**-8 595**
2022	-5 156	-2 524	-1871	-24	**-9 575**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

The following table shows the distribution of interest by segment:

2023

DESCRIPTION	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTER- SEGMENT ELIMINATION	TOTAL
Interest income	3 594	607	1	-627	3 575
Interest expense	-10 973	-2 291	-11	625	-12 650
Other financial profit or loss	1 186	2 674	1 189	-1	5 048
Financial profit/loss 2023	**-6 193**	**990**	**1 179**	**-3**	**-4 027**

2022

DESCRIPTION	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTER- SEGMENT ELIMINATION	TOTAL
Interest income	2 078	19	-3	-15	2 079
Interest expense	-6 207	-1 771	-1	15	-7 964
Other financial profit or loss	-3 760	-2 470	703	0	-5 527
Financial profit/loss 2022	**-7 889**	**-4 222**	**699**	**0**	**-11 412**

Costs by segment are presented in the appropriate sections of the Notes.

Calculation of EBIT and EBITDA indicators per year:

	2023	2022
Pre-tax profit/loss	**38 763**	**25 166**
Depreciation and amortisation	-52 807	-46 693
Financial profit/loss	-4 028	-11 412
Reclassified bond expected credit loss	0	-58
EBITDA	**95 598**	**83 329**
Depreciation and amortisation	-52 807	-46 693
EBIT	**42 791**	**36 636**

Actual income taxes:

DESCRIPTION	2023				2022			
	INTERNATI ONAL TRANSPORT ATION	REGIONAL CONTRACT LOGISTICS	OTHER	TOTAL	INTERNATI ONAL TRANSPORT ATION	REGIONAL CONTRACT LOGISTICS	OTHER	TOTAL
income tax expense	Egyéb	-2 519	-1 969	**-9 076**	-1 985	-1 992	-1 860	**-5 837**
– of which actual income taxes	-2 874	-2 572	-4 145	-9 591	-3 476	-2 225	-1 651	-7 352
– of which deferred tax	-1 714	53	2176	515	1 491	233	15	1 739

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Non-current assets:

DESCRIPTION	31/12/2023				31/12/2022			
	INTERNATI ONAL TRANSPORT ATION	REGIONAL CONTRACT LOGISTICS	OTHER	TOTAL	INTERNATI ONAL TRANSPORT ATION	REGIONAL CONTRACT LOGISTICS	OTHER	TOTAL
Land and buildings	10 211	63 560	117	**73 888**	9 692	41 509	25	**51 226**
Vehicles	114 979	52 454	308	**167 741**	88 072	39 343	228	**127 643**
Other equipment	2 226	1 407	171	**3 804**	1 568	1 165	182	**2 915**
Intangible assets	11 253	766	581	**12 600**	11 582	1 026	476	**13 084**
Goodwill	17 730	170	0	**17 900**	15 163	2 729	0	**17 892**
Deferred tax assets	2 932	2	0	**2 934**	5 532	0	791	**6 323**
Other non-current financial assets - other	444	8	0	**452**	2	6	0	**8**
Non-current financial assets measured through OCI	0	0	109 510	**109 510**	0	0	51 189	**51 189**
Non-current financial assets measured at amortised cost	8 018	0	0	**8 018**	21036	0	0	**21 036**
Share of reinsurance company in insurance technical reserves	0	0	37 814	**37 814**	0	0	44 771	**44 771**
TOTAL	**167 793**	**118 367**	**148 501**	**434 661**	**152 647**	**85 778**	**97 662**	**336 087**
NON-CURRENT ASSETS TOTAL:				**434 661**				**336 087**

Events with no material cash movement:

DESCRIPTION	2023				2022			
	INTERNATI ONAL TRANSPORT ATION	REGIONAL CONTRACT LOGISTICS	OTHER	TOTAL	INTERNATI ONAL TRANSPORT ATION	REGIONAL CONTRACT LOGISTICS	OTHER	TOTAL
Unrealised foreign exchange difference on FX assets and liabilities	1 641	3 587	1 313	**6 541**	-2312	-2 450	788	**-3 974**
Impairment	137	275	0	**412**	467	-183	0	**284**
Difference between provisions made and used	5 564	1 253	142	**6 959**	-191	-1 286	-2 492	**-3 969**

6. INTANGIBLE ASSETS

OPENING BALANCE AS AT 01/01/2022	COMPUTER SOFTWARE	INTANGIBLE PROPERTY RIGHTS	INTANGIBLE ASSETS TOTAL	GOODWILL
Cost	35 059	5 852	40 911	
Accumulated amortisation and impairment	-20 556	-4 202	-24 758	
Net carrying amount	**14 503**	**1 650**	**16 153**	**17 730**
Changes in 2022				
Additions	1 118	746	1 864	166
Exchange rate changes of assets denominated in foreign currencies	-113	-77	-190	-4
Amortisation	-2 476	-622	-3 098	0
Disposals	-1 491	-154	-1 645	0
Impairment	0	0	0	0
Closing net carrying amount	**11 541**	**1 543**	**13 084**	**17 892**

Closing balance as at 31/12/2022				
Cost	34 017	6 135	40 152	
Accumulated amortisation and impairment	-22 476	-4 592	-27 068	
Net carrying amount	**11 541**	**1 543**	**13 084**	**17 892**
Changes in 2023				
Additions	1 904	705	2 609	
Exchange rate changes of assets denominated in foreign currencies	-90	109	19	8
Amortisation	-1 924	-473	-2 397	
Disposals	-32	-682	-714	
Impairment	0		0	0
Closing net carrying amount	**11 399**	**1 202**	**12 601**	**17 900**
Closing balance as at 31/12/2023				
Cost	36 102	5 251	41 353	
Accumulated amortisation and impairment	-24 704	-4 049	-28 753	
Net carrying amount	**11 398**	**1 202**	**12 600**	**17 900**

The items of highest value within intangible assets are the SAP S4/HANA enterprise resource planning system and the WIRE forwarding system.

6.1. Goodwill

Goodwill generated by means of business combinations is allocated at the time of the acquisition to the cash- generating units that are expected to benefit from the impacts of the business combination. A significant proportion of the carrying amount of goodwill is allocated to the international transportation and forwarding cash-generating unit, more specifically to the legal unit LINK Sp.z.o.o , and totalled tEUR 15,153 on 31 December 2023.

In 2013, WSZL Szállítmányozási és Logisztikai Kft. acquired controlling interest as a result of a share exchange transaction. The Group's recognises goodwill of tEUR 2,577 relating to the domestic transportation activity.

In 2017, Waberer's International Nyrt. acquired LINK Sp. z o.o., a Polish international transportation and forwarding company and NewDefine Sp. z o.o (formerly: LINK Services Sp. z o.o.), a Polish temporary agency. The acquisition was funded from the share floatation by Waberer's International Nyrt. The Group identified goodwill in regard to Link Sp. z o.o., which was recognised in the amount of tEUR 34,877 in the balance sheet. In 2018, goodwill was impaired by tEUR 5,790 and by an additional amount of tEUR 13,934 in 2019. In view of the business plans, the parent company did not see a cause to recognise further impairment of LINK goodwill in the following years or in the reporting year. The carrying amount therefore remained tEUR 15,153 at 31 December 2023.

The goodwill of LINK Sp.Z o.o., which is a separate legal entity, was derived from the cash flows relating to the Company's future plans.

The impairment tests performed by the Group are based on the following assumptions in accordance with IAS 36:

1. The recoverable amount is calculated with the assumption of using the assets in the long term.
2. DDiscount rates: the recoverable amount calculations take into account the time value of money and the rate of return that would be expected in the market for an investment with similar risk, cash flow and timing profile. The Group currently uses a discount rate of 9.59%.

Impairment testing of the goodwill relating to the foreign subsidiary (LINK)

The value of goodwill for Link at the beginning of the reporting year was tEUR 15,153. In 2022 and 2023, LINK generated a profit. Accordingly, the parent company has recalculated the future return on goodwill based on strategic plans developed with the company. It determined the entity's net cash generating capacity for the next five financial years as well as for an ultimate value extrapolated based on the fifth year, which was discounted at a 9.59% rate in 2023 above while the discount rate in 2022 was 9,55%. The recoverable amount is tEUR 32,360 in 2023, therefore, no impairment is justified according to the discounted cash flow plans. The recoverable amount was tEUR 35,959 in 2022.

The 1% increase in the discount factor causes a EUR 3.2 million drop in the discounted cash flow plan figures, which still does not justify recognition of impairment. A 1% decrease causes a EUR 4.0 million increase.

The applied terminal value rate is 0%. A 1% positive change would result in a tEUR 2,788 recoverable amount increase.

Impairment testing of goodwill relating to the domestic transportation activity

The carrying amount of goodwill is tEUR 2,577. This segment closed the year 2023 with a profit, and future forecasts also show profitable operations. Discounting the net cash generating capacity for this segment shows strong returns based on the 5-year plans. Applying a discount factor of 9.59% and discounting back the cash flows generated in the five-year period, we can expect a recoverable amount of tEUR 131,041 on the basis of the calculations made for year 2023. Calculations for year 2022 showed tEUR 57,202 recoverable amount applying a discount factor of 9,50%.

The 1% increase in the discount factor causes a EUR 13.4 million drop in the discounted cash flow plan figures, which still does not justify recognition of impairment. A 1% decrease causes a EUR 16.6 million increase.

The applied terminal value rate decrease is 0%. A 1% positive change would result in a tEUR 11,931 recoverable amount increase.

Considering the above, the management did not see any reason for the recognition of impairment. Based on the plans, the carrying amount is expected to be recovered in less than one year.

7. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	FROM PROPERTIES: IFRS 16 RIGHT-OF- USE ASSET	VEHICLES	FROM VEHICLES: IFRS 16 RIGHT-OF-USE ASSET	OTHER EQUIPMENT	TOTAL
Opening balance as at 01/01/2022						
Cost	100 550	66 095	250 403	231 987	21 842	372 795
Accumulated depreciation and impairment	-46 530	-27 427	-159 670	-146 675	-18 301	-224 501
Net carrying amount	**54 020**	**38 668**	**90 733**	**85 312**	**3541**	**148 294**
Changes in 2022						
Additions	26 389	23 280	104592	89291	1 678	132 659
Changes in assets resulting from exchange rate changes for assets carried in FX	-2677	-2045	-3366	-4989	-122	-6 165
Depreciation	-7 762	-6 432	-41 086	-30 949	-2 037	-50 885
Impairment	0	0	-6 210	0	0	-6 210
Impairment reversal	0	0	13 643	0	0	13 643
Derecognition	-18744	-18132	-30 663	-29 050	-145	-49 552
Closing net carrying amount	**51 226**	**35 339**	**127 643**	**109 615**	**2 915**	**181 784**
Closing balance as at 31/12/2022/ Opening balance 2023						
Cost	79 131	43 622	269 089	237 144	21 461	369 681
Accumulated depreciation and impairment	-27 905	-8 283	-141 446	-127 529	-18 546	-187 897
Net carrying amount	**51 226**	**35 339**	**127 643**	**109 615**	**2 915**	**181 784**

Changes in 2023						
Additions	29 866	2 988	101 260	91 968	2 197	133 323
Changes in assets resulting from exchange rate changes for assets carried in FX	2 135	1 608	2 130	1 519	452	4 717
Depreciation	-6 634	-5 402	-42 522	-40 019	-1 743	-50 899
Impairment	0	0	-365	0	0	-365
Impairment reversal	0	0	854	0	0	854
Derecognition	-2705	-2 354	-21 259	-14 196	-17	-23 981
Closing net carrying amount	**73 888**	**32 179**	**167 741**	**148 887**	**3 804**	**245 433**
Cost	101 643	39 872	322 229	284 978	23 934	447 806
Accumulated depreciation and impairment	-27 755	-7 694	-154 488	-136 091	-20 130	-202 373
Net carrying amount	**73 888**	**32 178**	**167 741**	**148 887**	**3 804**	**245 433**

The Group continuously renews its fleet and aims to develop a modern and environmental friendly vehicle fleet, therefore vehicles are replaced continuously when the leases expire.

7.1. Land and buildings

The following table shows the Group's most significant properties as at 31 December 2023.

REAL ESTATE	COUNTRY	USAGE	NET AMOUNT 2023	NET AMOUNT 2022
Right-of-use IFRS 16 (WSZL Kft)	Hungary	Rented warehouse - permanent establishment	29 848	33 006
Right-of-use IFRS 16 (LINK)	Poland	Rented property – permanent establishment	2 196	2 245
Right-of-use IFRS 16 (WSZL Automotív)	Hungary	Rented property – permanent establishment	18	62
Right-of-use IFRS 16 (Gránit Biztosító)	Hungary	Rented property - head office	116	26
RIGHT-OF-USE LAND AND BUILDINGS ACCORDING TO IFRS 16			**32 178**	**35 339**
Budapest, Nagykőrösi út 349-351	Hungary	Head office	5 224	5 853
Miercurea Ciuc Hargita	Romania	Head office	1 924	1 019
Mosonmagyaróvár	Hungary	Permanent establishment – workshop	997	92
BILK (Pestszentlőrinc Logisztika Centrum)	Hungary	Logistics warehouse	7 856	6 097
Páty Geodis – investment on rented property	Hungary	Logistics warehouse/office building	578	105
Győr	Hungary	Logistics warehouse	332	134
Miskolc	Hungary	Logistics warehouse	184	243

7.2. Changes to property, plant and equipment

The gross amount of properties increased by tEUR 29,866 in 2023. Most significant part of this investment are the construction costs of a new logistics centre in Ecser in the amount of tEUR 26,893.

There was also a significant change in the number of vehicles as the vehicle fleet was refurbished in 2023, with major acquisitions of trucks and trailers, typically financed by leases

7.3. Mortgaged assets

At 31 December 2023, the Group had the following mortgaged assets:

CONTRACT NO.	CONTRACT TYPE	SUBJECT MATTER	ENTITLED	SECURED BY	SECURED AMOUNT
-	Pledge agreement and supplementary agreement to the pledge agreement	80 EA Volvo and Renault trucks	VFS Hungary Zrt	Waberer's International Nyrt	All existing and future claims arising from Waberer's International Nyrt and WSZL Kft contracts with the beneficiary

CONTRACT NO.	CONTRACT TYPE	SUBJECT MATTER	ENTITLED	SECURED BY	SECURED AMOUNT	NET BOOK VALUE
EKD/AS-SET-2022/16.	1st amendment of Grant Agreement	KÖZDÜLŐ-INVEST Kft 1/1 owned 140016 reg.nr and 140011/13 reg.nr properties	Ministry of Foreign Affairs	WSZL Automotív Kft.	7,238,556,000 HUF	tEUR 2,079
RED-FK-4/2020	Consolidated amendment nr3 of cooperation and financial commitment agreement	WABERER's INTERNATIONAL NYRT 1/1 owned 195853/13 reg.nr and 195853/3 reg.nr properties	Raiffeisen Bank Zrt	Waberer's International Nyrt	6,000,000 EUR	tEUR 5,141
51836257/ TL/000/2023	11,914,144 EUR Definite term, investment purpose loan agreement	KDI Property Kft 1/1 owned 0254/220 reg.nr after land shaping 0254/237 reg.nr properties	ING Bank N.V	KDI Property Kft	11,914,144 EUR	purchase in progress

7.4. Right-of-use asset

Right-of-use assets are accounted in accordance with IFRS 16. Lease obligations according to IFRS 16 were determined based on the present value of future cash flows according to the contracts.

