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Standalone Annual Report - 2020

Budapest, 29 April 2021 - WABERER'S INTERNATIONAL Nyrt. (hereinafter: Waberer's) hereby announces that the audited Standalone Annual Report for business year 2020 was approved by the Annual General Meeting that is presented in the current document.

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of WABERER'S INTERNATIONAL Nyrt.

Report on the audit of the annual financial statements

Opinion

We have audited the accompanying 2020 annual financial statements of WABERER'S INTERNATIONAL Nyrt. ("the Company"), which comprise the statement of financial position as at 31 December 2020 - showing a balance sheet total of EUR 235,238 thousand and a total comprehensive loss for the year of EUR 43,957 thousand -, the related statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion the annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all materials respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for annual financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the annual financial statements" section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Material uncertainty related to going concern

We draw attention to Note 2.a in the annual financial statements, which indicates that the Company incurred significant losses in 2019 and 2020 of EUR 37,029 thousand and EUR 43,957 thousand, respectively. The short-term liabilities of the Company exceeded its current assets by EUR 43,308 thousand as at 31 December 2020. Subsequent to the balance sheet date the Company prolonged and extended its credit facilities with the financing banks and leasing companies on 3 March 2021, which improved the Company's liquidity position. However, the availability of these credit facilities depends on the Company's ability to meet loan covenants, which are disclosed in Note 33. As stated in Note 2.a, these events and conditions, along with other matters as set forth in Note 2.a, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the annual financial statements section" of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying annual financial statements.

Revenue recognition

The Company's revenue from contracts with customers amounted to EUR 268,758 thousand as at 31 December 2020, thus it is significant to the financial statements. Revenue is recognized when all the 5 step criteria of IFRS 15 - Revenue from Contracts with Customers are met. The Company focuses on revenue as a key performance measure which might create an incentive for revenues to be	Our audit procedures included, among others, understanding of key controls over revenue recognition which are designed to ensure proper timing and recognition of revenues when all the 5 step criteria of IFRS 15 - Revenue from Contracts with Customers are met. We analyzed the Company's revenue through entire population of journal entries of sales transactions including correlations between revenue, accounts

recognized before all the 5 step criteria above met especially for significant customers close to year-end. The Company focuses on revenues as a key performance measure which might create an incentive for revenue to be recognized before all the 5 step criteria above are met. Based on this we consider the recognition of revenue in the correct period significant to our audit and a key audit matter.

receivables, value added tax and cash inflows. On a sample basis we confirmed outstanding debtor balances and tested subsequent cash inflows. We tested a sample of significant sales transactions closed around the balance sheet date as well as credit notes issued after the balance sheet date to assess whether revenue was recognized in the correct period. We performed analytical review procedures on revenue comparing actual data to our expectations developed based on non-financial data, observable information on the market and our prior experience of the Company's business. We assessed the adequacy of the Company's disclosures in the annual financial statements in respect of revenue in accordance with the EU IFRSs.

The Company's disclosures about revenue are included in Note 3 l) Revenues and Note 19 Sales revenue, consignment services, cost of goods sold in the notes to the separate financial statements.

Valuation of Investments in Subsidiaries

The Company's investment in subsidiaries amounts to EUR 38,247 thousand as at 31 December 2020 represents 16.3% of the total assets. Valuation of investments in subsidiaries is a significant judgmental area. Management annually or whenever if an impairment indication exists assesses if the investments are impaired in accordance with the EU IFRSs. Based on the impairment tests in 2020 the Company recorded an impairment in amount of EUR 28,304 thousand for its investments in subsidiaries that resulted decreasing the investment amount to EUR 38,247 thousand as at 31 December 2020. This is a key audit matter as significant judgement is involved in determination

Our audit procedures included, among others, evaluating assumptions and methodologies used by the Company to assess whether the investments in subsidiaries are impaired. We involved valuation specialists in our audit to support our assessment of the assumptions and methods that were used by the Company during the impairment tests. We assessed the adequacy of the Company's disclosures about investments in subsidiaries in accordance with EU IFRSs including the information how the impairment is evaluated by the Company.

The Company's accounting policy and disclosures about its investments in subsidiaries are included in Note 3 (t)

if the investments are impaired and in impairment testing when required.	Valuation of investments and Note 7 Investments in subsidiaries in the notes to the separate financial statements.

Other information

Other information consists of the 2020 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the annual financial statements does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether 1) the business report is materially inconsistent with the annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

Our opinion on the business report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law.

In our opinion, the business report of the Company, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2020 is consistent, in all material respects, with the 2020 annual financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Company further requirements with regard to its business report, we do not express opinion in this regard.

We also confirm that the Company have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law and that the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for annual financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, 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 unless 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 annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 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 annual financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 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 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 annual 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 annual financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

Reporting requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Company by the General Assembly of Shareholders of the Company on 16 April 2018. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 10 years.

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Consistency with Additional Report to Audit Committee

Our audit opinion on the annual financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the business report and in the annual financial statements, no other services were provided by us to the Company and its controlled undertakings.

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

Budapest, 17 March 2021

(The original Hungarian version has been signed.)

Lelkes Tamás
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Bartha Zsuzsanna Éva
Registered auditor
Chamber membership No.: 005268

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Statistical code

0	1	-	1	0	-	0	4	1	3	7	5

Registration number

WABERER'S International NyRt.

2020

FINANCIAL STATEMENTS IN ACCORDANCE WITH THE INTERNATNIOAL FINANCIAL REPORTING STANDATDS (IFRSs) AS ADOPTED BY THE EU

Date: Budapest, 16 March 2021

Manager of Company
(representative)

