



INDEPENDENT AUDITOR'S REPORT (free translation)

To the shareholders of AutoWallis Nyrt.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of AutoWallis Nyrt. (the "Company") included in the digital file 529900QO6EHRM3EZL070-2021-12-31-hu.xhtml¹ which comprise the separate balance sheet for the financial year ended on 31 December 2021 (in which the Assets total is THUF 43,199,488), the separate statement of comprehensive income (in which the total comprehensive income for the year is THUF 287,604 loss), the statement of changes in equity, the separate cash flow statement for the financial year then ended and the notes to the financial statements comprising significant accounting policies and other explanatory information.

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the 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 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 4 April 2022.

Basis for opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing as well as the 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 separate financial statements" section of our report.

We are independent of the Company 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 provided to the Company, in the financial year from 1 January 2021 to 31 December 2021, are presented in Section XII of the notes to the separate financial statements.

To the best of our knowledge and belief, we declare that the non-audit services that we have provided 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 Section 67/A (1) and (2) 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.

¹ The SHA 256 HASH algorithm value of the above 529900QO6EHRM3EZL070-2021-12-31-hu.xhtml file: CD875084CFE15E87A1099545CDF9988633D6E5BE88A0A666FF0DA30898731838



Our audit approach

Overview

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|--------------------------|---|
| <i>Materiality</i> | The applied materiality level for the audit of the Company was MHUF 863 |
| <i>Key Audit Matters</i> | Auditing the restatements of previous year's data |

As part of designing our audit, we determined materiality and assessed the risks of a material misstatement in the separate financial statements. In particular, we considered where the 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, the consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate 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 separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate 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, both individually and in aggregate, on the separate financial statements as a whole.

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| <i>Materiality</i> | MHUF 863 |
| <i>Determination</i> | Materiality is determined on the basis of Assets total. |
| <i>Rationale for the materiality benchmark applied</i> | We chose Assets total as the benchmark because, in our view, it is the most characteristic measure in connection with the Company's asset management activities. We chose 2%, which is consistent with quantitative materiality thresholds used for companies mainly engaged in asset management services. |

Key Audit Matters

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

Auditing restatements

The Company has made restatements in several areas of the separate financial statements of 31 December 2021, in particular:

- Restatement in connection with share-based payment plan, because the financial effect of the Employee Share Option Plan (ESOP) 1 scheme launched in 2019 was not recognised by the Company in the 2019 and 2020 separate financial statements.
- Restatement related to the acquisition of INICIÁL AUTÓHÁZ Kft. and ICL AUTÓ Kft. The parties made option arrangements as part of the transaction, however, the Company did not recognise any related liability in its financial statements for the financial year 2020.
- In the comparative period for the 2021 statement of financial position, the interest related to bonds, amounting to MHUF 62, was reclassified by the Company from *Accrued expenses and deferred income* to *Long term debentures*. Also, in the comparative period, the Company reclassified the short-term part from *Long term debentures*, of approximately MHUF 90, to the *Short term debentures*.

Since several restatements were identified and they represent a substantial amount, they were considered key audit matters.

The restatements are included in Section IV of the notes to the separate financial statements.

Our audit procedures included the following:

- We gained an understanding of the Company's business and financial transactions and processes, and as a result we assessed whether the Company's practices and the accounting policies applied were consistent with the International Financial Reporting Standards, and accordingly, we identified the accounting records that required a restatement for the previous year.
- In the case of the restatements, we examined the related contracts, sub-ledgers, reconciliations, calculations and accounting records, and we examined whether the restated data of the previous year were consistent with the relevant standards.
- We checked whether all the necessary information and restatements were disclosed in the notes to the separate financial statements, in accordance with *IAS 8 – Accounting Policies, Changes in Accounting Estimates, and Errors*.

Other matters – ESEF

The management of the Company is responsible for presenting the separate financial statements in accordance with the requirements set out in Articles 3 and 4 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (“ESEF regulation”). Our audit covered the human readable content of the digital file – electronically identified in our report – containing the separate financial statements. Our audit did not cover and therefore we do not express an opinion on whether the digitalised information complies, in all material respects, with the requirements of the ESEF regulation.

Other information: The business report

Other information comprises the Company's separate management (business) report for 2021 (hereinafter: “business report”). The management is responsible for the preparation of the business report in accordance with the provisions of Act C of 2000 on Accounting (“Accounting Act”) in effect in Hungary and other relevant regulations. Our opinion on the separate financial statements expressed in the “Opinion” section of our independent auditor's report does not cover the business report.



In connection with our audit of the separate financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the separate 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 business report is materially misstated, we are required to report this fact and the nature of the misstatement.

Based on the Accounting Act, it is also our responsibility when reading the business report to consider whether the 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 business report is consistent with the separate 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 business report shall cover the information under Section 95/B (2) e) and f) of the Accounting Act, and state whether the information referred to in Section 95/B (2) a)–d), g) and h) of the Accounting Act has been provided.

As the Company is a public interest entity and the conditions in Section 95/C (1) a) and b) of the Accounting Act are met at the balance sheet date, the Company shall publish a non-financial statement required by 95/C in its business report. In this respect, we shall state whether the business report includes the non-financial statement required by Section 95/C of the Accounting Act.

In our opinion, the 2021 business report of the Company, also including the information under Section 95/B (2) e) and f) of the Accounting Act, is consistent with the Company's 2021 separate financial statements in all material respects, and the business report has been prepared in accordance with the provisions of the Accounting Act. As there is no other regulation prescribing further requirements for the business report, we do not express an opinion in this respect.

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

We further state that the information referred to in Section 95/B (2) a)–d), g) and h) of the Accounting Act has been provided. The business report includes the non-financial statement required by Section 95/C (1) of the Accounting Act.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the separate 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 Hungarian National Standards on Auditing 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 separate financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting in the separate financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 separate financial statements or, if such disclosures are inadequate, to qualify 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures in the notes, and whether the separate financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 the Company's 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, the actions taken to eliminate relevant threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine the matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless a 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

The Company first chose us as their auditor at the Board Meeting of 7 April 2021, acting in the capacity of the general meeting.

The engagement partner on the audit resulting in this independent auditor's report is Péter Biczó.

Budapest, 4 April 2022

Péter Biczó
Partner
Statutory auditor
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Translation note:

Our report has been prepared in Hungarian and in English. In all matters of interpretation of information, views or opinions, the Hungarian version of our report takes precedence over the English version. The accompanying separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in jurisdictions other than Hungary.