RIGHT-OF-USE ASSET VEHICLES:

Description	**Right of Use - IFRS 16**	
Function	Shipment/Transport ation	
Classification	Vehicles	
Values in statement of financial position	2022	2023
Increase in value of right-of-use assets	91 968	89 291
Carrying value of the right-of-use assets at the end of the reporting period	148 887	109 611
Full cash outflow of leases	51 838	34 254
Values in statement of comprehensive income	2022	2023
Depreciation of right-of-use assets according to the categories of the underlying assets	40 019	30 949
Interest expenses arising from the lease obligation	11 819	3 305

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

RIGHT-OF USE ASSET LAND AND BUILDINGS IN YEAR 2023:

Description	Right of Use IFRS16 WSZL Kft	Right of Use IFRS16 LINK	Right of Use IFRS16 Gránit Bitosító	Right of Use IFRS16 WSZL Automotív
Function	Hungary	Poland	Hungary	Hungary
Classification	Rented warehouse - permanent estab-lishment	Rented property – permanent estab-lishments	Rented property - head office	Rented property – permanent estab-lishments
Values in statement of financial position	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings
Increase in value of right-of-use assets				
Carrying value of the right-of-use assets at the end of the reporting period	2 327	375	286	0
Full cash outflow of leases	29 848	2196	116	18
Values in statement of comprehensive income	5 391	515	195	45
Depreciation of right-of-use assets according to the categories of the				
underlying assets	4 648	515	195	44
Interest expenses arising from the lease obligation	743	0	0	1

RIGHT-OF USE ASSET LAND AND BUILDINGS IN YEAR 2022:

Description	Right of Use IFRS16 WSZL Kft	Right of Use IFRS16 LINK	Right of Use IFRS16 Gránit Bitosító	Right of Use IFRS16 WSZL Automotív
Function	Hungary	Poland	Hungary	Hungary
Classification	Rented warehouse - permanent estab-lishment	Rented property – permanent estab-lishments	Rented property - head office	Rented property – permanent estab-lishments
Values in statement of financial position	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings
Increase in value of right-of-use assets				
Carrying value of the right-of-use assets at the end of the reporting	23 270	10	0	0
period	33 006	2 245	25	62
Full cash outflow of leases	6 396	815	1	47
Values in statement of comprehensive income				
Depreciation of right-of-use assets according to the categories of the underlying assets	5 618	769	0	45
Interest expenses arising from the lease obligation	778	46	1	2

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

8. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

COMPANY	COUNTRY	ACTIVITY	OWNERSHIP SHARE 2023	OWNERSHIP SHARE 2022
WSZL Kft.	Hungary	domestic transportation,	100,00%	100,00%
Rapid Teherautószerviz	Hungary	vehicle repairs	51,00%	51,00%
Waberer's Slovakia	Slovakia	logistics	100,00%	100,00%
Közdűlő Invest Kft.	Hungary	property letting	100,00%	100,00%
KDI Property Kft	Hungary	sale and purchase of own property	100,00%	100,00%
WSZL Automtív Kft.	Hungary	international transportation	100,00%	100,00%
Delta Rent Kft.	Hungary	vehicle trade	100,00%	100,00%
All in One Transport Kft..	Hungary	international transportation	100,00%	100,00%
Nexways Cargo Kft.	Hungary	international transportation	100,00%	100,00%
LINK Sp. z o.o.	Poland	international transportation	100,00%	100,00%
NewDefine Sp. z o o.	Poland	temporary agency work	100,00%	100,00%
SinoWa International Kft	Hungary	Other services supplementary	51,00%	0,00%
Waberer's Románia SA	Romania	international transportation and	100,00%	100,00%
Waberer's Network Kft.	Hungary	international collective transportation	99,00%	99,00%
Gránit Biztosító Zrt.	Hungary	insurance	100,00%	100,00%
WPL-Log Zrt	Hungary	warehousing and storage	100,00%	100,00%

JOINTLY CONTROLLED ENTITIES

COMPANY	COUNTRY	ACTIVITY	OWNERSHIP SHARE 2023	OWNERSHIP SHARE 2022
WPL Ingatlanfejlesztő Kft	Hungary	Real estate construction project planning	50,00%	0,00%

TÁRSULT VÁLLALKOZÁS

COMPANY	COUNTRY	ACTIVITY	OWNERSHIP SHARE 2023	OWNERSHIP SHARE 2022
DeWab Logistics Kft	Hungary	Road transportation and consultancy	49,00%	0,00%

Non-controlling interests: Two private individuals hold minority interests of 49% in Rapid Teherautószervíz Kft. and 1% in Waberer's Network Kft., two of the Group's subsidiaries. Another legal entity holds a minority interest of 49% in SinoWa International Kft.

The Group established WPL Fulfillment Zártkörű Részvénytársaság in August 2022 with a 100% ownership share as at 31 December 2023. The subsidiary's name changed to WPL-Log Zrt in year 2023.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

ASSOCIATES AND JOINT VENTURES:

COMPANY NAME	COUNTRY	ACTIVITY	OWNERSHIP SHARE	PROFIT/LOSS CONTRIBUTION		NET INVESTMENT VALUE	
Jointly controlled				**2023**	**2022**	**2023**	**2022**
WPL Ingatlanfejlesztő Kft	Hungary	Real estate construction project planning	50,00%	-1	0	3	0
Associates				**2023**	**2022**	**2023**	**2022**
DeWab Logistics Kft	Hungary	Road transportation and consultancy	49,00%	0	0	5	0
			TOTAL	**-1**	**0**	**8**	**0**

Statement of financial position
Associates are entities over which the investor has significant influence besides subsidiaries and joint ventures. The Group uses equity method to present investments in associates and joint ventures. Equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. Goodwill relating to associates forms part of the net book value of the investment and therefore it is not amortized. Investments in associates and joint ventures are reviewed to identify any objective proof of impairment. If there is such evidence, the realizable value of the investment and the impairment loss are determined. Impairment losses accounted previously are released only after considering the reasons of original impairment. Entities under joint control are also accounted for using the equity method.

Statement of profit and loss and other comprehensive income
The statement of profit and loss and other comprehensive income includes the results of joint ventures and associates in proportion to the share owned by the Group. Profits and losses resulting from transactions between an investor and an associate or a joint venture are eliminated to the extent of the investor's interest in the investee. Impairment losses in the reporting period on the net investment value of investments in associates and joint ventures decrease the “Share of profit of associates“ in the statement of profit and loss and other comprehensive income.

In 2023 WPL Ingatlanfejlesztő Kft. was founded together with Magyar Posta Vagyonkezelő Zrt. whilst SinoWa International Kft. and DeWab Logistics Kft. were founded in cooperation with Chinese partners. The newly established entities have not started activity yet.

9. OTHER NON-CURRENT FINANCIAL ASSETS

	31/12/2023	31/12/2022
Long-term lease receivables	391	0
Other	53	8
TOTAL	**444**	**8**

10. OTHER NON-CURRENT FINANCIAL ASSETS – LONG-TERM AND SHORT-TERM DEBT INSTRUMENTS

LONG-TERM	31/12/2023	31/12/2022
FVOCI investments measured at FV through OCI	109 510	51 189
Investments measured at amortised cost	8 018	21 036
Total	**117 528**	**72 225**

SHORT-TERM	31/12/2023	31/12/2022
FVOCI investments measured at FV through OCI	29 113	37 050
Investments measured at amortised cost	13 357	9 151
Total	**42 470**	**46 201**

The securities of Gránit Biztosító Zrt. held for investment purposes, which are considered credit risk free, typically include government bonds and discounted treasury bills. Financial assets are measured at fair value against other comprehensive income in line with the past practice and future expectations for selling them. The financial assets in Gránit Biztosító Zrt's portfolio were recognised for purposes of collecting the assets' contractual cash flows and selling the assets on an ad-hoc basis.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Under our deposit and portfolio management agreement, the investment managers acting for the Insurance company have discretion over portfolio management - in line with the agreed principles and limitations - depending on achievable market yields, but do not perform short-term trading.

In 2022, Waberer's International Nyrt. invested its surplus cash in corporate bonds with low credit risk, denominated in EUR. Following its business model, the Company decided to hold these bonds until maturity and measures these securities at amortised cost.

The following table provides details of the long-term portion of the Group's FVOCI investments measured at fair value through other comprehensive income.

TYPE	CURRENCY	COUNTRY CODE	MARKET VALUE 2023	MARKET VALUE 2022
Government bonds	HUF	HU	67 382	13 814
	GBP	GB	13 136	9 420
	EUR	AT	981	963
		DE	1 839	3 015
		ES	0	1 038
		HU	12 195	8 710
		IL	0	1 022
		IT	1 524	5 214
		NL	0	1 248
		RO	1 942	1 376
		SI	1 098	1 105
Corporate bonds	HUF	AT	444	0
		HU	2 412	0
		US	1 902	1 453
	EUR	AT	193	180
		HU	3 357	1 813
		NL	273	254
		SI	216	0
		CZ	411	412
Mortgage bonds	HUF	HU	205	152
Long-term investments measured at fair value through OCI			**109 510**	**51 189**

The Group's long-term investments measured at amortised cost in EUR:

TYPE	CURRENCY	COST 2023	COST 2022
Corporate bonds	EUR	8 018	21 036
TOTAL		**8 018**	**21 036**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

The following table provides details of the short-term portion of the Group's FVOCI investments measured at fair value through other comprehensive income:

TYPE	CURRENCY	COUNTRY CODE	MARKET VALUE 2023	MARKET VALUE 2022
Government bonds	HUF	HU	13 551	3 260
	GBP	GB	4 192	6 772
	EUR	DE	1 237	0
		ES	1 025	0
		HU	3 015	3 728
		IL	1 025	0
		IT	3 696	1 000
		NL	1 253	0
		RO	451	0
Discount treasury bills	HUF	HU	1 279	5 097
Corporate bonds	HUF	HU	1 181	4 300
	GBP	GB	0	550
	EUR	HU	0	2 527
	HUF	HU	0	9 816
Fixed-term deposits	**HUF**	**HU**	**17 134**	**0**
Classified to cash at bank and in hand			-19 927	0
Short-term investments measured at fair value through OCI			**29 113**	**37 050**

The Group's short-term investments measured at amortised cost in EUR:

TYPE	CURRENCY	COST 2023	COST 2022
Corporate bonds	EUR	13 357	9 151
TOTAL		**13 357**	**9 151**

In accordance with IFRS 9, the expected credit loss for non-current financial assets is determined by securities.

	31/12/2023	31/12/2022
Recognised for investments measured at fair value through other comprehensive income	266	26
Recognised for investments measured at amortised cost	17	57
TOTAL	**283**	**83**

The Company measures the loss recognised on a financial asset in an amount equal to the 12-month ECL **(Stage 1, or bracket 1)** if:

- the credit risk of the financial asset has not increased significantly from initial recognition until the balance sheet date, and
- the credit risk of the financial asset is low at the balance sheet date.

Criteria for a significant increase of credit risk

For financial assets that are subject to external rating and do not bear a low credit risk at the balance sheet date, the Company considers downgrading by at least two notches to represent a significant increase of credit risk.
Securities are classified as Stage 1 at the balance sheet date.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

11. INVENTORIES

INVENTORIES	31/12/2023	31/12/2022
Fuel	3 082	3 065
Spare parts, tyres, lubricants, other materials	1 666	801
Other materials	33	304
Total:	**4 781**	**4 170**

Fuel inventories as at the balance sheet date comprise fuel in trucks and at the filling station. The values of these inventories were determined as follows:

- by reading a calibrated meter for fuel inventory at filling stations
- for fuel in trucks, using an estimate based on the data in the transport registry.

Spare parts at own workshops are physically counted as at the balance sheet date.

As in the previous year, the Group's management inspected the inventories of the repair shop as at 31 December 2023 on the basis of the technology description of the vehicles purchased in the previous two years and consequently recognised a 100% impairment on parts that can no longer be installed into the vehicles used by the Group.

	IMPAIRMENT
01/01/2022	**151**
Recognised	1
31/12/2022	**152**
Recognised	18
31/12/2023	**170**

12. RECEIVABLES

	31/12/2023	31/12/2022
Trade receivables	107 803	109 547
Impairment of receivables	-724	-1 051
Total	**107 079**	**108 496**

The balance of receivables at 31 December 2023 shows a minor decrease.
The consolidated debtor turnover ratio changed from an average of 60 days in 2022 to 61.1 days in 2023.

	IMPAIRMENT
01/01/2022	**1 246**
Recognised	527
Reversal	-707

Exchange difference	-15
31/12/2022	**1 051**
Recognised	178
Reversal	-481
Exchange difference	-24
31/12/2023	**724**

As a result of the Group's rigorous credit rating and efficient collection processes, the impairment on doubtful debts decreased compared to the previous year.

The increase in impairment comprises impairment recognised on receivables, whereas the decrease in impairment reflects reversals due to derecognition or settlements.

In accordance with IFRS 9, the expected credit loss calculated for trade receivables is determined for each legal entity in line with uniform valuation principles. To evaluate trade receivables the Group apply an impairment matrix to determine applicable level of impairment.

The Group took into account the following factors in the calculation of expected credit loss:

- industry risk, probability of non-performance
- risk of the country in which the customer operates
- availability of credit insurance for trade receivables, taking limits into consideration
- risks established on the basis of ageing for unsecured customers

13. OTHER CURRENT ASSETS AND DERIVATIVE FINANCIAL INSTRUMENTS

OTHER CURRENT ASSETS	31/12/2023	31/12/2022
Non-monetary assets	**22 589**	**17 884**
Foreign VAT and excise tax	10 740	9 687
Tax assets	3 466	1 367
Receivables from employees	122	83
Prepaid expenses	8 262	6 747
Monetary assets	**19 671**	**7 965**
Loans provided	136	136
Accrued income	4 361	1 737
Prepaid vendors	2 196	4 688
Deposits	5 632	0
Investment security account	6 345	0
Other	1 002	1404
TOTAL	**42 260**	**25 849**

Foreign VAT and excise tax assets comprise VAT receivables from foreign tax authorities and excise tax receivables for fuel. Foreign VAT receivables totalled tEUR 4,130 on 31 December 2023, as opposed to tEUR 4,311 in the previous year. Foreign VAT receivables changed slightly in 2023 and 2022. Management assessed the future recoverability of foreign VAT receivables on an item-by-item basis according to whether it has any negative information regarding recovery.

Excise tax receivables (from domestic and foreign tax authorities) totalled tEUR 6,609 on 31 December 2023, as opposed to tEUR 5,367 in the previous year. Management assessed the recoverability of excise tax receivables at the end of the reporting year and recognised no impairment on outstanding receivables claimed earlier by a financial intermediary but unconfirmed by a foreign tax authority.

Tax assets exclude income taxes, and comprise overpayment of social tax.

Accruals and prepayments do not include contract assets and are calculated from the accruals and prepayments of income and expenses.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Deposits comprise deposits paid to vendors relating to the Ecser logistics centre's construction works. Investment security account also relates to the Ecser logistics centre investment. It is legally required that settlements of constructor invoices are made through investment security account.

Other impairment was recognised for other current assets, more specifically on debts of former employees, receivables from insurance companies, receivables relating to guarantees and loans granted.