WABERER'S International NyRt.
STATEMENT OF FINANCIAL POSITION

data in thousand EUR

Description	Note	31 December 2019	31 December 2020
NON-CURRENT ASSETS			
Property	6	6 676	5 764
Fixed assets not yet capitalized	6	116	14
Vehicles	6	44 300	24 104
Other equipment	6	2 221	1 435
Total property, plant and equipment		**53 313**	**31 317**
Intangible assets	5	14 004	13 338
Investment in related companies	7	52 354	38 247
Other non-current financial assets	8	16	4
Deferred tax asset	28	1 248	1 456
TOTAL NON-CURRENT ASSETS		**120 935**	**84 362**
CURRENT ASSETS			
Inventories	9	1 149	784
Current income taxes	28	795	1 025
Trade receivables	10	47 849	25 531
Receivables from realted companies	11	239 849	78 108
Other current assets and derivatives	12	15 207	3 864
Cash and cash equivalents	13	14 071	41 564
Assets classified as held for sale		0	0
TOTAL CURRENT ASSETS		**318 920**	**150 876**
TOTAL ASSETS		**439 855**	**235 238**
SHAREHOLDERS' EQUITY	*14*		
Share capital		6 179	6 179
Reserves and retained earnings		46 746	2 869
TOTAL SHAREHOLDERS' EQUITY		**52 925**	**9 048**
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term portion of leasing liabilities	15	52 752	29 452
Deferred tax liability	28	0	0
Provisions	16	28	21
Other long-term liabilities		0	2 533
TOTAL LONG-TERM LIABILITIES		**52 780**	**32 006**
CURRENT LIABILITIES			
Short-term loans and borrowings	17	39 600	29 299
Short-term portion of leasing liabilities	15	33 412	38 128
Trade payables		42 702	24 546
Liabilities from related companies	11	213 015	95 687
Current income taxes	16	0	4
Provisions	16	1 312	3 344
Other current liabilities and derivatives	18	4 109	3 176
TOTAL CURRENT LIABILITIES		**334 150**	**194 184**
TOTAL LIABILITIES		**386 930**	**226 190**
TOTAL EQUITY AND LIABILITIES		**439 855**	**235 238**

Date: Budapest, 16 March 2021

Waberer's International Nyrt.
STATEMENT OF COMPREHENSIVE INCOME

data in thousand EUR

Description	Note	2019	2020
FOLYTATÓDÓ TEVÉKENYSÉG			
Revenue	19	405 065	268 758
Cost of Trucking Subcontractors	19	- 290 952	- 208 775
Cost of goods sold	19	- 21 700	- 14 428
Direct wages, benefits & allowances	20	- 13 323	- 4 698
Fuel cost	21	- 10 438	- 2 611
Toll Fees & Transit Costs	22	- 25 758	- 11 127
Repair & maintenance	23	- 15 619	- 14 662
Insurance costs	23	- 2 948	- 1 228
Direct Rent	23	- 681	- 47
Other contracts	23	- 155	- 123
Vehicle weight tax and other transport related taxes	23	- 359	- 326
Total direct costs		- **381 933**	- **258 025**
Net gain on fleet sales		**2 180**	- **167**
Gross Profit		**25 312**	**10 566**
Indirect Wages & Benefits		- 15 775	- 13 235
Other services		- 13 142	- 8 337
Selling, General and Administrative costs	24	- **28 917**	- **21 572**
Other operating income	25	**4 750**	**2 543**
Other operating expense	26	- **2 859**	- **3 582**
Profit before interest, tax, depreciation and amortization(EBITDA)		- **1 714**	- **12 045**
Depreciation		- 18 036	- 12 662
Profit before interest (EBIT)		- **19 750**	- **24 707**
Financial result	27	- 17 171	- 18 900
Profit(loss) before income tax		- **36 921**	- **43 607**
Income Tax	28	- **108**	- **350**
Profit after Tax		- **37 029**	- **43 957**
DISCOUNTINUED OPERATION			
Profit/loss from discountinued operation (decreased with deferred tax)			
CURRENT YEAR PROFIT/LOSS		- 37 029	- 43 957
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME		- **37 029**	- **43 957**

Date: Budapest, 16 March 2021

WABERER'S International NyRt.
STATEMENT OF CASH FLOWS

data in thousand EUR

Description	Note	2019	2020
Profit/loss before tax		-36 921	-43 607
received dividend from related companies	27	-10 526	-10 716
Non-realised exchange loss/gain on other FX assets and liabilities (+/-)	27	4 181	12 388
Fair value difference related to financial istruments	27	298	-79
Booked depreciation and amortisation	5-6	18 036	12 662
Impairment	7,9-11	3 307	11 960
Interest expense	27	2 728	1 992
Interest income	27	-401	-288
Difference between provisions allocated and used	16	77	2 025
Result from sale of tangible assets		-2 180	167
Net cash flows from operations before changes in working capital		*-21 401*	*-13 496*
Changes in inventories	9	-198	430
Changes in trade receivables	10	8 864	22 250
Changes in receivables from related companies	11	3 611	167 069
Changes in other current assets and derivative financial instruments	12	-707	9 963
Changes in trade payables	30	3 898	-18 172
Changes in liabilities from related companies	11	19 577	-117 328
Changes in other current liabilises and derivatve financial instruments	18	176	-933
Income tax paid	28	-823	-784
I. Net cash flows from operations		*12 996*	*48 999*
Tangible asset additions	5	-5 721	-2 003
Income from sale of tangible assets		25 530	8 461
Income from sale of non-current assets held for sale	8	3	185
Received dividend from related companies	27	10 526	10 716
Additional payment to subsidiaries		0	-14 370
Interest income		401	288
II. Net cash flows from investing activities		*30 739*	*3 277*
Borrowings	17	28 554	-7 767
Lease payment	15	-47 631	-9 516
Lease payment related to sold assets		-19 923	-5 508
Interest paid	27	-2 728	-1 992
III. Net cash flows from financing activities		*(41 728)*	*(24 783)*
IV. Changes in cash and cash equivalents		2 008	27 493
Cash and cash equivalents as at the beginning of the year	13	12 063	14 071
Cash and cash equivalents as at the end of the year	13	14 071	41 564

Date: Budapest, 16 March 2021

WABERER'S International NyRt.
STATEMENT OF CHANGES IN EQUITY

data in thousand EUR

	Note	Share capital	Reserves and reatined earnings	Total shareholders' equity
Opening value as at 1 January 2019		6 183	83 770	89 953
Other comprehensive income		-	-	-
Profit/Loss for the year		-	(37 029)	(37 029)
Total comprehensive income		-	(37 029)	(37 029)
Bonus shares for Employee benefit program		(4)	(82)	(86)
Other movements			87	87
Closing value as at 31 December 2019	14	6 179	46 746	52 925
Other comprehensive income		-	-	-
Profit/Loss for the year		-	(43 957)	(43 957)
Total comprehensive income		-	(43 957)	(43 957)
Other movements			80	80
Closing value as at 31 December 2020	14	6 179	2 869	9 048

Date: Budapest, 16 March 2021

1. Reporting entity

Waberer's International Nyrt. (hereafter: "Company") is an enterprise based in Hungary. Registered office: 1239 Budapest Nagykőrösi út 351. The Company's core activity is transportation, forwarding and logistics services.