	IMPAIRMENT
01/01/2022	**1 580**
Increase	25
Reversal	-509
Exchange difference	124
31/12/2022	**1 220**
Increase	107
Reversal	-103
Exchange difference	24
31/12/2023	**1 248**

Derivative financial instruments

Carrying amount of hedging instruments:

	2023	2022
Cash flow hedge - foreign currency derivative transactions - Assets	3 768	2 585
Cash flow hedge - foreign currency derivative transactions - Liabilities	0	-1 026

The Group applies hedge accounting currently to cash flow hedges, to minimise foreign exchange risks. The effective portion of profit or loss on the hedge is recognised directly in other comprehensive income. Amounts recognised in other comprehensive income must be transferred to the income statement when the hedged transaction affects profit or loss.

In other comprehensive income:

	31/12/2023	31/12/2022
Profit (+) / loss (-) for the year	12 270	-1 788
Cash flow hedge coverage costs	-1 338	0
Effective portion of cash flow hedge reclassified to profitor loss	-8 594	4 200
Income tax effect	-371	-220
Cash flow hedges, including deferred tax effect	**1 967**	**2 192**

The value of derivative transactions as at the reporting date is determined using a measurement technique based solely on market inputs (level 2 fair value). Of the item-by-item revaluation difference on transactions open at year- end, positive revaluation differences were recognised in derivative financial instruments on the assets side, while negative revaluation differences were recognised in derivative financial instruments on the liabilities side.

At the inception of the hedge, the Group formally designates and documents the hedging relationship to which it will apply hedge accounting, along with the risk management objectives and strategy for undertaking the hedge, for example revenues generated in EUR in the case of WSZL Kft. having HUF as its functional currency, and expenses, such as wages and fuel, incurred in HUF by the parent company having EUR as its functional currency. The Group defines a hedging ratio of 1:1, hedging inefficiency occurs when the amount of the hedged wages and salaries or fuel is lower than the amount of the hedging transaction. The documentation includes identification of the hedge, the related hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of the hedge in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. These hedges are expected to be effective in offsetting changes in cash flows attributable to the hedged risk.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Hedges that fulfil the strict requirements of hedge accounting are accounted as follows:

Cash flow hedges are aimed at hedging exposures to the volatility of cash flows which are attributable to an asset or a liability shown in the statement of financial position or a certain risk relating to a highly probable forecast transaction, and might affect profit or loss. The effective portion of profit or loss on the hedge is recognised directly in other comprehensive income while the ineffective portion is recognised in other income or other expenses. Amounts recognised in other comprehensive income must be transferred to the income statement when the hedged transaction affects profit or loss.

The Group had the following open derivative transactions (EUR sales/buy) at the reporting date:

		31/12/2023		31/12/2022	
PARTNER BANK	**CONTRACT TYPE**	**TRANSACTION**	**NOMINAL AMOUNT**	**TRANSACTION**	**NOMINAL AMOUNT**
		12 000 000 EUR	4 864 210 000 HUF	28 000 000 EUR	12 021 035 000 HUF
K&H	FX Forward HUF buy EUR sell	27 000 000 EUR	11 316 145 000 HUF	21 500 000 EUR	9 056 150 000 HUF
ING Bank N.V	FX Forward HUF buy EUR sell	12 000 000 EUR	4 985 880 000 HUF	0 EUR	0 HUF
ING Bank N.V	KO Forward HUF buy EUR sell	0 EUR	0 HUF	12 000 000 EUR	5 427 130 000 HUF
Raiffeisen	FX Forward HUF buy EUR sell	0 EUR	0 HUF	4 500 000 EUR	1 881 655 000 HUF
MKB	FX Forward HUF buy EUR sell	16 800 000 EUR	6 951 000 000 HUF	18 000 000 EUR	7 937 000 000 HUF
CITI	KO Forward HUF buy EUR sell	18,000	7,937,000	18,000	7,937,000
PKO bank	Option EUR buy PLN sell	0 EUR	0 PLN	3 800 000 EUR	19 505 000 PLN
PKO bank	Option EUR sell PLN buy	0 EUR	0 PLN	3 800 000 EUR	17 770 000 PLN
PKO bank	FX Forward EUR sell PLN buy	4 700 000 EUR	22 008 770 PLN	2 400 000 EUR	11 571 000 PLN
Santander	FX Forward EUR sell PLN buy	400 000 EUR	1 977 900 PLN	0 EUR	0 PLN
TOTAL		**72 900 000 EUR**		**94 000 000 EUR**	

The above open transactions have a maturity within one year, i.e. in 2024, timed specifically according to monthly payments to personnel and suppliers' payment deadlines.

Derivative transactions partly protect the Group's HUF expenses from negative foreign exchange fluctuations, in a targeted manner for income and cash outflows to HUF suppliers, and partly the conversion of the Polish LINK subsidiary's EUR revenues to PLN.

The average forward rate is 414.74 HUF/EUR for the transactions in 2024, and it was 432.42 HUF/EUR for the transactions in 2023.

Within Hedging reserves in equity, the opening balance of tEUR 1,415 totalled tEUR 3,391 as at 31 December 2023 because of the fair value evaluation of cash flow hedges. Cash flow hedge coverage costs are also included as follows:

HEDGING RESERVES	COVERAGE COSTS (OPTION'S TIME VALUE)	OPTION'S INTRINSIC VALUE	FORWARD TRANSACTIONS	HEDGING RESERVES TOTAL
Opening balance 01/01/2023	0	0	1 415	1 415
Hedging instruments' fair value changes through OCI	0	2 385	9 885	12 270
Coverage costs through OCI	-1 338	0	0	-1 338
Modification of basis - reclassification between balance sheet lines due to fuel hedging - not in OCI	0		-2 426	-2 426
Reclassification modification - in OCI	0	0	-8 594	-8 594
Deferred tax	0	0	-372	-372
Closing balance 31/12/2023	-1 338	2 385	-93	3 381

Fair value effect of derivative transactions open at year-end in OCI:

	INTERNATIONAL TRANSPORTATION	REGIONAL CONTRACT LOGISTICS	OTHER	INTERSEGMENT	TOTAL
2022	3 768	0	0	0	3 768
2023	1 559	0	0	0	1 559

	2023	2022
Effective portion recognised as a decrease (+) or increase (-) of revenues	-543	1 634
Effective portion recognised as a decrease (-) or increase (+) of direct expenses	-10 477	2 566
Ineffective portion	-187	157

14. ASSETS HELD FOR SALE

	31/12/2023	31/12/2022
Amount	811	1 214
Vehicles (number)	22	5

Non-current assets held for sale include vehicles with expired lease contracts, which the Group intends to sell. In some cases, the Group acquires the vehicles from the lessor at the residual value specified in the lease contract, and it realises the difference between the sales price and the carrying amount as profit or loss.

Movements in non-current assets held for sale are shown in the following table:

01/01/2022	**71**
Reclassification from right-of-use asset	7636
Sales	-6493
31/12/2022	**1214**
Reclassification from right-of-use asset	811
Sales	-1 214
31/12/2023	**811**

15. CASH AT BANK AND IN HAND

Cash includes the Group's petty cash and bank balances as well as Gránit Biztosító Zrt.'s demand or short-term deposits (remaining maturity of fewer than 3 months) that exceed the coverage required for claims reserves.

	31/12/2023	31/12/2022
Bank accounts	47 115	66 459
Short-term government securities	19 927	23 613
Cash	26	52
TOTAL	**67 068**	**90 124**

16. EQUITY

The share capital of WABERER'S INTERNATIONAL Nyrt. at 31 December 2023 comprised 17,693,734 dematerialized ordinary shares each with a face value of EUR 0,35. The Group held 214,699 treasury shares at the end of the reporting year.

Reserves include the profits and losses of previous years, the profit or loss for the reporting year, and profits and losses on transactions with equity holders, as presented in the statement of changes in equity. The line item for reserves does not represent the dividends distributable by WABERER'S INTERNATIONAL Nyrt. because dividends are determined based on the distributable amounts presented in the standalone financial statements.

In April 2023 Waberers International Nyrt's shareholders approved a payment of a dividend of tEUR 4,762 (HUF100 gross dividend per share) from the year 2022 result. The reserves legally available for the dividend payment were t.EUR 15,107 as at 31 December 2022 based on Waberer's International Nyrt. equity, which includes subsidiary dividends accounted for and due until the financial statements were accepted.

	31/12/2022
Retained earnings	**-48 295**
Capital reserves transferred to Retained earnings	44 726
Profit/Loss after tax	-4 411
Dividend accounted and due until reporting date	23 087
Funds available for dividend payments	15 107
Capital reserve (+)	**23 712**
Revaluation reserves (if negative)	**-**
Decreasing available funds (if negative)	**-**
Dividend payable	**15 107**

Excerpt from the main rights and obligations of shareholders based on the Articles of Association (AA)
Shareholders are entitled to exercise their shareholder rights if they are recorded in the register of shares. The conditions for exercising voting rights at the General Meeting are set out in Section 5.6 the Articles of Association. The register of shares is maintained by KELER Central Depository Ltd. (hereafter: KELER) and is updated on a monthly basis and before each general meeting.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

1. Right to receive (interim) dividends
Shareholders are entitled to receive a share from the Company's distributable profit that has been ordered for distribution by the General Meeting in proportion to the nominal value of their shares. The detailed rules of entitlement to dividends and payment deadlines are set out in Section 4.4 of the AA.

2. Right to information and right to attend the general meeting
The Board of Directors is required to provide information to the shareholders in respect of the Company, and grant access to the Company's documents and records. The Board of Directors is required to provide the shareholders all the information necessary for discussing the items on the general meeting's agenda and to disclose the key figures of the financial statements as well as the reports of the Board of Directors and the Supervisory Board as set out in Section 4.5 of the AA.

Each shareholder is entitled to attend the general meeting, request information, make comments and proposals, and, subject to holding shares with voting right, vote at the general meeting. A letter of proxy must be either a notarial deed or a private deed with full probative force. Shareholders may also appoint a nominee to exercise shareholder rights on their behalf. Once recorded in the register of shares, such nominees may act in their own name for the benefit of the shareholder. Shareholders or nominees may attend the General Meeting only if they are recorded in the register of shares on the second business day preceding the date of the General Meeting based on the shareholder identification in accordance with KELER's applicable General Business Conditions. Each share having a nominal value of EUR 0.35 carries one vote. Each shareholder may cast one vote only at any one a time.

The General Meeting shall have a quorum if it was convened in accordance with the relevant rules and regulations, and if shareholders representing more than 40% of the shares with voting rights are present. If the General Meeting fails to have a quorum within one (1) hour from the start time, the Chairman of the General Meeting must announce the date of a reconvened General Meeting as set out in the invitation to the General Meeting. Such reconvened General Meeting may be set at a date not less than at least five (5) days and not more than twenty-one (21) days after the date of the original General Meeting.

The General Meeting adopts its resolutions by a simple majority of the votes considered upon the establishment of a quorum, except for the matters specified in the relevant legislation and in Section 5.9.1(a)-(d) of the Articles of Association, in respect of which the General Meeting adopts its resolutions by a three-quarter majority of the votes.

3. Minority rights
Shareholders who hold at least 1% of the voting rights collectively may, at any time, request that the General Meeting be convened by providing their reasons and purpose, and may propose new points to be added to the communicated agenda or draft resolutions in accordance with Section 4.8 of the AA. Further details of minority rights are set out in Section 4.8 of the AA.

17. LEASE LIABILITIES

The Group purchases the vehicles it needs for its core activities under leases. The Group amended the maturity of its lease contracts for trucks from 4 years to 5 years from 2017, while it maintained the maturity of 5 years for trailers. The Group purchases the vehicles directly from manufacturers, with a repurchase guarantee provided not only for the end of the term but also during the term.

Lease liabilities include property leases of the Group's subsidiaries, as referred to in property, plant and equipment, which comply with the IFRS 16 requirements as presented under the valuation principles.

The figures presented in lease liabilities represent the discounted amounts of future cash flows under the lease contracts.

The following table shows the breakdown of future lease payments (capital and interest) by maturity:

31/12/2023	WITHIN 6 MONTHS	WITHIN 6 TO 12 MONTHS	WITHIN 1 TO 2 YEARS	WITHIN 2 TO 5 YEARS	OVER 5 YEARS	TOTAL
Lease liabilities principal	18 765	17 972	34 662	76 797	12 825	161 021
Lease liabilities interest	4 920	4 217	6 869	9 722	502	26 231
TOTAL	**23 684**	**22 189**	**41 531**	**86 520**	**13 328**	**187 252**
31/12/2022	**WITHIN 6 MONTHS**	**WITHIN 6 TO 12 MONTHS**	**WITHIN 1 TO 2 YEARS**	**WITHIN 2 TO 5 YEARS**	**OVER 5 YEARS**	**TOTAL**
Lease liabilities principal	13 152	16 446	26 487	60 798	17 329	134 212
Lease liabilities interest	3 498	2 958	4 715	7 199	555	18 925
TOTAL	**16 650**	**19 404**	**31 202**	**67 997**	**17 884**	**153 137**

The table shows the maturity and interest payments of lease liabilities at the end of 2023 and 2022 but does not reflect the constant replacement of maturing lease agreements with new ones resulting from the continuous replacement of the assets.

18. PROVISIONS

	LITIGATIONS	INSURANCE CLAIMS	PENSION	TOTAL
Opening balance as at 1 January 2022	**1 669**	**19 659**		**21 328**
Provisions made and review of previous estimates	1 862	2 492		4 354
Exchange difference	-103			-103
Released	-135			-135
Used	-147			-147
Closing balance as at 31 December 2022	**3 146**	**22 151**		**25 297**
				0
Provisions made and review of previous estimates	464	0	1 114	1 578
Exchange difference	-32			-32
Released	-2 715	-4 613	-869	-8 197
Used	95		28	123
Closing balance as at 31 December 2023	**958**	**17 538**	**273**	**18 769**

As at 31 December 2023, the Group recognised a provision of tEUR 958 for contingent liabilities from ongoing litigations. In nearly 50% of these cases, the Insurance company paid compensation to the customers based on a CMR policy. The reserve for damages caused by the Group and not covered by the Insurance company was used for paying damages to customers. The Group reviewed the progress of its legal cases on a quarterly basis in the reporting year and made a total provision of tEUR 464 for cases brought forward from previous years and new cases arising in the reporting year.

Provisions are recognized when it becomes probable that an outflow of economic benefits will be required to fulfil an existing obligation as a result of a past event, and the expected cash outflow can be reliably estimated. The estimate is made by the Group's legal advisors, by estimating the probability of expected negative outcomes and the expected amount of legal claims incurred. Litigation cases are constantly monitored and reassessed in the event of any changes in the outcome of the cases. Our litigation cases arise in the normal course of business, so due to the appropriate experience and background insurances, they can be easily measured.

The Group maintains an insurance technical reserve for damages occurred at group companies, which is presented as provisions in the Group's consolidated financial statements in the amount of tEUR 17,538. Certain insurance services, including property and CMR insurance, are provided to other Group companies by Gránit Biztosító Zrt. In estimating damages, since these are insurance products that have been in operation for years, past experience is the guiding principle, and the probability of cancellation or non-payment of the premium within the group is low.

19. INSURANCE TECHNICAL CLAIMS AND LIABILITIES

At the end of the reporting year, insurance technical reserves totalled tEUR 79,337 and included insurance reserves made for Gránit Biztosító Zrt.'s third-party insurance contracts in accordance with IFRS 17 as follows:

- Reserves made to cover claims

When determining the solvency margin requirement, the standard formula of the Solvency II regulation is used.

- Risk Adjusment

When applying IFRS 17, within the frame of insurance contracts, portfolio-level cash-flows have to be adjusted for non-financial risks. In the case of reinsurance contracts we hold, it is also necessary to determine the risk adjustment transferred to the reinsurer through the reinsurance contracts. At the Group, the adjustment resulting from non- financial risks is only necessary for the costs related to incurred claims, where a 99.5% reliability level is used. Determining the risk adjustment resulting from non-financial risks related to liabilities of incurred claims also relies on the Solvency II standard formula and the underlying assumptions of the calibration of the standard formula.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

- Reserves for unearned premiums

Insurance premiums invoiced in the current financial year include amounts due in respect of cover purchased for periods in the next financial year. A reserve is established in respect of such unearned premiums.
In order to reduce the risks of its insurance contracts, the Insurance company concludes reinsurance contracts. The proportionate amounts of the above insurance technical reserves, determined on the basis of the reinsurance contracts, are presented in non-current financial assets.

The Group uses the following estimates for technical claims and liabilities:

Liabilities for Incurred Claims (LIC) consists of:

- the value of the best future cash flow estimate of the expected claim payments and claim settlement costs (or returns from reinsurer) discounted with the current yield curve on the reporting date;
- the value of the best estimate of the future cash flow of the expected reinsurance loss ratio-based commission and commission-type payments discounted with the current yield curve on the reporting date
- the risk adjustment for non-financial risks; as well as
- liabilities or assets relating to damages and damage costs that have already been approved for payment, but the financial settlement has not yet taken place by the reporting date.

Future cash flows:

The Group applies the Premium Allocation Approach (PAA) methodology to all its insurance contracts. The Group does not have unprofitable contract groups, so a (best) estimate of future cash flows is only necessary for liabilities related to incurred claims.
During the evaluation of liabilities related to incurred claims, the Group must have a (best) estimate of future cash flows for both direct payments and reinsurance receipts.
In the case of liabilities related to incurred claims (direct insurance), only the best estimate is required.
In the case of claims for expected damages (reinsurance held), in addition to the best estimate, a modified estimate is also required that calculates the default risk probabilities valid at the beginning of the period (in all other respects, the best estimate at the end of the period).

In the case of held reinsurance, the default risk is immaterial. Risk adjustment for non-financial risks on LIC:

The Group adjusts the estimate of the present value of future cash flows in order to reflect the compensation it expects to receive for bearing uncertainty related to the amount and timing of cash flows, arising from non-financial risks.
The Group applies the premium allocation methodology to all its contracts, so the determination of the risk adjustment resulting from non-financial risks – similarly to the (best) estimates of future cash flows – is only necessary with regard to the liabilities related to incurred claims.

Assets and liabilities from insurance and reinsurance contracts:

DESCRIPTION	31/12/2023	31/12/2022 ADJUSTED	01/01/2022 ADJUSTED
Liabilities from insurance contracts	79 337	67 385	63 554
Insurance technical obligations	5 799	5 420	17 483
Assets from held reinsurance contracts	37 814	44 771	41 982

31/12/2023	INSURANCE CONTRACTS	REINSURANCE CONTRACTS HELD	NET ASSETS AND LIABILITIES FROM INSURANCE AND REINSURANCE CONTRACTS
Third party liability	77 739	37 622	40 117
CASCO	5 518	88	5 429
Other liability insurances	1 633	88	1 545
Other property insurances	246	15	231
TOTAL	**85 136**	**37 814**	**47 322**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

31/12/2022 ADJUSTED	INSURANCE CONTRACTS	REINSURANCE CONTRACTS HELD	NET ASSETS AND LIABILITIES FROM INSURANCE AND REINSURANCE CONTRACTS
Third party liability	67 910	43 110	24 801
CASCO	3 116	1 490	1 626
Other liability insurances	1 705	141	1 564
Other property insurances	73	31	43
TOTAL	**72 805**	**44 771**	**28 034**

01/01/2022 ADJUSTED	INSURANCE CONTRACTS	REINSURANCE CONTRACTS HELD	NET ASSETS AND LIABILITIES FROM INSURANCE AND REINSURANCE CONTRACTS
Third party liability	76 468	40 917	35 551
CASCO	2 506	934	1 573
Other liability insurances	1 853	94	1 758
Other property insurances	209	36	173
TOTAL	**81 037**	**41 982**	**39 055**

Changes in the balances of insurance and reinsurance contracts:

INSURANCE CONTRACTS	31/12/2023	31/12/2022 ADJUSTED
Opening liability	**72 805**	**81 037**
Insurance revenue	**90 286**	**78 475**
Incurred damages and other insurance service expenses	48 591	39 141
Insurance acquisition cash flows expenses	10 491	8 904
Changes that relate to past service - adjustments to the liability for incurred claims	-11 306	-6 843
Insurance service expenses	**47 776**	**41 202**
Result of insurance services	**42 510**	**37 273**
Net financial expenses from insurance contracts	-1 159	-581
Effect of exchange rate changes	5 792	9 840
All changes in the statement of comprehensive income and other comprehensive income	**4 633**	**9 259**
Fee received	100 097	78 949
Claims paid and other insurance services	-38 434	-29 976
Insurance acquisition cash flows paid	-10 338	-8 904
Total cash-flow	**51 324**	**40 069**
Reclassification among other items in the statement of financial position	-1 116	-20 286
Closing balance	**85 136**	**72 805**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

REINSURANCE CONTRACTS HELD	31/12/2023	31/12/2022 ADJUSTED
Opening asset value	**44 771**	**41 982**
Expenditure due to (net) premiums transferred to reinsurers	**-24 644**	**-27 874**
Recoverable amount of incurred damages and other insurance service expenses	7 747	4 810
Recoverable amount of insurance acquisition cash flows	0	0
Correction of liabilities related to damages incurred before the reporting year	-9 000	-11 578
Amounts recovered from reinsurance	**-1 253**	**-6 768**
Effect of changes in default risk of reinsurers	**0**	**0**
Net expenses from reinsurance contracts	0	0
Net financial income from reinsurance contracts	745	570
Effect of exchange rate changes	**1 823**	**-1 261**
All changes in the statement of comprehensive income and other comprehensive income	2 568	-691
Reinsurance premiums paid	-2 601	10 382
Claims and other reimbursements received from the reinsurer	11 552	13 299
Reimbursements of commissions received from reinsurers	**9 053**	**15 364**
Total cash-flow	18 004	39 046
Reclassification among other items in the statement of financial position	**-1 633**	**-924**
Closing balance	**37 814**	**44 771**

Changes in damage claim liabilities:

YEAR OF DAMAGE INCURRED	BEFORE 2019	2019	2020	2021	2022	2023	TOTAL
The value of all incurred gross damages at the end of the year in which the damage occurred	135 439	14 848	14 665	37 029	41 326	49 744	293 051
One year later	15 186	11 850	17 341	-1 598	-3 594	0	39 185
Two years later	6 048	13 569	-1 897	-2 015	0	0	15 706
Three years later	21 079	-1 106	-908	0	0	0	19 066
Four years later	376	-2 371	0	0	0	0	-1 995
Five years later	-3 619	0	0	0	0	0	-3 619
Value of incurred gross damage cash flows on 31 December 2023 without discounting	**174 510**	**36 791**	**29 202**	**33 416**	**37 732**	**49 744**	**361 394**
Of this, damages paid until the end of December 2023	161 464	31 328	25 378	27 445	28 243	23 713	297 571
Unpaid gross claim cash flows on 31 December 2023 without discounting	**13 046**	**5 463**	**3 823**	**5 972**	**9 489**	**26 030**	**63 824**
Effect of discounting							-6 128
Risk adjustment not related to financial risk							23 608
Gross reserve for damage claims							**81 304**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

YEAR OF DAMAGE INCURRED	BEFORE 2019	2019	2020	2021	2022	2023	TOTAL
The value of all incurred reinsurance claims at the end of the year in which the claim occurred	24 697	5 524	6 087	16 779	17 644	12 409	83 140
One year later	5 184	4 488	6 028	-643	-158	0	14 899
Two years later	1 405	7 044	-221	-1 054	0	0	7 174
Three years later	10 021	-329	-429	0	0	0	9 262
Four years later	-2 373	-1 966	0	0	0	0	-4 339
Five years later	-871	0	0	0	0	0	-871
Value of incurred reinsurance claims on 31 December 2023	**38 062**	**14 761**	**11 466**	**15 081**	**17 486**	**12 409**	**109 265**
Of this, damages paid until the end of December 2023	33 271	11 687	9 826	12 191	12 782	5 522	85 279
Unpaid gross claim cash flows on 31 December 2023 without discounting	**4 792**	**3 074**	**1 640**	**2 890**	**4 704**	**6 887**	**23 986**
Effect of discounting							-1 777
Risk adjustment not related to financial risk							6 103
Damage claim reserve recoverable from the reinsurer							**28 312**

20. SHORT-TERM LOANS AND BORROWINGS

	31/12/2023	31/12/2022
Borrowings from third parties	1 513	1 441
Asset loans	0	475
TOTAL	**1 513**	**1 916**

Loans from third parties include a loan of EUR 5 million received from one of the major suppliers of the Group, originally on 30 June 2009 for a term of 4 years, but the loan was regularly prolonged in light of the successful co- operation between the parties. After the acquisition of LINK Sp.z.o.o., the Polish subsidiary also became a party to the loan agreement. The agreement expired on 31 December 2019 and the parties amended the terms of the prolonged agreement in a way that the supplier agreement will be upheld but the liabilities previously recognised as a loan will be repaid proportionately on a quarterly basis during the term of the new agreement until 31 December 2024.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

21. OTHER CURRENT LIABILITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

	31/12/2023	31/12/2022
Non-financial liabilities	**22 325**	**21 273**
Taxes	502	501
Technical liabilities	1 759	361
Payments to personnel	14 218	12 955
Obligations to employees for bonus payments	4 540	4 525
Obligations to employees due to unused leave	1 306	2 931
Financial liabilities	**21 625**	**5112**
Accruals and prepayments	16 115	38
Factoring and other liabilities	5 511	5 074
TOTAL	**43 950**	**26 385**

Payments to personnel include wages payable to employees and related taxes recognised as payroll expenses in the consolidated financial statements.

The line item "Taxes" comprises other tax liabilities. These liabilities relate to VAT and rehabilitation contribution as at 31 December 2023.

Factoring and other liabilities include customer factoring liabilities of LINK totalling approximately EUR 3.4 million. Receivables are factored with recourse. Accordingly, trade receivables are recognised until collection on a gross basis against factoring liabilities. Factoring liabilities form part of other liability changes in the cash flow statement.

Accrued expenses contain accrued costs and interest. Derivative financial instruments

Liabilities from derivative transactions include negative differences on derivative transactions open at year-end as presented in Note 15.

	31/12/2023	31/12/2022
Derivative financial instruments	0	1 026

22. REVENUES AND INTERMEDIATED SERVICES

DESCRIPTION	2023	2022
Revenues from transportation with own fleet	383 926	376 823
Revenues from subcontracting	138 737	137 446
Warehouse logistics	97 759	90 506
Insurance revenues	71 924	61 325
Other sales revenues	18 564	13 257
Net revenues for the year	**710 909**	**679 357**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Distribution of revenues by geographical region:

	2023	2022
Hungary	331 520	299 548
Germany	57 045	102 098
United Kingdom	102 756	71 978
France	40 268	41 760
Poland	29 749	33 198
Spain	18 972	20 703
Switzerland	23 046	20 697
The Netherlands	24 344	19 569
Slovakia	22 452	14 629
Italy	9 882	13 822
Austria	16 020	13 640
Sweden	10 366	8 375
Belgium	7 128	6 142
Denmark	6 265	3 595
Czech Republic	2 752	2 409
Luxembourg	2 522	2 320
Romania	1 111	1 598
Croatia	100	1072
Other European countries	4 598	2 204
Other non-European countries	15	
TOTAL	**710 909**	**679 357**

IFRS 15 Revenues

International transportation segment (ITS)

The international transportation segment's transportation with own fleet increased in previous years and showed a further increase in 2023 as well. The Group's change of operational model in 2021 played a significant role in this increase.
The international transportation segment's revenues are recognised over the period of time to reflect the specifics of transportation service.

Before 2020, the international transportation segment followed a „taxi" model that continuously and centrally optimised the allocation of trucks to assignments. During the pandemic, this model brought significant uncertainties with regard to revenues and the utilisation of trucks, and relied to a great extent on the lower margin spot transport market. As a result of these uncertainties and the lower profitability, a new, so called 'trading band' model was introduced in 2021, which focuses on recurring orders and the main trading routes within Europe. In line with the model change, the International Transportation Segment shifted the business focus from spot orders to contractual clients which brings more stable revenues and ensures higher service standards.

The average number of trucks used by the Group increased by 4.1% as compared to the previous year. Due to the portfolio change loads decreased slightly, i.e. by 1%. Revenues per km decreased as a consequence of decreases in the price of fuel which are included in the fees.

Our international transportation contracts are typically concluded for a fixed term of one year (appr.60%) or for specific assignments on an ad hoc basis (appr.40%). The Group concludes contracts in compliance with international transportation standards, with general rights and obligations according to the normal market practice. Our transport fees typically depend on destinations and are denominated in EUR. For long-term contracts, we normally add a fuel cost covenant. Under the fuel cost covenant, the price is automatically amended if an internationally accepted base price changes in excess of the pre-determined price range. Our partners seldom guarantee the volume of their orders and service providers have to make arrangements for managing variable order volumes at their own risk. Penalties relate to delays in on-time pick-up and on-time delivery. In case of waiting times, the service provider is entitled to charge a downtime fee.

In addition to using its own transport vehicles, the Group uses subcontractor transport services and related other services to meet its international transport demand. These services are typically supplied and charged on an 'as is' basis to the Group's customers, with all risks covered by the Group. Therefore, the Group acts as principal. Such services include other crossing services and resale of fuel.

Regional contract logistics segment (RCL)

Apart from road freight transport, the regional logistics segment provides its customers with complex logistics services, including warehousing and other ancillary services. Revenues from warehousing comprise the most significant component of other revenues. Revenues from warehousing services are nearly EUR 100 million in the reporting year, which is very close to the previous year's volume. In order to carry out the warehousing activity, WSZL Kft. has entered into contracts with two other third-party property operators in recent years in addition to the

property rented from BILK Logisztikai Zrt. and the Közdűlő Invest Kft. warehouse owned by the Group. The segment carries out its warehouse logistics activities in properties exceeding 200,000 square meters.

The Group's sales revenues generated by its own fleet exceeded the prior year's figure by 1.78 %. The 1.09% increase of fleet's volume and the 0.13% increase of the fleet's specific mileage improved revenues per mileage unit by 0.81%.

In the RCL segment, the Group concludes logistics contracts with business partners for typically three to five years and normally does not sign ad hoc contracts. Transporting services are charged by kilometre, number of turns or at a destination rate; for distribution services, pricing is normally based on cargo weight or value. Typically, we bill fuel price changes and road tolls separately, and indexing payroll costs is also normal practice for long-term contracts. For warehousing services, the basis of settlement in typical contracts is normally the storage entry/removal fees, indexed payroll and overhead costs, and the general rate of inflation.
The Group's partners are mostly multinational corporations using several logistics service providers. Therefore, they are in a position to determine the general contractual terms. As we have hundreds of large customers and thousands of smaller customers, the presentation of specific, individual contractual terms is not practicable.

IFRS 17 Revenues

Other segment

Insurance revenues comprise the revenues of Gránit Biztosító Zrt. from third party insurance policies. The Group's insurance company offers insurance solutions relating to domestic and international transportation, such as motor third party liability insurance, comprehensive motor vehicle insurance, CMR (Convention on the Contract for the International Carriage of Goods by Road) and carrier's indemnity insurance. The Insurance company also offers services (vehicle and property insurance) to retail clients. In accordance with applicable Hungarian legislation, the Group's insurance company does not offer life insurance services.