2. Basis of preparation

(a) Going concern disclosure

The Company incurred significant losses in 2019 and 2020 at EUR 37,029 thousand and EUR 43,957 thousand, respectively. The short-term liabilities exceeded the current assets by EUR 43,308 thousandas at 31 December 2020.

The going concern assessment is performed on Group level.

Subsequent to the balance sheet date the Group prolonged and extended its credit facilities with the financing banks and leasing companies on 3 March 2021 (further 'Financing Agreements'). As a result of these agreements, the majority of the moratorium related unpaid leasing (EUR 21 million) was transformed to a 5-year bullet loan and will be reclassified to long term liabilities from 1Q2021. The overdraft credit line is also available in the next 5 years and will be reclassified to long term liabilities (its balance was EUR 26 million as at 31 December 2020). The current ratio was 80% as at 31 December 2020, but it would have been 102%, if the Financing Agreements had been in force as at 31 December 2020.

IAS 1 determines that "when an entity has a history of profitable operations and ready access to financial resources, that the entity may reach a conclusion that the going concern basis of the accounting is appropriate without detailed analysis." As per the above, the Group currently has ready access to financial resources but does not have a history of profitable operation in the recent years, consequently performed a detailed analysis on its going concern status summarized as below.

When considering the going concern assumption, the management reviewed several factors, including the Group's results and its continued access to sufficient loan facilities as below:

- The Group achieved successful operation in the second half of 2020, implementing a new operational model. Its one-off costs have been already incurred and it is planned to be continued successfully in the coming years by the future effects of the action plans mentioned above.
- The Group's actual results exceeded its budgets in 2020 and the unaudited management accounts show that this trend continued in January and February 2021.
- Management's business plan shows a positive financing headroom of the Group (and within it ITS HU and RCL segment belonging to the cash pool group), partly due to the bank loan moratorium declared by the Hungarian government on 18 March 2020, which lasts until 30 June 2021, and due to the durable resources based on the Financing Agreements. The 5-year final repayment scheme and an approximately EUR 23 million additional financial source due to extending the available credit facilities by the Financing Agreements, will ensure the financing of the operation in 2021, with a significant reserve.
- Though the bank loan moratorium lasts until 30 June 2021, the Group currently starts to pay its lease obligations.
- The Financing Agreements ensure the availability of all working capital financing facilities, with unchanged conditions for 3 and 5 years, with final repayment. The Financing Agreements also provide an opportunity to prolong the financing of leased vehicles expiring in 2021.
- All major partners of the Group and suppliers have extended their framework agreements or signed new agreements, which is a sign of confidence in our financial performance.

Based on the above the Group's management is confident that the Group's operation results and liquidity position have been significantly improved comparing to the situation a year ago.

Achieving the current business plans ensure continuous meeting the covenants of the Financing Agreements, which are disclosed in Note 33. The current business plans expect continuous improving the Group's profit level. Improving the Group's profitability and liquidity situation is dependent on the outcome of the action plans on revenue and efficiency initiated by the management in 2020. The management is confident in the positive effects of these action plans and accordingly in meeting the Group's budget and the covenants of the Financing Agreement. The positive effects of the action plans have been captured in the last some months. However, currently there is no long-term proven track record on the positive effects of the action plans. Additionally, the Group had considerable losses by not meeting its budgets in the previous years. In the end, the COVID-19 crisis and Brexit have an impact on the cash-flow generation of the Group. Accordingly, there is a potential risk in meeting the Group's budget and the covenants of the Financing Agreements.

figures in kEUR unless indicated otherwise

Based on the above facts and circumstances the management believes that the going concern assumption is appropriate for the consolidated financial statements for the year ended 31 December 2020 and accordingly these have been prepared on the basis of accounting principles applicable to a going concern. However, having considered the facts, uncertainties and circumstances described above, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Group be unable to continue as a going concern.

(b) 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.

The IFRS 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 16th of March, 2021.

(c) Basis of measurement

With the exception of certain financial instruments, which were measured at fair value, the consolidated primary financial statements were prepared on a historic cost basis.

The methods used for fair value measurement are detailed in point (w).

(d) Functional and presentation currency

95% of the Company's business is done within the European Union. The Company is financed in EUR and, owing to the special and EU-wide nature of the Company's business, the CDS rates for Hungary are barely considered by the Company's funders and creditors when establishing their interest premiums. Accordingly, the consolidated financial statements are prepared in EUR which has been the Company's presentation currency since 1 January 2013.

The functional currencies, other than the euro, used by the Company entities are presented below.

Company	2019	2020
Waberer's - Szemerey Logisztika Kft.	HUF	HUF
Waberer's Romania SA	RON	RON
Waberer's UK Limited	GBP	discontinued
Wáberer Hungária Biztosító Zrt.	HUF	HUF
Közdülő Invest Kft.	HUF	HUF
LINK Sp. z o.o.	PLN	PLN

LINK Services Sp. z o.o.	PLN	PLN

(e) Use of estimates and judgments

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

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

Information about significant areas of estimation uncertainty and critical judgments 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 recoverable amount of cash-generating unit containing goodwill (see Note 6.a)
- provisions and contingent items (see Notes 18 and 36)
- measurement of financial instruments (Note 35. d)
- recording of gain on fleet sales (Note 3. h).

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 Company entities.

New and amended standards adopted

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2020:

I. The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2020

i. Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

ii. IFRS 3: Business Combinations (Amendments)

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a Company of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. Management has assessed the impact of the change and adopted it from 1st of January 2020. The change has no impact on the Company's financial statement.

iii. IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. Management has assessed the impact of the change and adopted it from 1st of January 2020. The change has no impact on the Company's financial statement.

iv. **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provide temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Phase two (ED) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). Management has assessed the impact of the change and adopted it from 1st of January 2020. The change has no impact on the Company's financial statement.

II. IFRS and IFRIC interpretations adopted in 2020

Except for the IFRSs as amended as adopted by the Company starting as of 1 January 2020, the accounting policies are consistent with those applied in the previous year:

i. **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The amendments have not yet been endorsed by the EU. Management has assessed the impact of the change and will adopt it as soon as it is endorsed by EU.

ii. **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**

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

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

Management has assessed the impact of the change and adopted it in the preparation of financial statement related to the valuation of IFRS 16.

iii. Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. Management has assessed the impact of the change and adopted it from 1st of January 2020.