For contracts measured by the above detailed fee-allocation method the revenues are the fees allocated to certain periods based on services provided. The occurrence of damages and the incurring of costs can be considered evenly over the time, therefore revenues from premiums are allocated based on time over the period of the insurance contract.

The Group's sales revenues from insurance activities increased. Revenues from insurance services are recognised as other sales revenues within Other segment revenues.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

DESCRIPTION	2023				
	THIR PARTY LIABILITY	CASCO	OTHER LIABILITY INSURANCES	OTHER PROPERTY INSURANCES	TOTAL
Gross premiums written	66 598	11 808	3 172	1 014	82 592
Changes in unearned premiums	-785	-390	-47	-22	-1 245
Adjustments of insurance revenues from contracts valued using premium allocation approach (PAA) (including deductions due to insurance taxes)	-8 277	-913	-190	-43	-9 423
Total insurance revenues from contracts valued using premium allocation approach (PAA) method	**57 535**	**10 505**	**2 935**	**949**	**71 924**

DESCRIPTION	2022 ADJUSTED				
	THIR PARTY LIABILITY	CASCO	OTHER LIABILITY INSURANCES	OTHER PROPERTY INSURANCES	TOTAL
Gross premiums written	60 891	7 766	3 022	841	72 520
Changes in unearned premiums	-3 001	-291	-87	-11	-3 391
Adjustments of insurance revenues from contracts valued using premium allocation approach (PAA) (including deductions due to insurance taxes)	-7 130	-497	-150	-27	-7 804
Total insurance revenues from contracts valued using premium allocation approach (PAA) method	**50 761**	**6 978**	**2 784**	**802**	**61 325**

23. DIRECT COSTS

The Group's direct costs by type are presented in the table below, while the explanations and analysis for the individual rows are shown in this and the following notes:

	2023	2022 ADJUSTED
Depreciation	52 807	46 693
Subcontractor expenses	115 710	115 955
Cost of goods sold	24 277	18 661
Direct payroll costs, allowances and payroll	131,803	118,302
taxes	92 482	108 844
Fuel costs	95 716	88 224
Road tolls and transit costs	24 292	22 133
Repair and assembly costs	54 832	26 334
Insurance costs and expenses	24 001	30 466
Reinsurance costs	5 503	4 721
Direct rentals	3 425	4 748
Vehicle weight tax and other transportation taxes	1 130	1 485
TOTAL	**625 976**	**586 566**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

In accordance with the Company's accounting policies, both damages paid and changes in insurance technical reserves are presented as insurance costs in the profit and loss statement.
Insurance costs include claims paid by Gránit Biztosító Zrt. only to third parties. The increase in insurance costs was the result of the increase in the gross claims expenditure and the parallel increase in reinsurance reserves on claims.

INSURANCE RELATED COSTS AND EXPENSES	2023	2022 ADJUSTED
International transportation	13 483	4 385
Regional contract logistics	137	927
Other	41 361	21 022
Inter-segment	-149	
TOTAL	**54 832**	**26 334**

Analyses required by IFRS 17 disclosure obligations:

Insurance service expenses:

	2023				
DESCRIPTION	THIRD PARTY LIABILITY	CASCO	OTHER LIABILITY INSURANCES	OTHER PROPERTY INSURANCES	TOTAL
Incurred claims and other directly attributable expenses	26 924	9 456	219	519	**37 118**
Changes that relate to past service - adjustments to the liability for incurred claims					**0**
Incurred other insurance service expenses (expenses, other insurance service expenses)	5 164	503	877	125	**6 668**
Insurance acquisition expenses	9 084	1 430	406	126	**11 046**
Total insurance service expenses	**41 171**	**11 389**	**1 502**	**770**	**54 832**

	2022 ADJUSTED				
DESCRIPTION	THIRD PARTY LIABILITY	CASCO	OTHER LIABILITY INSURANCES	OTHER PROPERTY INSURANCES	TOTAL
Incurred claims and other directly attributable expenses	3 621	5 782	681	198	**10 282**
Changes that relate to past service - adjustments to the liability for incurred claims					**0**
Incurred other insurance service expenses (expenses, other insurance service expenses)	5 634	207	376	56	**6 274**
Insurance acquisition expenses	7 632	1 112	823	212	**9 779**
Total insurance service expenses	**16 888**	**7 100**	**1 881**	**466**	**26 334**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Insurance acquisition expenses:

2023					
DESCRIPTION	**THIRD PARTY LIABILITY**	**CASCO**	**OTHER LIABILITY INSURANCES**	**OTHER PROPERTY INSURANCES**	**TOTAL**
Commissions payable to insurance intermediaries	8 684	1 345	368	117	10 514
Other insurance acquisition expenses	400	84	38	10	531
Total insurance acquisition expenses	**9 084**	**1 430**	**406**	**126**	**11 046**

2022 ADJUSTED					
DESCRIPTION	**THIRD PARTY LIABILITY**	**CASCO**	**OTHER LIABILITY INSURANCES**	**OTHER PROPERTY INSURANCES**	**TOTAL**
Commissions payable to insurance intermediaries	7 344	1 030	770	198	9 342
Other insurance acquisition expenses	340	55	33	9	437
Total insurance acquisition expenses	**7 684**	**1 085**	**803**	**207**	**9 779**

24. DIRECT PAYROLL COSTS, ALLOWANCES AND PAYROLL TAXES

International transportation segment

DESCRIPTION	2023	2022
DIRECT PAYROLL COSTS AND RELATED TAXES	**26 397**	**31 289**
Fixed wages and related taxes	19 073	22 895
Variable wages and related taxes	7 324	8 394
DIRECT ALLOWANCES	**49 089**	**40 210**
DIRECT PAYROLL COSTS, ALLOWANCES AND PAYROLL TAXES	**75 486**	**71 499**

Direct payroll costs, allowances and payroll taxes comprise the allowances and related taxes of international drivers, repair personnel, and domestic storage workers.
Fixed wages and related taxes comprise the gross salaries and related taxes for drivers and repair mechanics. Variable wages and related taxes comprise driver bonuses and social security contributions on wages.
The decrease in direct wages and contributions was partly due to the profit of forward transactions linked to their coverage, and partly due to the shift towards direct allowances.

Direct allowances comprise cost reimbursements to drivers, i.e. per diem allowances and fuel saving incentive payments. The significant increase of per diem allowances contributed to the increase of direct allowances,
Direct fixed wages and related taxes and also the variable wages and related taxes decreased comparing to the previous year while direct allowances increased by 22.08% on the previous year.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Regional contract logistics segment

DESCRIPTION	2023	2022
DIRECT PAYROLL COSTS AND RELATED TAXES	**50 448**	**42 178**
Fixed wages and related taxes	22 845	19 743
Variable wages and related taxes	27 603	22 435
DIRECT ALLOWANCES	**5 898**	**4 641**
DIRECT PAYROLL COSTS, ALLOWANCES AND PAYROLL TAXES	**56 346**	**46 819**

Payroll costs, allowances and payroll taxes reflect the wages and allowances paid to the Group's domestic drivers, repair personnel, and warehouse staff, as well as the related taxes and social security contributions.
Direct payroll costs, allowances and payroll taxes have increased as a result of merit increases made in 2023. Changes of foreign exchange rate also have significant impact as the strengthening HUF results in higher EUR amount after currency translation.

25. FUEL COSTS

	2023	2022
Fuel used for international transportation	74 184	87 124
Fuel used for domestic transportation	18 602	21 730
Inter-segment elimination	-304	-10
FUEL COSTS	**92 482**	**108 844**

Fuel costs decreased in both international transportation and domestic transportation comparing to previous year. The decrease is partly due to forward transactions which were closed with a gain, but the oil price decrease also had a favourable impact comparing to previous year. Brent oil price decreased by 17% from 98.7 USD per barrel in 2022 to 82.03 USD per barrel in 2023.

26. ROAD TOLLS AND TRANSIT COSTS

		2022	2021
Transit cost of international transportation		74 119	66 667
of which:	motorway tolls	39 996	35 176
	crossing fees	25 060	23 146
	services used	1 054	860
	other transit costs	8 009	7 485
Transit cost of domestic transportation		25 446	21 557
of which:	motorway tolls	10 427	9 205
	crossing fees	6	0
	services used	14 020	11 584
	other transit costs	993	768
ROAD TOLLS AND TRANSIT COSTS		**99 565**	**88 224**

Domestic motorway tolls increased compared to previous year, also the mileage increased on international routes.
Other transit costs include parking costs, road tolls and transit costs. The reason for the increase in this category was the material hike in parking costs as a result of changes in fleet operations and the fact that part of the retrospective discounts is incorporated in our invoices on monthly deliveries.

27. REINSURANCE COSTS

Gránit Biztosító Zrt. reduces its most significant risk exposures by purchasing reinsurance. Reinsurance cover is 75% for international consignment insurance (CMR and consignment), 50% for comprehensive motor vehicle insurance, housing and other property insurance, and 50% for motor third party liability insurance. The decrease in reinsurance costs is a result of the proportional change in a reinsurance contract for third party liability insurance.

The Group presents its revenues and expenses from reinsurances on a net basis within direct costs.

	2023				
DESCRIPTION	**THIRD PARTY LIABILITY**	**CASCO**	**OTHER LIABILITY INSURANCES**	**OTHER PROPERTY INSURANCES**	**TOTAL**
Damages and costs transferred to the reinsurer (reimbursements, commission and profit sharing from the reinsurer)	16 691	549	54	27	17 321
Premium income transferred to reinsurers	-23 295	-548	-109	-50	-24 001
NET REINSURANCE COSTS	**-6 604**	**1**	**-54**	**-23**	**-6 680**

	2022 ADJUSTED				
DESCRIPTION	**THIRD PARTY LIABILITY**	**CASCO**	**OTHER LIABILITY INSURANCES**	**OTHER PROPERTY INSURANCES**	**TOTAL**
Damages and costs transferred to the reinsurer (reimbursements, commission and profit sharing from the reinsurer)	21 634	2 761	163	29	24 588
Premium income transferred to reinsurers	-27 605	-2 642	-105	-114	-30 466
NET REINSURANCE COSTS	**-5 971**	**120**	**57**	**-85**	**-5 878**

28. OTHER EXPENSES

	2023	**2022 ADJUSTED**
Repair and assembly costs	24 292	22 133
Direct rental costs	5 503	4 721
Other services	3 425	4 748
Vehicle weight tax and other transportatio taxes	1 130	1 485
TOTAL OTHER EXPENSES	**34 349**	**33 087**

Repair and assembly costs show a minimal increase.

Exempt leases of less than 1 year and less than EUR 5,000 recognised under rentals amount to tEUR 639. Other rental costs include tracking systems and forklift trucks used for warehouse logistics, which as non-identifiable assets are not within the scope of IFRS 16.

Other services, which include electricity and gas costs as well as warehousing-related costs, decreased significantly compared to the previous period.

29. INDIRECT COSTS

Movements of indirect costs:

		2023	2022
Indirect wages and payments		43 978	36 556
Other services		23 154	21 253
	Property maintenance, utilities and related service fees	7 763	7 078
	Fees paid to experts	4 626	3 653
	IT expenses	4 788	4 129
	Communication costs	765	572
	Company cars	1032	987
	Marketing expenses	952	722
	Other expenses	3 228	4 112
TOTAL SELLING, GENERAL AND ADMINISTRATIVE COSTS		**67 131**	**57 809**

The increase in professional fees is caused by the professional support in relation to the IFRS 17 transition and in acquisitions.

30. OTHER INCOME

	2023	2022 ADJUSTED
Damage compensation received	2 509	961
Compensation of fines, penalties, default interest	315	840
Employee reimbursements	1 333	606
Provisions' reversal	6 959	0
Insurer’s effective interest adjustment	1 335	1 153
Return on term deposits to cover insurance claim reserve	6 887	839
Proceeds from sale of other property, plant and equipment	3 819	3 340
Proceeds from the tax litigation won by the Romanian company	0	858
Subsidy received to compensate for expenses	362	3 078
Gain or loss on the disposal of vehicles	70	1 087
Miscellaneous other income	6 288	1 575
TOTAL	**29 878**	**14 337**

Government grants
In 2023, the Company recognised proceeds from the following government grants received to offset costs. Grants were recognised as other income on a gross basis as follows:

WSZL Autmotív Kft:
The state aid EKD/SSC-2022/4 for capital projects was granted to compensate for payments to personnel for a regional service centre providing administrative services. The maximum subsidy amount is tHUF 389,646, of which tEUR 339 was recognised as income based on the work performed in 2023 in line with the schedule.

At other Group entities:
Under a government grant named GINOP Plusz-3.2.1-21, tEUR 4 income was accounted in year 2023 to offset training costs and payroll expenses. The grant aims to support “Improvement of employees’ and employers’ adaptability through manpower development”.

The companies concerned fulfilled the terms for the two tenders, there are no further conditions attached.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE NOTES

31. OTHER EXPENSES

	2023	2022 ADJUSTED
Damages paid	-1 933	-1 215
Provision for existing liabilities, claims, penalties	0	-4 085
Penalties, fines	-1 516	-1 297
Impairment on inventories	-18	-1
Impairment on securities	0	-1 177
Receivables written off	-243	-170
Provisions for insurance claims	-1 161	-742
Miscellaneous other expenses	-3 723	-888
TOTAL	**-8 595**	**-9 575**

Incomes and expenses relating to claims comprise damages to vehicles and goods during transport as well as the associated insurance pay-outs.

Insurance investment result:

DESCRIPTION	2023	2022 ADJUSTED
Interest income calculated by effective interest method	7 926	4 691
Foreign exchange gain / loss on financial instruments	-550	-4 448
Foreign exchange gain / loss on insurance and reinsurance contracts	-415	-11
Impairment loss and reversal on financial instruments	0	0
Other gain or loss	0	0
Other financial incomes	1 561	1 387
Other financial expenses	-645	-1 237
TOTAL INVESTMENT RESULT	**7 877**	**383**

32. FINANCIAL PROFIT/LOSS

	2023	2022
Other interest income	871	887
Interest income from non-current financial assets	1 162	620
Effective interest on non-current financial assets	0	128
Interest income from financial institutions	1 858	444
IFRS 16 interest on vehicle leases	-8 066	-3 309
Interest on property lease under IFRS 16	-822	-716
Interest expense on issued bond	-3 955	-3 200
Other interest expense	-276	-738
Realised exchange difference	-1 491	-937
Unrealised exchange difference	6 541	-3 974
Realised gain or loss on derivative transactions	0	-152
Other	152	-465
TOTAL	**-4 026**	**-11 412**

Analysis of unrealised exchange difference:

	2023	2022
Unrealised exchange gains	11 368	16 742
Unrealised exchange losses	-4 827	-20 716
	6 541	**-3 974**

Interest paid on vehicle leases increased to tEUR 8,066 in 2023, compared to tEUR 3,309 in the previous year.
Of the Group members, Waberer's International Nyrt., WSZL Kft. and LINK Sp. z o.o. had significant leases both in 2022 and in 2023.

The Group revalues the lease liabilities of its Polish subsidiary which are denominated in EUR, because it has PLN as its functional currency. Similarly, WSZL Kft, whose books are kept in HUF as the functional currency, recognises exchange differences on its leasing transactions based on EUR exchange rate fluctuations, which are translated into EUR upon consolidation, and at Group level this resulted in a profit of tEUR 5,438 in 2023.

Assets and liabilities denominated in foreign currencies are presented in Note 39. c).

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

33. INCOME TAX EXPENSE

The income tax expense disclosed in the consolidated financial statements for the Group as at 31 December 2023 and 2022 comprised the following components:

	2023	2022 ADJUSTED
Innovation contribution	1 288	1 052
Local business tax	5 123	3 891
Corporate tax	3 180	2 409
Deferred tax expenses	-515	-1 515
Total income tax expense	**9 076**	**5 837**

The Group treats the Hungarian corporate tax, local business tax, and innovation contribution as income taxes, along with the corresponding foreign income taxes; the effects of the different tax bases are presented in the calculation of the difference between the expected tax and the recognised income tax.

As a result of IAS 12 standard changes, Global minimum tax is presented in Income tax expenses, complying with the regulations that Global minimum tax impacts are not reflected in deferred tax assets or liabilities.

Based on the Group's current income data, Global minimum tax is not applicable yet for the Group, however due to the ongoing and possible acquisitions, the Group continuously reviews tax legislation and estimates the future expenses of Global minimum tax.

Balance sheet items for deferred tax:

DEFERRED TAX ASSET/LIABILITY	2023	2022 ADJUSTED
Loss carried forward and other allowances	3 095	5 113
Provisions/impairment on liabilities	852	1 449
Property, plant, equipment and intangible assets	-2 261	-1 168
Other	-294	0
Liabilities from IFRS 17 transition		-2 422
Other comprehensive income (HEDGE transaction)	-372	107
NET DEFERRED TAX ASSET	**1 020**	**3 079**
of which:		
Deferred tax assets	2 934	6 323
of which through OCI:		107
Deferred tax liability	-1 914	-3 244
of which through OCI:	-372	
	1 020	**3 079**

The main contributor to the deferred tax asset decrease was the use of losses carried forward against the positive tax bases. Accordingly, losses carried forward also significantly decreased comparing to the previous year.

During the preparation of the 2023 financial statements, the Group reviewed the recoverability of deferred tax assets from the Group's loss carry-forward based on the strategic plans for 2024-2028. Taking advantage of the options provided under the Corporate Tax Act, the Group formed a corporate tax group as of 1 January 2019 with the subsidiaries that follow the same accounting principles and have the same functional currency, which allows joint payment of corporate tax.

Waberer's International Nyrt's separate loss carried forward has also been reviewed and as recoverability is considered probable, a deferred tax asset is recognized for this component.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

INCEPTION/EXPIRY	2018/2023	2019/2024	2020/2025	2021/2026	2022/2027	2023/2028	TOTAL
Loss for year	**24 146**	**1 778**	**41 000**	**5 876**	**6 243**	**9 735**	**88 778**
Used in 2023	0	1 778	36 445	0	0	0	38 223
Expected use			4 555	5 876	6 243	9 735	26 409
Expected year of use			2024	2024	2024-2025	2 025	
Unused portion	24 146	0	0	0	0	0	24 146
Deferred tax asset	**0**	**0**	**4 555**	**5 876**	**6 243**	**9 735**	**26 409**

The calculation of the difference between the tax payment liability expected on the basis of the accounting profit and the actual tax liability is shown in the following table:

GROUP'S EFFECTIVE TAX RATE	2023	2022 ADJUSTED
Pre-tax profit/loss	38 764	21 817
9% income tax	3 489	1 964
Current tax	9 076	5 837
Difference	**5 587**	**3 873**
Local tax, innovation contribution	4 804	4 498
Tax advantages, Other effects (LCF*)	-593	-352
Permanent items	57	430
Other temporary differences	1 085	-1 014
Different % rate, Romania, Poland	234	311
TOTAL	**5 587**	**3 873**

*LCF: Loss Carry Forward

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

34. CASH FLOW DISCLOSURES

	LONG- TERM LOANS	LEASE	OTHER LOANS	OVERDRAFTS	BONDS	TOTAL
Balance sheet amounts as at 1 January 2022	**20 761**	**132 175**	**7 214**	**20 117**	**0**	**180 267**
Financing cash flows	-20 761	-49 076	-3 806	-20 117	110932	17 172
New leases		112 571				112 571
Unrealised exchange differences		-4 234	-61			-4 295
Cash flows related to non-financing activity		-20 168				-20 168
Other items not involving cash movements		-18 132				-18 132
Effect of other items						
-Interest expense	121	3 309	450	169	2 881	6 930
-Interest paid	-121	-3 309	-450	-169	0	-4 049
Balance sheet amounts as at 31 December 2022	**0**	**153 136**	**3 347**	**0**	**113 813**	**270 296**
Financing cash flows	0	-44 254	-1 834	0	0	-46 088
New leases		96 126				96 126
Unrealised exchange differences		3 511				3 511
Cash flows related to non-financing activity		-9 410				-9 410
Other items not involving cash movements		-11 857				-11 857
Effect of other items						
-Interest expense	0	8 066	0	0	3 956	12 022
-Interest paid	0	-8 066	0	0	-3 939	-12 005
Balance sheet amounts as at 31 December 2023	**0**	**187 252**	**1 513**	**0**	**113 830**	**302 596**

35. PRESENTATION OF COSTS BY COST TYPE

	2023	2022 ADJUSTED
Net sales revenues	**710 909**	**679 357**
Changes in self-produced inventories, own performance, cost of goods sold	-232 469	-243 460
Material expenses	-232 051	-199 365
Payments to personnel	-175 780	-154 857
Depreciation and amortisation	-52 807	-46 693
Balance of other income and expenses	21 283	4 761
Net result of embedded derivatives (+/-)	3 294	-3 450
Net impairment on financial assets	412	284
TOTAL	**42 791**	**36 578**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

ANALYSIS OF MATERIAL-TYPE EXPENSES:	2023	2022 ADJUSTED
Changes in self-produced inventories, own performance, cost of goods sold	-232 469	-243 460
Material expenses	-232 051	-199 364
Payments to personnel	-175 780	-154 857
Depreciation and amortisation	-52 807	-46 693
Balance of other income and expenses	21 283	4 762
Net result of embedded derivatives (+/-)	3 294	-3 450
Net impairment on financial assets	412	284
TOTAL	**-668 119**	**-642 777**

36. RESTATEMENTS

In the case of the insurance activity shown in the Other segment, significant changes in the regulation of international accounting standards came into effect on 1 January 2023, when IFRS 17 replaced the previous standard, IFRS 4. To ensure comparability, the Group has adjusted and restated comparative amounts for the previous reporting period.

Classification of insurance contracts

Insurance contracts within the scope of IFRS 17 have not changed compared to IFRS 4.

The Group examined the risk of the products and which products are managed together. Insurance portfolios have also been created. The groups of contracts possessed by the Group are not onerous at their initial recognition. At initial presentation, the Group's non-onerous contracts form a profitability group, which is classified in all cases to the subsisting contracts of the portfolio.

Measurement of insurance contracts

IFRS 17 defines three evaluation methods for measuring direct insurance contracts. BBA/GMM (building block approach/ general measurement model), VFA (variable fee approach), the application of which is subject to specific criteria; the VFA method must be applied to contracts containing direct profit sharing. Using the PAA (premium allocation approach) is also an option. The Insurance company examined whether the conditions for applying PAA are met and chose to use premium allocation approach for all groups of insurance and reinsurance contracts.

The premium allocation approach used by the group differs from the measurement method which used to be applied under IFRS 4 in the following key areas:

A csoport által alkalmazott díjallokációs módszer az alábbi kulcsterületeken tér el az IFRS 4-ben alkalmazott mérési módszertől:

- Insurance acquisition expenses are recognised when incurred.
-
- The liability for the remaining coverage includes the premiums received minus the insurance sales revenue related to the services provided in the period and (in the case of held reinsurance) the investment component transferred to damage compensation assets.
- If the insurance contracts contain a significant financing component, the Insurance company adjusts the book value of the liability for the remaining coverage with the effects of the time value of money and financial risk. The Insurance company does not have contracts with a significant financing component, and when the contracts are initially presented, it expects that less than one year will elapse between the provision of certain parts of the services and the related payment due date.
- Liability for incurred claims is determined using the best estimate of future cash flows and includes the effect of discounting and risk adjustment for non-financial risk.
- The group does not have onerous insurance contracts, so the IFRS 17 regulations related to their measurement do not affect this report.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Transition

The Group has chosen the default transition method and applies the full retrospective approach (FRA) for all of its contracts. Accordingly, IFRS 17 is applied as if it had always been applied for insurance contracts.
Differences which arise due to compliance with the new valuation rules of insurance services are shown in equity at the time of the transition.
Below, we present the effects of the transition to IFRS17 on the statements of financial position as of the opening balance sheet date (1 January 2022) and the transition date (1 January 2023):

CHANGES COMPARING TO IFRS 4 RULES	IFRS 17 IMPLEMENTATION IMPACT ON EQUITY	
	01/01/2023	01/01/2022
Decrease in net damage claim reserve due to the introduction of the best estimate	-24 240	-30 623
Decrease in net damage claim reserve as a result of discounting	-4 895	-1 716
Introduction of risk adjustment	-15 984	-18 535
Elimination of deferred acquisition costs	-1 619	-1 482

Changes in statement of financial position on 1 January 2022:

DESCRIPTION	01/01/2022	IFRS17 TRANSITION DIFFERENCE	01/01/2022 ADJUSTED
Assets from reinsurance contracts	53 268	11 286	41 982
		11 286	
Retained earnings	6 198	33 290	39 488
Other reserves	-4 310	-479	-4 789
		32 811	
Liabilities under insurance contracts	111 948	-48 394	63 554
Deferred tax liability	2 141	2 389	4 530
		-46 005	
Insurance technical liabilities	15 576	1 907	17 483
		1 907	

Changes in statement of financial position on 31 December 2022:

DESCRIPTION	31/12/2022	IFRS17 TRANSITION DIFFERENCE	31/12/2022 ADJUSTED
Assets from reinsurance contracts	47 204	2 433	44 771
		2 433	
Retained earnings	66 859	33 745	100 604
Other reserves	-6 503	1 557	-4 946
		35 302	
Liabilities under insurance contracts	107 542	-40 157	67 385
Deferred tax liability	822	2 422	3 244
		-37 735	

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Changes to the consolidated comprehensive income statement in 2022:

DESCRIPTION	2022	IFRS17 TRANSITION DIFFERENCE	2022 ADJUSTED
Direct costs	-589 926	3 359	-586 566
Gross margin	**89 431**	**3 359**	**92 791**
Other expenses	-8 980	-595	-9 575
Other income	13 753	583	14 337
Operating profit/loss	**33 229**	**3 348**	**36 578**
Income tax expense	-5 613	-224	-5 837
Profit (+) / loss (-) for the year	**16 204**	**3 124**	**19 328**
Other comprehensive income:	-6 861	2 044	-4 817
Total comprehensive income	**9 343**	**5 168**	**14 511**

In the consolidated comprehensive income statement, the profit impact of embedded derivatives has been presented in a separate line. In previous years it was incorrectly included in sales revenue.

DESCRIPTION	2022	RECLASSIFICATIONS	2022 ADJUSTED
Net sales revenues	675 907	3 450	679 357
Change in results of embedded derivatives (+/-)	0	-3 450	-3 450
		0	

37. MANAGING FINANCIAL RISKS

The Group is exposed to various types of financial risk in terms of its operations. These risks can be classified into the following groups:

- credit risk
- liquidity risk
- market risk
- insurance risk

The management of the Group's financial risks is centralised to the finance department.

This section contains a brief description of how these risks impact on the Group's exposures, and what targets, processes and internal policies the Group has developed and applies to measure and manage individual risks.

The Company's Board of Directors is responsible for setting the risk management guidelines and frameworks for the Group. Their task is to design and set up a uniform risk management policy and strategy, and continuously monitor what risks the Group is exposed to. The Board of Directors is also responsible for regularly reviewing risk management policies and strategies, as well as updating and modifying them if market circumstances change.

37.1. Credit risk

Credit risk is the risk that the Group will incur a loss due to a client not complying with contractual terms and conditions. From the perspective of the Group this primarily means the risk of non-payment by clients.

Trade and other receivables

The 10 largest clients account for 34.45% of total revenues in 2022 and 34.57% of total revenues in 2023; the clients are rated low risk and stable payers.

The Group has a diversified customer portfolio. Our partners operate in several industries, such as automotive, food, retail, FMCG, durable consumer goods and other industrial sectors. Our partners are present in various European countries, so our revenues are not concentrated.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

The Group drafted a credit risk management policy based on which a review is carried out on all new customers regarding their operations and public information available at the tax authority. Thereafter, the commercial loan limit is determined based on the system of external and internal evaluations. The Group does not request any collateral to secure individual trade receivables.

The Group has developed long-term relationships with customers, losses are not common. The Group monitors existing customers on a monthly basis to check the size of existing exposures and overdue items. If the set limits are reached or exceeded the system automatically blocks further transactions. The individual exposures are grouped according to the number of days in default and the legal status of invoices.

The range of external services and service providers used for risk management was extended to mitigate future risks. One segment of customers has loan insurance contracts, while a new service provider was brought in to help rate customers in Central and Eastern Europe more effectively.

The connection of foreign subsidiaries to the central IT system will result in a centralised risk and receivables management.

With the higher headcount in Collections more emphasis is now placed on proactive client management.

The calculation of impairment reflects an estimate on the extent of the likely loss for the Group from exposures to customers. The majority of the impairment is made up of individual impairment charges on individually significant items. The other part is group impairment, which is recorded for incurred but as yet unidentified losses in groups of similar assets. The allocation of group impairment is facilitated by historic loss figures.

The Group does not consider claims against reinsurance companies to be significant from a credit risk point of view, since the classification of reinsurance partners is at least category A.

37.2. Liquidity risk

Liquidity risk is the risk that the Group will be unable to settle its financial liabilities when they fall due. The purpose of liquidity management is to ensure sufficient resources for the settlement of liabilities when they fall due.

The Group has factoring contracts in place to manage liquidity shortage. Factoring contracts enable prefinancing of both trade receivables and trade liabilities. In the case of Hungarian factoring contracts the factoring company bears the risk of non-payment; for LINK S.S.D.., factoring contracts are concluded with recourse. In order to mitigate liquidity risk, the Group has overdraft facilities with a number of banks.

Factoring contracts:

BANK	CONTRACT NR.	TYPE	FACILITY	OPEN
Unicredit Bank	30128	Factoring-supplier	11 460	6 922
Unicredit Bank	30194	Factoring-customer	0	0
ING	111/2014	Factoring-customer	4 140	2 405
Santander	4001/6524/2020	Factoring-customer	2 300	968
Raiffeisen Bank		Factoring-supplier	6 000	2 670

The introduction of supplier factoring was initiated by the Group to provide still better conditions towards subcontractor carriers. Factoring makes possible the earlier settlement of supplier invoices while the payment terms for the Group remain unchanged. In case of supplier factoring the Group considers supplier invoices as liabilities until the liability is financially settled on the deadline to the factoring bank.