III. Standards issued but not yet effective

i. IFRS 17: Insurance Contracts

The standard is effective for annual periods beginning on or after 1 January 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. 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 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 has not been yet endorsed by the EU. The Company has assessed the requirements of the standard and has decided against early application.

ii. IFRS 17: Insurance Contracts (Amendments), IFRS 4: Insurance Contracts (Amendments)

The amendments to IFRS 17 are effective, retrospectively, for annual periods beginning on or after January 1, 2023, with earlier application permitted. The amendments aim at helping companies implement the Standard. In particular, the amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time.

The amendments to IFRS 4 change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.

The Amendments to IFRS 17 have not yet been endorsed by the EU.

iii. **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU.

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or
- a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

A financial liability is any liability that is:

a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the Company is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

A derivative is a financial instrument with all three of the following characteristics:

- its value changes in response to the change in an underlying. An underlying may be a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

(i) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk exposures.
Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised through profit and loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value at year-end; the effective part of the fair value is recognised directly in other comprehensive income while the ineffective part is recognised through profit or loss.
In accordance with the Company's accounting policies, any profit or loss realised on hedging transactions closed in the reporting period is recognised in the same way as for the hedged item, i.e. under direct costs: raising the incomes in the case of a gain and lowering the income in the case of a loss.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost values of individual assets in the categories of property, plant and equipment were determined on 1 January 2007, when the Company adopted IFRS reporting, based on their fair values as of 1 January 2006.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the assets and restoring the site on which they are located. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised to the cost of the asset.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from the disposal with the carrying amount of the item and are recognised net in profit or loss among other income.

(ii) 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 the part will flow to the Company and its cost can be measured reliably. The carrying value 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.

(iii) 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 amount of the depreciable asset value. The depreciable amount of an asset is its cost less any residual value. Right-of-use assets are amortised during the term of the relevant lease classified by the Company in accordance with IFRS 16. Land is not depreciated.

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

• buildings	30 years
• machinery, equipment	7 years
• vehicles	4-5 years
• other equipment and fittings	7 years

Useful life of leased assets and residual value is 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 manufacturer of the asset.

(c) Intangible assets

(i) Other intangible assets

Other intangible assets acquired by the Company which have definite useful lives are recognised at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis, with the exception of goodwill, over the estimated useful lives of 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
• rights and concessions	6 years

(d) Investment property

Investment property is held for rent or for capital appreciation or both, and is therefore not held for sale in the ordinary course of business, or for use for the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost less accumulated depreciation. The Company does not own any investment property.

(e) Right-of-use assets

Right of use assets are recorded in line with IFRS 16. The lease liability is calculated as the net present value of the future cash outflows. The discount rate applied was the in line with the finance cost of similar assets i.e. 2%. All right of use asset which has a shorter contracted period than 12 months or the net present value is lower than EUR 100 thousand is recorded in the profit and loss accounts as an expense..

(f) Gain on fleet sales

The gains on fleet disposal are recognised as gains on vehicles sold.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of spare part inventories is determined at average price and the cost of tank inventories is based on the FIFO principle, and includes expenditure incurred in acquiring the inventories, their production or transformation costs, and other costs incurred in bringing them to their existing location and condition.

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

(h) Impairment loss

(k) Financial assets

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortized cost and FVOCI. The company recognizes a loss allowance for such losses on a daily basis. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

The general approach reflects the pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECL recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECL (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality
- Lifetime ECL (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis

If financial assets became credit-impaired (Stage 3) interest revenue is calculated by applying the effective interest rate (EIR) to the amortized cost (net of the impairment allowance) rather than the gross carrying amount.

The simplified approach does not require the tracking of changes in credit risk, but instead requires the recognition of lifetime ECL at all times. For trade receivables or contract assets that do not contain a significant financing component and for short term trade receivables with significant financing component (for which The Company decided not to adjust the consideration for the interest component for revenue recognition), simplified approach shall be applied. The impairment of other financial assets is recognized based on the general approach.

The Company chose to apply simplified approach for trade receivables with a significant financing component that are not considered to be short term (receivables with maturity over 12 months).

When lifetime ECLs are recognized, impairment losses are recognized through an allowance account to write down the asset's carrying amount to the present value of expected cash flows discounted at the original effective interest rate of the asset.

The Company determines lifetime ELCs using an impairment matrix for the calculation of lifetime ECL under the simplified approach. The matrix considers certain circumstances of the debtors and the number of days past due. The impairment rates in the matrix are determined considering the general requirements of IFRS 9 for the calculation expected credit losses.

If, in a subsequent period, the amount of the impairment loss 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 loss 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 Company 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 enforcement activity and
- where the recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Uncollectible assets are written off against the related impairment loss account after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to impairment loss account in profit or loss for the year.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed 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 each reporting date.

The Company examines on an annual basis whether there are any indications of impairment, and reviews 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 Company 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.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) 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. Immediately prior to the classification as held for sale the assets (or components of the disposal group) are re-measured in accordance with the Company's accounting policies. Thereafter, the assets (or disposal group) are measured at the lower of the carrying value and the fair value less cost to sell.
Impairment losses related to a disposal group are allocated initially to goodwill and then proportionally to the other assets, apart from inventories, financial assets, deferred tax assets, employee-benefit related assets and investment properties, to which losses are not allocated, and which are still measured in accordance with the Company's accounting policies. Impairment losses related to the initial classification as held for sale and any subsequent gains or

losses following re-measurement are recognised in profit or loss. Gains are recognised up to the amount of any cumulative impairment loss.
When classifying the assets back the Company compares the carrying value less impairment of the assets held for sale with the value that would have prevailed if the assets had been depreciated when carried as held for sale, before proceeding to use the lower figure, if this was not higher than the recoverable amount of the asset.

(j) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate entity but has no legal or constructive obligation to pay further contributions. Payments to defined contribution pension-benefit plans are recognised in profit and loss as employee benefit related expense when incurred.

(ii) Termination benefits

Termination benefits are recognised as expense when the Company 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 expense if the Company 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.

(iii) 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 Company 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.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Revenues

IFRS 15 - Revenue from Contracts with Customers
IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognised when control of the goods or services are transferred to the customer.