To ensure liquidity the Group issued corporate bonds in EUR in April 2022.
Waberers 2032/1 EUR
Issuer: Waberers's International Nyrt. Issued in: Hungary

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Bond ISIN code	HU0000361662
Issue date	08/04/2022
Quantity	1110
Face value per bond	EUR 100,000.00
Total issued face value	EUR 111,000,000.00
Interest	3.5%
Term in years	10

DATE	DATE OF ISSUE	REPAYMENT	INTEREST PAYMENT
08/04/2022	EUR 111,000,000.00		
08/04/2023		EUR 0.00	EUR -3,938,957.10
08/04/2024		EUR 0.00	EUR -3,949,746.30
08/04/2025		EUR 0.00	EUR -3,938,957.10
08/04/2026		EUR 0.00	EUR -3,938,957.10
08/04/2027		EUR -11,100,000.00	EUR -3,938,957.10
08/04/2028		EUR -11,100,000.00	EUR -3,554,775.00
08/04/2029		EUR -11,100,000.00	EUR -3,151,167.90
08/04/2030		EUR -11,100,000.00	EUR -2,757,273.30
08/04/2031		EUR -11,100,000.00	EUR -2,363,378.70
08/04/2032		EUR -55,500,000.00	EUR -1,974,878.70
Total	**EUR 111,000,000.00**	**EUR -111,000,000.00**	**EUR -33,507,048.30**

Covenants of bond issue:

The Issuer must redeem the Bonds prior to the Maturity Date and initiate the cancellation of the Series of Bonds with KELER, (i) if a remedy is possible but has not been provided within 30 days of the occurrence of the following events (“Remedy Period”), within 10 Working Days of the expiry of the Remedy Period, or (ii) if no remedy is possible, within 30 days of the occurrence of the following events:

- Deterioration of the indebtedness ratio: the ratio of the Issuer’s consolidated full net financial indebtedness to the Issuer’s accumulated regular EBITDA figure for the previous 12 months, i.e. the figure defined as “net leverage” in the Issuer’s consolidated annual financial statements is higher than 4.00 according to the Issuer’s audited consolidated annual financial statements; the covenant was met and we expect it to be met at the next reporting date too.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE NOTES

Description	31/12/2023	31/12/2022
Non-current liabilities from the issue of bonds	113 830	113 813
Non-current portion of lease liabilities	132 242	117 083
Short-term loans and borrowings	1 511	1 916
Current portion of lease liabilities	55 010	36 054
Other non-current liabilities	-	1 431
Gross Debt	**302 593**	**270 297**
Cash at bank and in hand	67 068	90 124
Cash funds in purchased bonds	21 375	30 187
Net Debt	**214 150**	**149 986**
EBITDA	95 598	83 329
Net Debt/ EBITDA	**2.24**	**1.8**

EBIDTA is detailed in Notes under section 5.

- Violation of the dividend limit: the Issuer's Board of Directors proposes a dividend payment of more than 30% of the after-tax profit for the year, whereby for purposes of calculating the current extent the after-tax profit excludes

(i) the effects on profit or loss of changes in foreign exchange rates not involving cash movements (accounted in the line item Financial profit/loss of the profit and loss statement and detailed as unrealised exchange difference in the notes to the financial statements), (ii) effects on profit or loss arising from the remeasurement of assets not involving cash movements (accounted in the line item Other expenses of the profit and loss statement and detailed as impairment on goodwill and property, plant and equipment in the notes to the financial statements), (iii) one-off effects not shown as recurring items (presented as non-recurring items in the stock exchange reports); the covenant was met and we expect it to be met at the next reporting date too.

The Group's insurance liquidity risk is the risk that the insurer or reinsurer is unable to sell its investments and other assets in order to settle financial obligations, when they fall due. To eliminate possible liquidity problems, the Group always keeps the ratio of short-term investments well above the expected necessity. In the case of other larger liabilities: the payment of reinsurance settlements, there may be a liquidity problem, but these payments are predictable and can therefore be better planned. The Group reduces the risk of paying out large amounts of damage claims with reinsurance contracts too.

Analysis of the remaining non-discounted cash flow of the Group's liabilities under insurance contracts:

31/12/2023	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	MORE THAN 5 YEARS
Liabilities under insurance contracts	28 032	9 919	6 461	5 045	3 780	8 947
TOTAL	**28 032**	**9 919**	**6 461**	**5 045**	**3 780**	**8 947**

31/12/2022	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	MORE THAN 5 YEARS
Liabilities under insurance contracts	25 085	10 295	6 887	5 391	4 042	9 297
TOTAL	**25 085**	**10 295**	**6 887**	**5 391**	**4 042**	**9 297**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

01/01/2022 ADJUSTED	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	MORE THAN 5 YEARS
Liabilities under insurance contracts	24 954	10 112	6 710	5 218	3 991	9 721
TOTAL	**24 954**	**10 112**	**6 710**	**5 218**	**3 991**	**9 721**

37.3. Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and share prices will influence the Group's profit or loss and the fair values of financial instruments reported in the financial statements. The purpose of managing market risk is to control the exposure to market risks in a way that maximises the return achieved. Market risk is managed by the Group's treasury department.

In terms of market risk, the Group is primarily exposed to exchange rate risks as well as financial risks from changes in interest rates and global fuel price.

Waberer’s Group is exposed to substantial market risks in terms of its activities. The actual post-calculated figures generally differ from the exchange rates, interest rates, raw material prices used for planning purposes.

The Group uses a fuel price covenant in its commercial contracts in order to mitigate its exposure to fuel price fluctuations.

37.4. Insurance risk

The Group secures its major insurance risks with reinsurance contracts.

The solvency margin situation of the Group's insurance company is adequate in terms of both the minimum capital requirement and the solvency margin requirement, for which the Solvency II compliance report has been prepared on time and correctly. The standard formula is used to calculate the solvency margin requirement. The solvency margin requirement calculated using the standard formula is the sum of the basic solvency margin requirement and the capital requirement for operational risks.

The basic capital requirement of the operational risk module has two parts, the capital requirement based on earned premiums and the capital requirement based on insurance technical reserves, equal to the larger of the two.

The basic solvency margin requirement consists of additional risk modules. It calculates the capital requirements of each risk module separately, and then aggregates them using the risk correlation matrices provided by the standard model. In the case of the Group, it consists of the market, non-life insurance, health insurance and counterparty non- performance risk modules.

The solvency margin requirement of financial risks is given by the maximum of the initial net asset value, i.e. the change in the difference between assets and liabilities due to a shock, and 0. The market risk module consists of the interest rate, interest spread, exchange rate, real estate market and concentration sub-risk modules.

The non-life insurance risk module consists of premium and reserve, cancellation and catastrophe sub-risk modules. In the case of these risk modules, the capital requirement is determined using the given formulas. The capital requirement calculation is performed for all modes except passenger, sports and chance modes.

Within the health insurance risk module, the capital requirement is calculated for the health insurance risk sub- module treated differently from the life insurance reserve techniques and the health insurance risk sub-modules treated similarly to the life insurance reserve techniques.

Within the counterparty default risk module, type 1 and type 2 exposures are distinguished. Type 1 exposures consist of exposures related to reinsurance contracts and bank deposits, so the counterparties are most likely classified. Type 2 exposures include claims against intermediaries and customers, as well as other claims (claims against MABISZ-Association of Hungarian Insurer and tax authorities).

37.4.1 Foreign currency risk

Of the market risks, the Group was affected by foreign currency risk in 2023 to a limited extent as most of the Group’s revenues and expenses are in its functional currency (EUR). At some Group members, the functional

currency is RON or PLN. The domestic logistics company and the Insurance company have HUF as their functional currency. Therefore, fluctuations in the RON/EUR, PLN/EUR and HUF/EUR rates represent a currency risk for the Group. The proportion and volume of transactions in foreign currencies and in the functional currencies vary. Costs incurred in foreign currencies exceed the revenues earned in foreign currencies. The Group provides an open FX position for costs that are not covered by revenues earned in foreign currencies (natural coverage), the value of which changes along with the relevant FX rate fluctuations. Such expenses relating to FX rate fluctuations represent uncertainty to the Group's cash flows and are therefore addressed with FX hedges (FX derivatives), to which hedge accounting (cash flow hedge) under IFRS is applied. The Group enters into foreign exchange forward sale contracts for selling EUR to the bank at a certain date.

In the ITS and RCL segments, efficiency is measured based on the measurement and proportions of payroll costs, related social security contributions and taxes payable in HUF, suppliers payable in HUF, and the accumulative fair value changes of FX hedges. For both segments, the basis and volume of hedging transactions depends on costs incurred in HUF.

The Group does not enter into speculative derivative contracts.

37.4.2. Interest cash flow risk

The Group pays interest on leases, loans and the issued bond. The interest payable generally comprises an interest base and an interest premium; for the issued bond the interest payable is fixed. The interest base changes constantly in accordance with supply and demand on the interbank money market, central bank decisions and other factors.

37.5. Equity management

The Group aims to establish a strong equity position to retain the confidence of investors, creditors, and the market, and support the future development of its business operations. Management continuously monitors returns achieved and the level of dividends due to owners.

The Group's Board of Directors strives to strike a balance between the advantages of a strong equity position, safety, and higher borrowings offering higher returns.

The Group deems its equity components to be equity.

There was no change in equity management processes and methods either in 2022 or in 2023.

Legal regulations applicable to the Company and its Hungarian subsidiaries include the following provisions for equity:

Section 133 (2) of Act V of 2013 on the Hungarian Civil Code (Civil Code) provides for capital adequacy in order to protect creditors: "If a business association's equity is not sufficient to cover the share capital prescribed for its specific corporate form over two consecutive financial years, and the members fail to provide for the necessary equity within a period of three months after approval of the financial statements for the second year, the business association shall be required to adopt a decision within sixty days of this deadline on its transformation or dissolution without a legal successor."

Of the Group, All in One Kft. and WPL-Log Zrt. do not meet the equity requirements stipulated by the Civil Code but the Group will stabilize the equity in 2024. The subsidiary LINK complies with local regulatory requirements.

In accordance with government decree 261/2011.(XIII.7.) on the professional terms and licensing procedures of domestic and international goods transportation on roads, such activities may only be carried out in Hungary with a licence for transporting goods by road, which is subject to the Company verifying its reputation, professional competence and appropriate financial position.

The financial position is appropriate if the business entity has the necessary equity to start and pursue its activities without any disturbances:

- equity (own funds) for one vehicle or for the first vehicle is at least EUR 9,000 and for every additional vehicle at least EUR 5,000 and
- the Company constantly meets its tax, customs duty and contribution payment obligations as well as its payment obligations to the transport authority.

The members of the Group engaged in road transportation, such as Waberer's International Nyrt., WSZL Kft., Nexways Cargo Kft. and LINK Sp.z.o.o have the required level of capitalisation or professional indemnity insurance to ensure compliance with relevant legislation concerning financial position. The subsidiary LINK complies with local regulatory requirements.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

38. FINANCIAL INSTRUMENTS

38.1. Credit risk

	31/12/2023	31/12/2022
Other non-current financial assets	444	8
Non-current financial assets measured through other comprehensive income - Debt instruments - Long-term	109 510	51 189
Non-current financial assets measured at amortised cost – Debt instruments – Long-term	8 018	21 036
Receivables from supplies of goods and services	107 079	108 496
Other non-current assets	42 260	25 849
Financial assets measured through other comprehensive income - Debt instruments - Short- term	29 113	37 050
Financial assets measured at amortised cost – Debt instruments – Short-term	13 357	9 151
Derivative financial instruments	3 768	2 585
Cash at bank and in hand	67 068	90 124
MAXIMUM CREDIT RISK EXPOSURE	**380 617**	**345 488**

Analysis of the maximum carrying value of the Group's credit risk exposure to customers according to the geographical location of the customers' permanent establishments:

	31/12/2023	31/12/2022
Domestic	53 211	48 986
Other European countries	53 868	59 510
MAXIMUM CREDIT RISK EXPOSURE TO CUSTOMERS	**107 079**	**108 496**

The highest possible exposure to credit risk is the balance sheet value of trade receivables and investments in securities. Impairment on trade receivables analysed by maturity:

	31/12/2023		31/12/2022	
	COST	IMPAIRMENT	COST	IMPAIRMENT
not overdue	103 370	197	104 007	111
overdue by 0-90 days	4 303	4	5 257	641
overdue by 91-180 days	-579	33	-16	0
overdue by 181-360 days	-106	5	119	119
overdue by more than 360 days	815	484	180	180
TRADE RECEIVABLES	**107 803**	**724**	**109 547**	**1 051**

The majority of the trade receivables balances are due from financially sound customers.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

38.2. Liquidity risk

Financial liabilities analysed by payment due date:

	31/12/2023					
IN EUR	WITHIN 6 MONTHS	WITHIN 6 TO 12 MONTHS	WITHIN 1 TO 2 YEARS	WITHIN 2 TO 5 YEARS	OVER 5 YEARS	TOTAL
Lease liabilities	23 684	22 189	41 531	86 520	13 328	**187 252**
Liabilities from the issue of bonds	3 950	0	3 939	33 633	99 047	**140 569**
Loans and borrowings	1 511	0	0	0	0	**1 511**
Liabilities for supplies of goods and services	96 093	0	0	0	0	**96 093**
Other current liabilities	43 950	0	0	0	0	**43 950**
TOTAL	**169 188**	**22 189**	**45 470**	**120 153**	**112 375**	**469 375**

	21/12/2022					
IN EUR	WITHIN 6 MONTHS	WITHIN 6 TO 12 MONTHS	WITHIN 1 TO 2 YEARS	WITHIN 2 TO 5 YEARS	OVER 5 YEARS	TOTAL
Lease liabilities	16 650	19 404	30 980	67 997	17 884	**152 915**
Liabilities from the issue of bonds	3 939	0	3 950	11 817	128 740	**148 446**
Loans and borrowings	1 916	0	1 431	0	0	**3 347**
Liabilities for supplies of goods and services	98 184	0	0	0	0	**98 184**
Other current liabilities	1 026	0	0	0	0	**1 026**
TOTAL	5 112	0	0	0	0	**5 112**
Összesen	126 827	19 404	36 361	79 814	146 624	**409 030**

38.3. Foreign currency risk

The Group’s exposures analysed by currency:

	31/12/2023			
	EUR	HUF	OTHER	TOTAL
Receivables from supplies of goods and services	68 380	31 235	7 464	107 079
Other current assets and derivative financial instruments	3 768	42260	0	46 028
Debt instruments	35 732	106 938	17 328	159 998
Liabilities from the issue of bonds	-113 830	0	0	-113 830
Loans and borrowings	-1 513	0	0	-1 513
Leases	-186 732	-520	0	-187 252
Liabilities for supplies of goods and services	-72 617	-20 076	-3400	-96 093
Other financial instruments - Liabilities	0	-43 950	0	-43 950
NET POSITION	**-266 812**	**115 887**	**21 392**	**-129 533**

	31/12/2022			
	EUR	HUF	OTHER	TOTAL
Receivables from supplies of goods and services	68 380	31 235	7 464	107 079
Other current assets and derivative financial instruments	3 768	42260	0	46 028
Other non-current financial assets - Debt instruments	35 732	106 938	17 328	159 998
Liabilities from the issue of bonds	-113 830	0	0	-113 830
Loans and borrowings	-1 513	0	0	-1 513
Leases	-186 732	-520	0	-187 252
Liabilities for supplies of goods and services	-72 617	-20 076	-3400	-96 093
Other financial instruments - Liabilities	0	-43 950	0	-43 950
NET POSITION	**-266 812**	**115 887**	**21 392**	**-129 533**

The Group's existing receivables and liabilities in HUF were revalued at the foreign exchange rates of 381.75 HUF/EUR, 4.9744 RON/EUR, and 4.3478 PLN/EUR. The financial plan for 2024 was prepared based on a forecast rate of 400 HUF/EUR, 4.55 PLN/EUR and 4.9746 RON/EUR.