The Company has generally concluded that:

- it satisfies performance obligations at a point in time, because control is transferred to the customer on delivery of the goods;
- it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to customers;
- significant financing component does not exist, because the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service is expected to be one year or less at contract inception.

(n) Finance income and expense

Finance income comprises the following: interest income on investments (including available-for-sale financial assets), dividend income, gains from the sale of financial assets at fair value through profit and loss, financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise the following: interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognised on financial assets.

Foreign exchange gains and losses are recognised net.

(o) 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.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Hungarian municipal business tax payable is also presented as an income tax.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax may not be recognised for temporary taxable differences related to the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities should be offset on the statement of financial position only if the entity has the legal right to offset current tax assets with current tax liabilities, and they are related to income taxes levied by the same taxing authority on the same taxable entity, or on different entities that intend to realise their current tax assets and settle their current tax liabilities either on a net basis or at the same time.

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 reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Fair value hierarchy

For fair value measurement, the Company uses a fair value hierarchy in which the inputs used are classified in three categories: the most significant category (Level 1) includes inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities, while the lowest category (Level 3) includes unobservable inputs.

Where the inputs used for the fair value measurement of an asset or liability fits more than one level within the fair value hierarchy, the related asset or liability is allocated based on the lowest level input that is significant to the fair value measurement. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 1 inputs

Quoted (unadjusted) market prices in active markets for identical assets or liabilities available to the entity at the time of measurement. Quoted market prices in active markets are the most reliable evidence of fair value which, if available, should be used without adjustments to measure fair value.

Level 2 inputs

Directly or indirectly observable inputs, other than quoted prices, for and asset or liability and include:

- prices of comparable assets or liabilities quoted in active markets.
- prices of comparable assets or liabilities quoted in other than active markets.
- observable inputs for the asset or liability, other than quoted prices, such as:
  - interest rates and yield curves observable for typical periods;
  - tentative volatily; and
  - credit spreads
  - market supported inputs.

Level 3 inputs

These are unobservable inputs for an asset or liability. Where no relevant observable inputs are available, unobservable inputs should be used to determine the fair value. This includes taking into consideration situations in which market activity of the asset or liability at the time of measurement is low, if any. Yet, the purpose of fair value measurement remains unchanged: an exit price at the measurement date from the perspective of the market participant who is the owner of the asset or the obligor of the liability. Therefore, unobservable inputs must reflect the assumptions, including risk assumptions, that market participants would use for pricing the asset or liability.

Based on the above, the Company uses the following basis for the fair value measurement of non-current debt and equity instruments by keeping the below order of measurement procedures:

a. listed fix and variable interest bonds and discounted treasury bonds (except government bonds and discount treasury bonds in the primary dealer system) are measured consistently in the measurement period as the aggregate of the last closing quoted net rate plus any interest accumulated until the reporting date;
b. fix and variable interest rate in the primary dealer system with a remaining term of no more than 3 months and discounted treasury bonds are measured as the aggregate of the arithmetical average of the best net buy and sell rates published by the Sovereign Debt Management Centre (ÁKK) at the reporting date or the preceding working day plus any interest accumulated until the reporting date;
c. government bonds and discounted treasury bonds with fix and variable interest rate with a remaining term of no more than 3 months (including securities with governmental joint and several liability) are measured as the aggregate of the net yield calculated based on the 3-month reference yield published by ÁKK at the reporting date or the preceding working day and any interest accumulated until the reporting date;
d. for listed debt securities (except government bonds in the primary dealer system), if no quoted price over 30 days is available, the fair value is measured based on the last recorded volume weighted average net OTT price published before 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 net acquisition price should be used by adding any interest accumulated since the last interest payment until the reporting date to the acquisition price.

(t) Valuation of investments

The Company value its subsidiaries at costs and records impairment if the recoverable amount is lower than the carrying amount. Carrying amount is the amount at which the investment is recognised after deducting any accumulated impairment losses thereon. The recoverable amount of the investments is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The Company is reviewing the cash generating operation of the subsidiaries and if loss is generated by the subsidiary a review is peformed if the investment value should be impaired. If there is a triggering event (i.e. loss making or actual cash flows significantly lower than expected) the Company prepares a discounted cash flow model to review if the recoverable amount is higher than the carrying amount.

Discount rate is determined to reflect the time value of money industry en entity related risks which are not included in the future cash flow plans.

(u) The Company as a lessor

The Company sublease the vehicles to the franchise companys – from 1 July 2020 Nexways Cargo only. The measurement of the receivables arrising from these finance leases equals to the corresponding leasing liability because all the underlying parameter (i.e. net investment, interest rate, contracted period) are the same. In the lease contract there are additional service provided in connection with the navigation, gear service, maintanence and other services related to the operation. These services recorded as revenue in The Company and other operational expense in the franchise companies. In line with the above content the invoiced rental fee consists of lease liability which is recorded as a reduction of the leasing receivables, interest which is recorded in the profit and loss acoount and the remaining amount is recorded as revenue of the services provied to the franchises.

4. Earnings per share

Earnings per share is calculated as of the Waberer's group profit after tax.

The issued share capital of Waberer's International Nyrt. comprises 17,693,734 registered dematerialised ordinary shares of a nominal value of EUR 0.35 each.

The issued share capital of Waberer's International Nyrt. was EUR 6,192,807 at 31 December 2020, of which EUR 46,173 were treasury shares. There was no change in treasury shares during 2020, therefore the weighted average number of ordinary shares used to calculate earnings per share was the annual number of 131,924 shares.

Earnings per share	**2019**	**2020**
Net profit after tax kEUR	-37 029	-43 957
Weighted average of ordinary shares	17 597 844	17 561 810
Earnings per share EUR	-2,10	-2,50
Diluted earnings per share EUR	-2,10	-2,50

As there is no diluting effect on earnings, diluted earnings per share was the same as normal EPS in both 2019 and 2020.

figures in kEUR unless indicated otherwise

5. Intangible assets

Opening 1 Jan 2019	Intangible assets
Cost	23 669
Cumulative amortisation and impairment	-13 132
Net value	**10 537**
Changes in 2019	
Additions and capitalisations	5 665
Depreciation	-2 198
Closing, net	**10 537**
Closing, 31 Dec 2019	
Cost	29 334
Cumulative amortisation and impairment	-15 330
Net value	**14 004**
Changes in 2020	
Additions and capitalisations	1 383
Depreciation	-2 049
Disposals	0
Closing, net	**13 338**
Closing, 31 Dec 2020	
Cost	30 717
Cumulative amortisation and impairment	-17 379
Net value	**13 338**

(a) Intangible assets with indefinite useful lives

The Company has no assets with indefinite useful lives recorded under intangible assets.

figures in kEUR unless indicated otherwise

6. Tangible assets

	Properties	Assets in the course of construction	Vehicles	Other equipment	Total
Opening at 1 January 2019					
Gross value	19 065	1 584	115 162	10 544	145 354
Cumulative depreciation and impairment loss	-8 685		-42 230	-7 415	-58 420
Net value	**10 380**	**1 584**	**72 931**	**3 129**	**88 024**
Changes in 2019					
Additions and capitalisations	50	- 1 468	5 729	685	4 996
Depreciation, impairment	-1 143		-14 181	-1 527	-16 776
Adjustment of residual value			-17 788		-17 788
Derecognition	-2 610		-2 391	-65	-5 066
Closing net value	**6 676**	**116**	**44 300**	**2 221**	**53 313**
Closing at 31 December 2019					
Gross value	16 504	116	88 584	11 163	116 367
Cumulative depreciation and impairment loss	-9 828		-44 284	-8 942	-63 054
Net value	**6 676**	**116**	**44 300**	**2 221**	**53 313**
Changes in 2020					
Additions and capitalisations	192	-102	8	382	480
Depreciation, impairment	-1 104		-7 366	-1 160	-9 630
Derecognition			-12 839	-7	-12 846
Closing net value	**5 764**	**14**	**24 104**	**1.435**	**31 317**
Closing at 31 December 2020					
Gross value	16 696	14	57 270	11 536	85 516
Cumulative depreciation and impairment loss	-10 932		-33 166	-10 101	-54 199
Net value	**5 764**	**14**	**24 104**	**1.435**	**31 317**

(a) Properties

The following table includes the Companys' most significant properties as at 31 December 2020.

Property location	Country	Usage	Net value

Budapest, Nagykőrösi út 349-351	Hungary	Head Office	4 607
Mosonmagyaróvár	Hungary	Business site – workshop	1 155

(b) Movements in tangible assets

The cost of properties increased by kEUR 191 as result of smaller property security development and delivery vehicle reception projects.

(c) Mortgaged asset

The Company does not have any mortgaged assets.

(d) Leased assets

Tangible assets contain right-of-use assets. Among leased assets the trucks are leased to the Company's subsidiaries with unchanged conditions which causes an intercompany receivable equal to the leasing liability. The Company operated 47 trucks and 2,668 trailers are presented among vehicles against leasing liabilities.

(e) Commitments as at the reporting date to purchase assets

The Company has general agreements for asset purchases for three years, which relate only to recommended quantities but do not imply any future obligations.

(f) Impairment loss

As a result of the fleet reduction in the reporting year, the Company has a number of vehicles that are not expected to be used in the future. These assets will be returned to the suppliers under the related buy-back contracts or will be disposed of after buy-outs. The Company had plans and agreements for all its redundant assets with specified prices and dates. Accordingly, the Company recognised an impairment loss on these vehicles to the extent of their recoverable amount of kEUR 1,075.

figures in kEUR unless indicated otherwise

7. Investments in subsidiaries

Company	Country	Scope of activities	Ownership ratio 2019	Ownership ratio 2020
Waberer's - Szemerey Logisztika Kft.	Hungary	inland transportation, forwarding, logistics	100,00%	100,00%
Rapid Teherautószerviz	Hungary	vehicle repairs	51,00%	51,00%
Waberer's Slovakia	Slovakia	logistics	100,00%	100,00%
Közdülő Invest Kft.	Hungary	property rentals	100,00%	100,00%
Delta Rent Kft.	Hungary	vehicle trade	100,00%	100,00%
Bódi Intertrans 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%
LINK Services Sp. z o.o.	Poland	workforce agency	100,00%	100,00%
Waberer's Románia SA	Romania	international transportation and forwarding	100,00%	100,00%
Waberer's Deutschland GmbH	Germany	international forwarding	100,00%	100,00%
Waberer's France	France	trading agency	100,00%	100,00%
Waberer's Network Kft.	Hungary	international collective transportation	99,00%	99,00%
Wáberer Hungária Biztosító Zrt.	Hungary	insurance	100,00%	100,00%

In 2020, the following already dormant subsidiaries were legally wound up and therefore were not included in the consolidation, therefore the entity drecognized their value (EUR 173 thousands) from the investments for the following five entities.

Company	Country	Scope of activities	Ownership ratio 2019	Ownership ratio 2020
Waberer's Espana	Spain	international forwarding	100,00%	liquidated
Waberer's UK Limited	UK	trading agency	100,00%	liquidated
Waberer's Benelux B.V.	Holland	trading agency	100,00%	liquidated
Waberer's Italia SRL	Italy	trading agency	100,00%	liquidated
WB Station et Services	Belgium	vehicle repairs	100,00%	liquidated

In 2020, Company management changed the business model of the transportation segment and the Company structure was streamlined as a result: transportation is now done by a single entity, Nexways Cargo Kft., for Waberer's International instead of the former transport franchise companies which were all discontinued via merger as of 31 August 2020. As part of the restructuring process, the assets and liabilities of the merged entities were contributed to Bódi Intertrans Kft., the legal successor. After the business combination, the total value of the investments did not change, only its composition. The movements in the ownership ratios of the merged entities are set out in the table below.