Calculating with a reasonably probable estimation of foreign exchange rate fluctuation (4,5%) based on historic data, the net HUF position open at the balance sheet date would result in an exchange difference of tEUR 5,213.

The Group enters into derivative exchange rate hedges to mitigate exchange rate risk. As at 31 December 2023, the fair value of derivative transactions based on remeasurements at the balance sheet date resulted in a positive fair value difference of tEUR 3,768. In 2022, the negative fair value difference on derivative transactions amounted to tEUR 1,559.

38.4. Fair value of financial instruments

The following table presents the fair values and carrying amounts of financial instruments for 2023 and 2022:

	2023		2022	
	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT
Non-current financial assets measured through other comprehensive income - Debt instruments - Long-term	109 510	109 510	51 189	51 189
Non-current financial assets measured at amortised cost – Debt instruments – Long-term	8 018	8 018	21 036	21 036
Other non-current financial assets	444	444	8	8
Receivables from supplies of goods and services	107 079	107 079	105 766	105 766
Other current assets	19 671	19 671	7 965	7 965
Derivative financial instruments	3 768	3 768	2 585	2 585
Financial assets measured through other comprehensive income - Debt instruments - Short-term	29 113	29 113	37 050	37 050
Financial assets measured at amortised cost – Debt instruments – Short-term	13 357	13 357	9 151	9 151
Cash at bank and in hand	67 068	67 068	90 124	90 124
TOTAL FINANCIAL ASSETS	**358 028**	**358 028**	**324 874**	**324 874**

	2023		2022	
	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT
Non-current liabilities from the issue of bonds	113 830	113 830	113 813	113 813
Long-term lease liabilities	132 242	132 242	117 083	117 083
Short-term loans	1 511	1 511	1 916	1 916
Short-term lease liabilities	55 010	55 010	36 054	36 054
Liabilities for supplies of goods and services	96 093	96 093	98 184	98 184
Other short-term liabilities	21 625	21 625	5 112	5 112
Other current liabilities	240	240	3 373	3 373
Derivative financial instruments	0	0	1 026	1 026
Insurance technical liabilities	5 799	5 799	5 420	5 420
Total financial liabilities	**426 350**	**426 350**	**381 981**	**381 981**

The fair value of financial assets and liabilities approximates their value recognised in the balance sheet.
The fair values of financial instruments were determined as follows:

- Fair value of derivative transactions: determined using a measurement technique based solely on market inputs, calculated on the basis of MtM indicators from banks, i.e. level 2 inputs.
- Fair value of debt instruments: dealer prices quoted on active markets, determined by prices of Government Debt Management Agency based on level 1 inputs

	2023			2023		
FAIR VALUE HIERARCHY	LEVEL 1, ACTIVE MARKET PRICES	LEVEL 2, ACTIVE MARKET DATA	LEVEL 3, EVALUATION ON BASIS OF NON-OBSERVABLE DATA	LEVEL 1, ACTIVE MARKET PRICES	LEVEL 2, ACTIVE MARKET DATA	LEVEL 3, EVALUATION ON BASIS OF NON-OBSERVABLE DATA
Debt instruments - Long-term	109 510			51 189		
FX derivative assets		3 768			2 585	
FX derivative liabilities		0			1 026	
Contract liabilities		240			3 373	
Debt instruments - Short-term	29 113			37 050		
Financial assets Total	**138 623**	**4 008**	**0**	**88 239**	**6 984**	**0**

In 2023 and 2022 the Group had no instruments evaluated on fair value that would have been classified into category 3.
(stage 3: measurement procedures based on unobservable and unmonitored market data).

38.5. Interest rate risk

Cash flow sensitivity analysis for floating rate financial instruments

Analyses show that a 10 basis points change in EURIBOR induces a change in interest expense on lease liabilities of tEUR 45. The same 10 basis points change had a tEUR 44 impact in 2022. This change would not affect the Group's equity. This analysis was based on the assumption that all other factors (such as currency exchange rates) remained unchanged.

39. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The details of provisions per category and movements in provisions are presented in Note 18.

Litigations
The following table shows the provisions allocated to legal actions, and the litigated amount from the legal actions for which the Group did not allocate provisions (contingent liabilities) after consideration of the information available. In these cases, winning the case is more likely than not, so no cash outflow is expected.

Most of the contingent liabilities in 2022 related to smaller subcontractor deliveries and employee claims, but were not significant.

2023		2022	
LITIGATED PRINCIPAL AMOUNT		LITIGATED PRINCIPAL AMOUNT	
Provision recognised	Contingent liability	Provision recognised	Contingent liability
958	41	3 147	82

Contingent assets:
Further to the decision of the European Commission of 19 July 2016, five big heavy goods vehicle manufacturers (MAN, Daimler, Volvo/ Renault, Iveco, DAF) violated Section 101 of the Treaty on the Functioning of the European Union between 1997 and 2011 when they synchronised their wholesale prices for trucks of 6-16 tonnes and above, the timing of the introduction expenses of new emission technologies and the recharge mechanism for these expenses throughout the EEA. Waberer’s group brought an action for damages before the Munich Municipal Court of Justice concerning two instances of potential overpricing by the heavy goods vehicle manufacturers. Hausfeld, Waberer’s legal representative, is a German law firm specialised in competition law infringements. A court- appointed forensic expert is currently working on the lawsuit to determine the amount of possible damages. On 31 March 2023, a settlement agreement was reached between the Waberer's group and one of the heavy goods vehicle manufacturers, as a result of which the parties agreed in an out-of-court agreement that the heavy goods vehicle manufacturer concerned would be released from the lawsuit by paying a one-time compensation amount.

The Waberer's group submitted a request to the German Federal Office for Goods Transport for the reimbursement of the truck tolls paid, as the Court of Justice of the European Union stated in its ruling C-321/19 that the inclusion of the costs of the German traffic police in the tolls is contrary to the applicable EU law. The German parliament supplemented and amended the legal provisions on the German road toll and retroactively reduced the amount of the German road toll for the period between 28 October 2020 and 30 September 2021. Based on the standpoint of the German Parliament, the reimbursement is only applicable starting from the decision of the Court of Justice of the European Union. In the opinion of the Group’s claim specialist, the amount of the toll refunded to the Waberer's group on a legal basis for the period between 28 October 2020 and 30 September 2021 is less than the estimated damage due to the payment of the excess fee and does not settle the overpayments that occurred before 28 October 2020. The assigned legal representative will initiate a test case in this matter.

40. CONTRACT LIABILITIES

Among the Group’s customer contracts one includes an embedded derivative, which is presented at fair value of tEUR 240 within contract liabilities in the statement of financial position.

In the previous year the embedded derivative was included in net sales revenue, because it is related to an agreement effecting the EUR contract revenue of a Group entity whose functional currency is HUF.

Apart from the embedded derivative there are no other contract liabilities.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

41. TRANSACTIONS WITH RELATED PARTIES

Members of the Group's management at 31 December 2023:

- Zsolt Barna was appointed the Company's CEO on 1 September 2021. In addition, from 18 April 2023, he is a member of the Company's Board of Directors. Also from 28 April 2023 he is the Chairman of the Board of Directors and holds the title Chairman and CEO. He is also a member of WPL-Log Zrt's Board of Directors.
- Barna Erdélyi is an operational member of the Company's Board of Directors, and Director of Key Corporate Affairs since 1 September 2021. He is also Chairman of the Board of Directors for Gránit Biztosító Zrt., WPL-Log Zrt. and LINK sp.z.o.o. In addition he is Managing Director of DeWab Logistics Kft.
- Szabolcs Gábor Tóth has been the Company's Deputy CEO for Economics and Strategy since 23 June 2020. He is also a Board of Directors member for Gránit Biztosító Zrt., WPL-Log Zrt and LINK sp.z.o.o. In addition he is Managing Director of KDI Property Kft.
- Bence Nyilasy is Gránit Biztosító Zrt.'s CEO and Board of Directors member.
- Marcin Kakol is LINK sp. z o.o.'s CEO and Board of Directors member.

Members of the Board of Directors:

NAME	STATUS	DATE AND DURATION OF APPOINTMENT
Barna Erdélyi	non-independent operational member	01/09/2021 – 31/05/2024 or the date of AGM, if earlier
György Péter Waberer	non-independent (High Yield Zrt. shareholder, actual owner and Chairman of the Board), non-operational (external) member	20/04/2021 – 18/04/2023
Dr. Márk Czéh-Tóth	independent, non-operative (external) member / chairman	20/04/2021 – 18/04/2023
Zsolt Barna	non-independent operational member / chairman	18/04/20223 – 31/05/2026 or the date of AGM, if earlier
Róbert Barlai	independent, non-operative (external) member	18/04/20223 – 31/05/2026 or the date of AGM, if earlier
Barlai Róbert	független, nem operatív (külső) tag	2023. 04. 18. – 2026. 05. 31., illetve amennyiben az korábbi, úgy a rendes közgyűlés napja

Board members did not hold any ordinary shares as at 31 December 2023.

Members of the Supervisory Board/Audit Committee

NAME	STATUS	DATE AND DURATION OF APPOINTMENT
David William Moffat Thompson (Chairman of the Audit Committee)	independent	28/08/2018 – 31/05/2024, or the date of the AGM, if earlier
Sándor Székely	non-independent (employee delegate)	11/05/2017 – 31/05/2024, or the date of the AGM, if earlier
Attila Verestóy	non-independent (employee delegate)	08/04/2022 – 31/05/2024 or the date of AGM, if earlier
dr. Norbert Szivek (member of the Audit Committee)	independent	20/04/2021 – 18/04/2023
dr. Attila Végh (member of the Audit Committee)	independent	20/04/2021 – 31/05/2024 or the date of the AGM, if earlier
Éva Hegedüs (member of the Audit Committee as of 18/04/2023)	independent	18/04/2023 – 31/05/2026 or the date of the AGM, if earlier
Krisztián Hall (member of the Audit Committee as of 18/04/2023)	independent	18/04/2023 – 31/05/2026 or the date of the AGM, if earlier

A Felügyelőbizottság tagjai nem rendelkeztek törzsrészvénnyel 2023.12.31-én.

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Transactions with management and those exercising ultimate control

The remuneration of key senior officers are presented below:

	2023	2022
Wages and other short-term remunerations	3 654	1 343
TOTAL	**3 654**	**1 343**

Further to the resolutions of the shareholders' meeting of 18 April 2023, the Chairman and the members of the Board of Directors are not remunerated for their contribution. The members of the Supervisory Board are entitled to a honorarium of up to HUF 300,000 (gross) per month, subject to their underlying agreement; the chairman is entitled to a remuneration of not more than HUF 450,000 (gross) per month. The chairman of the Audit Committee is entitled to a monthly remuneration of up to HUF 100,000 (gross) subject to the terms of their underlying agreement; the members of the Audit Committee are not remunerated for their contribution. The members of other boards or committees do not receive any remuneration for their contribution.

Transactions with companies controlled by the ultimate controlling party

Transactions with related parties were always carried out under normal commercial conditions and at arm's length prices, taking into account volumes, complexity, standards and seasonality of service.
Intra-group transactions and balances are eliminated for consolidation purposes, and are therefore not presented here. Transactions between the Group and other related parties are detailed below.

Transactions with other related parties:

	2023	2022
Supplies of goods and services - Revenues	102	557
Services used - Expenses	7 714	8 544
Financial revenues	434	0

Breakdown of services used by type:

	2023	2022
Repair costs	4	4
Transportation services	190	567
Property rent	7 076	7 826
Depositary fees	57	
Bank charges	20	0
Advisory services	367	147
TOTAL	**7 714**	**8 544**

FIGURES IN tEUR UNLESS INDICATED OTHERWISE

Reporting date balance of bank accounts managed by banks owned by related parties

	2023.12.31
HUF bank accounts	234
EUR bank accounts	407
Balance of Term deposits	11 393
TOTAL	**12 034**

	31/122023	31/12/2022
Trade payables to other related parties	1 843	0

42. SUBSEQUENT EVENTS

The Group is monitoring the unusually rapid changes in the world economy. Although no information is currently available which would cast doubt on the Group's financial performance or its ability to continue as a going concern, it cannot be ruled out that the rapidly changing, unforeseen international political and economic developments cause an uncertainty about meeting short- and medium-term financial plans and possible use of external funding.

From an operational point of view, the risk is higher regarding Ukrainian drivers who are employed in a significant number in both Hungarian and Polish operations in international transport. Losing these drivers would reduce capacity utilization. To date, the Group has not experienced any level of risk to its operations in relation to Ukrainian drivers, and based on the measures the Group has taken, the risk is considered to be manageable.

In January 2024 the Group established an Employee Share Scheme (hereafter: MRP – Munkavállalói Részvény Program).
In order to implement the MRP Remuneration Policy, the Group transferred 1,113 million HUF monetary contribution to the MRP Organization. With the monetary contribution, employees (management, employees in key roles – 40 altogether) who belong to MRP Remuneration policy accepted by the Board of Directors, obtain member shares in the MRP Organization. The MRP Organization used the monetary contribution to acquire corporate shares in the Company. According to the MRP Remuneration Policy and the MRP Act, MRP participants can be entitled to remuneration in 2026 at earliest.

In February 2024 the Group acquired a 51% stake in Petrolsped Group. The transaction's value is 3,163 million HUF. It was financed from the bond issue and the purchase price allocation is still ongoing. In line with the Group's strategic goals, with this step the Group enters the specialised logistics segment that currently predominantly uses rail services (e.g. agricultural products, construction products).
The transaction is a significant step towards building a multimodal service portfolio and developing railway logistics capabilities. The move will also bring the Group closer to the EU's strategic directions to increase the share of long- distance transport by rail. By integrating Petrolsped's experience, customer portfolio and assets, the Group will obtain the necessary capabilities to become a competitive and significant player in the domestic and regional rail- based logistics market.
The Group sees significant growth potential in this market segment, both because of new industrial and automotive investments in Hungary and because existing customers are increasingly turning to low-carbon logistics services.

On 10 February 2024 MOL Nyrt. signed an agreement with Indotek Group to acquire 15 percent from Indotek Group's 28,9 percent stake in Waberer's International Nyrt. The shares were sold to MOL Vagyonkezelő Kft, a wholly owned subsidiary of MOL Nyrt..The remaining shares are to be sold through an investment service provider. To complete the transaction acquirer has to obtain the permit of MNB (The Central Bank of Hungary) as insurance supervisor.

43. OTHER STATUTORY DISCLOSURES REQUIRED BY THE ACCOUNTING ACT

The Group is audited by PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság
H-1055 Budapest, Bajcsy-Zsilinszky út 78.

Company registration number: 01-09-063022
Audit fee: tEUR 235
Amount paid to the auditor for non-audit services in addition to the audit fee:
tEUR 4 The above amount includes accounting and tax consulting.
The signing statutory auditor responsible for the audit:
Chamber registration number: 005589

Name: Balázs Árpád Mészáros
Address: 1137 Budapest, Katona József u. 25. V. em. 4.

The person responsible for the compilation of the consolidated IFRS financial statements is Judit Nagy-Simon (registration No.: 114509).

Further to the public disclosure requirements stipulated by the Accounting Act, the Company's consolidated financial statements are made available for public viewing at https://e-beszamolo.im.gov.hu/ and on the Company's homepage at **https://www.waberers.com/hu/befektetoknek/eredmeny-center.**

Persons entitled to sign the Company's annual financial statements: Zsolt Barna, CEO (home address: 2011 Budakalász, Csapás utca 22/a) and Szabolcs Gábor Tóth, CFO (home address: 1039 Budapest, Aradi utca 14-16.

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