Company	Country	Scope of activities	Ownership ratio 2019	Ownership ratio 2020
Szabó Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Kerekes Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Veres Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Zsemlye Intertrans Kft.	Hungary	international forwarding	100,00%	merged
S Tóth Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Vándor Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Transpont Hungária Kft.	Hungary	international forwarding	100,00%	merged
Kanczler Intertrans Kft.	Hungary	international forwarding	100,00%	merged
TT Intertrans Kft.	Hungary	international forwarding	100,00%	merged

figures in kEUR unless indicated otherwise

Euro-Unió Trans Kft.	Hungary	international forwarding	100,00%	merged
Gervin Trans Kft.	Hungary	international forwarding	100,00%	merged
MIS Transport Kft.	Hungary	international forwarding	100,00%	merged
Crossroad Transport Kft.	Hungary	international forwarding	100,00%	merged
Cosmos-Transport Kft.	Hungary	international forwarding	100,00%	merged
Lean Logistic Kft.	Hungary	international forwarding	100,00%	merged
Del af Europa Transp. Kft.	Hungary	international forwarding	100,00%	merged
PM Intersped Kft.	Hungary	international forwarding	100,00%	merged
Return Transport Kft.	Hungary	international forwarding	100,00%	merged
VB-Transport Kft.	Hungary	international forwarding	100,00%	merged
JIT Euro Trans Kft.	Hungary	international forwarding	100,00%	merged
Tracking Transport Kft.	Hungary	international forwarding	100,00%	merged
SZ-M Cargo Kft.	Hungary	international forwarding	100,00%	merged
SOLID Transport Kft.	Hungary	international forwarding	100,00%	merged
Cargo Hungária Kft.	Hungary	international forwarding	100,00%	merged
Szala Transport Kft.	Hungary	international forwarding	100,00%	merged
WM Log Kft.	Hungary	international forwarding	100,00%	merged
Cseri Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Simon Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Molnár S Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Kovács Á Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Molnár N Intersped Kft.	Hungary	international forwarding	100,00%	merged
Réthi Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Vágenhoffer Intertrans Kft.	Hungary	international forwarding	100,00%	merged
VT Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Pálinkás Intertrans Kft.	Hungary	international forwarding	100,00%	merged
Székely Intertrans Kft.	Hungary	international forwarding	100,00%	merged

Shares in subsidiaries are subject to impairment testing if any trigger event is identified. When a trigger event is identified the recoverable amount and the net value is compared and, if the recoverable amount is significantly lower than the net value an impairment loss should be recognised. If the recoverable amount is significantly higher than the net value, any previously recognised impairment loss must be reversed.

The international transportation franchise companies were merged into Bódi Intertrans Kft, where the capital situation was duly settled with a capital increase of EUR 14,370 thousand. The capital increase by share premium was recognized in the carrying amount of the investment, however due to the uncertainty detailed in point 2 a), and taking into account the negative equity of Bódi Intertrans Kft, the return on the capital increase was classified as uncertain by their management, so 100% impairment was recognized against the financial result.

The recoverable amount is the calculated based on the discounted cash flow attributable to equity holder of the parent. The basis of the cash flow calculation is a three-year strategic plan approved by the management, based on which cash flows are forecast in order to determine the value in use.

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

1. Recoverable amount is calculated with the assumption of using the assets in long-term in the future.
2. Discount rates: the value in use calculations take into account the time value of money, the risks specific to the asset and the rate of return that would be expected by market for an investment with similar risk, cash flow and timing profile. The Company use the following discount rates: 8.5%. The very same discount rate was utilisied for the assessment of investment as it contains the same risk parameters.

figures in kEUR unless indicated otherwise

Entity	Investment value at acquisition	Impairment	Net book value
Waberer's - Szemerey Logisztika Kft.	6 151	0	6 151
Rapid Teherautószerviz	26	0	26
Waberer's Slovakia	62	0	62
Közdűlő Invest Kft.	93	0	93
Delta Rent Kft.	172	0	172
Bódi Intertrans Kft.	17 846	-17 846	0
Nexways Cargo Kft.	43	43	0
LINK Sp. z o.o.	36 054	-19 724	16 330
LINK Services Sp. z o.o.	58	0	58
Waberer's România SA	2 147	0	2 147
Waberer's Deutschland GmbH	23	0	23
Waberer's France	50	0	50
Waberer's Network Kft.	340	0	340
Wáberer Hungária Biztosító Zrt.	12 793	0	12 793
Total:	**75 860**	**-37 613**	**38 247**

Impairment testing of the investment related to Link and LINK Services S.p. z.o.o

In case of LINK, the opening value of the investment was EUR 29,087 thousand. In 2020, the profit after tax was positive, but due to COVID-19 and the several times postponed Brexit the entity underperformed compared to the plans, which was the basis of the previously prepared impairment models. In accordance with this the parent company along with the entity reassessed the recoverability of the investment in accordance with the new strategic plans. In line with the plan for the next 5 fiscal years they determined the cash-generating ability of the business unit based on the terminal value of the fifth year, which was discounted with 8,5% discount rate, as set in point 2. Therefore, the discounted cash-flow plan set the recoverability value at EUR 15,153 related to LINK legal entity and booked the required impairment of EUR 13,934. In the impairment test the increase of discount factor with 0,1% would result in a decrease of EUR 191 thousand in the recoverability value.
One per cent of increase in revenue would result in an increase of net profit with EUR 90 thousand.

Impairment testing of the investment of Waberer's Szemerey Logisztika Kft.
Waberer's Szemerey Logisztika is the main operator of the regional contracted logistic segment. In 2020 the subsidiary generated EBIT in an amount of EUR 13.796 thousand and the future outlook of the entity is positive, hence no impairment indication identified. The value of the investment is reovered in a year.

Impairment testing of the investment related to Bódi Intertrans Kft.
The entity represents the international transportation segment and it was fully impaired in 2019 by the Company. In 2020 the capital situation was duly settled with a capital increase of EUR 14,370 thousand, however due to the uncertainty detailed in point 21 a), 100% impairment was recognized..

Impairment testing of investment related to Nexways Cargo Kft
The entity represents the international transportation segment and it was fully impaired in 2019 by the Company. In 2020, due to the new transportation model implementation it was loss making. The management is expecting an increase in profits for the following years, till that the impairment will not be reversed.

Impairment testing of the investment related to Waberer's Romania SA.
Although Waberer's Romania SA generated slight loss in 2020 the entity's the future outlook of the entity's cash genaration is positive and the value of net assets is approximately the same as the net value of the investment.

Impairment testing of the investment related to Wáberer-Hungária Biztosító Zrt.

Wáberer Hungária Biztosító ZRt. generated EUR 8.5 million net profit in 2020 and it has been profitable since the aqusition hence no triggering event identified for impairment.

8. Other non-current financial assets

	31 December 2019	31 December 2020
Loan to franchise owners	16	4
Total	**16**	**4**

Other non-current financial assets include the yet unrepaid loans granted by Waberer's International Nyrt. to the owners of the franchise companies.

9. Inventories

Inventories	**31 December 2019**	**31 December 2020**
Fuel	574	229
Spare parts, tyres, lubricants, other materials	422	555
Other materials	153	0
Total:	**1 149**	784

Fuel inventories as at the reporting date show the fuel in the lorries and at the filling station. The values of these inventories were determined as follows:

- inventory at filling station by means of a reading an authenticated meter
- fuel in truck using an estimate based on the data in the route registration system.

Movements in the impairment of inventories are presented below.

	Impairment of inventories
1 Jan 2019	- 124
Impairment recognised	- 22
Impairment released	
31 Dec 2019	-146
Impairment recognised	
Impairment released	65
31 Dec 2020	-81

At 31 December 2020, Company management revised the inventories at the repairs workshop based on the technological descriptions obtained in the previous two years. As a result, the Company released the impairment loss on spare parts no longer usable for the Company's vehicles in a total of kEUR 65.

figures in kEUR unless indicated otherwise

10. Receivables

	31 December 2019	31 December 2020
Trade receivables	48 402	26 120
Impairment on doubtful debts	- 553	- 589
Total	**47 849**	**25 531**

Trade receivables decreased significantly compared to 2019 because the debtor turnover further improved from 65,5 days to 64,5.

As a result of the Company's rigorous credit rating and collection processes, the impairment loss on doubtful debts decreased.

Impaired receivables remained at last year's level being 0.205% of sales revenues for the year.

The changes in the impairment of trade receivables are presented below.

	Impairment
1 January 2019	- 733
Recognised	- 318
Reversed	498
31 December 2019	**- 553**
Recognised	- 234
Reversed	198
31 December 2020	**- 589**

As a result of the Company's rigorous credit rating and collection processes, the impairment loss on doubtful debts did not increase on the previous year even amidst the COVID-19 pandemic. The annual impairment ratio was 0.15% of our consolidated revenues, which is the same as in the previous year.

The material decreases in the accumulated impairment loss on receivables in 2020 was due to the derecognition of previously fully written off receivables.

In accordance with IFRS 9, the expected credit loss for the receivables is determined on legal entity basis in line with valuation principles. As a result of the valuation, EUR 39 thousands were accounted for as expected credit loss for the receivables.

11. Related party receivables and liabilities

Receivables from related parties are presented below.

	31 December 2019	31 December 2020
Cash-Pool	170 264	34 800
Sublease receivables	52 300	33 294

Trading type receivables	13 868	6 307
Loans receivable	3 416	3 208
Capital contributions	-	498
Other unspecified receivable	1	1
Total	239 849	78 108

	Impairment
1 January 2019	**0**
Recognised	-16 471
Reversed	0
31 December 2019	**-16 471**
Recognised	0
Reversed	16 471
31 December 2020	**0**

In 2019, the Company had fully impaired the amounts receivable from forwarding franchise companies related to their loss compensations in the previous years (kEUR 16,471). The forwarding franchise companies merged into Bódi Intertrans Kft. and their equity positions was settled via a kEUR 14,370 capital increase from share premium. As a result, the previous loss compensations became unnecessary and were therefore refunded by Bódi Intertrans Kft. and the related impairment loss recognised in 2019 was concurrently reversed. The capital increase by share premium was recognized in the carrying amount of the investment, however due to the uncertainty detailed in point 2 a), and taking into account the negative equity of Bódi Intertrans Kft, the return on the Asian capital increase was classified as uncertain by their management, so 100% impairment was recognized against the financial result.

The table below contains the related party payables.

	31 December 2019	31 December 2020
Cash-Pool payables	193 020	45 483
Creditor type payables	10 787	48 519
Dividend paid in advance	6 893	0
Other liabilities	2 315	1 685
Total	213 015	95 687

12. Other current assets and derivative financial instruments

	31 December 2019	31 December 2020
Foreign VAT and excise tax	3 227	1 046

Tax receivables	5 700	30
Loans granted	119	136
Receivables from employees	326	330
Advance payments receivable	3	0
Accruals	3 857	2 032
Other	905	290
Derivatives	1 069	0
Total	**15 207**	**3 864**

Most other current assets include foreign VAT and excise tax, which is derived from VAT and excise tax receivables from foreign tax authorities.

The Company switched to collective VAT payment as of 1 August 2013 and the taxes payable and reclaimed by the Company members are netted off as a result.

Among accruals, the Company presents contractual retrospective discounts from fuel, motorway and ferry providers.

The caution money related to prolonged leases is presented in the 'Other' line within other current assets.

The value of derivatives at the reporting date is determined using a measurement technique based solely on market inputs. Accordingly, any gain on the year-end revaluation of derivative contracts open at the year-end was recognised among other current assets, while any revaluation loss was recognised among other current liabilities.

As at 31 December 2019, the Company had the following open derivative contracts (sale EUR):

Partner bank	Contract type	Currency	Amount of trade
K&H	Forward	kHUF	21 785 900
ING Bank N.V	Forward	kHUF	4 430 080
Raiffeisen	Forward	kHUF	18 870 683
MKB	Forward	kHUF	4 003 165

As at 31 December 2020, the Company had the following open derivative contracts:

Partner bank	Contract type	Currency	Amount of trade
K&H	Forward	kHUF	2 017 200

Information of the market value related to forwards can be found in note 30. Open derivatives indicated above have maturity within a year. There was no gain on the revaluation of derivatives at 31 December 2020, and the revaluation loss totalled kEUR 241.

Changes in the impairment loss on other current assets and derivative financial instruments are presented below:

	Impairment
1 January 2019	1 993

Recognised	0
Reversed	54
31 December 2019	-1 263
Recognised	-233
	172
Reversed	1 324
31 December 2020	

Fully impaired items included receivables from former employees totaling kEUR 938 and import VAT and excise tax refunds receivable in a total of kEUR 386 from the Company's former financial representative that went bust and failed to forward these tax refunds it had received as confirmed by the tax authority.

13. Cash and cash equivalents

Cash and cash equivalents include the Company's petty cash and bank balances. Cash and cash equivalent totalled kEUR 41,564 at 31 December 2020. The significant decrease in cash-flows in 2020 was a result of the Company's operating losses. The increase in current year's cash flow is the result of lease and loan payment moratorium announced by the Hungarian Government. Accordingly, the Company were not obliged to pay interest and lease liability of EUR 16.3 million from 1st of April 2020, while this amount was obtained from the franchise entities as sub-leases. Moreover, the improvement of working capital management resulted in additional positive cash-flows.

14. Equity

The share capital of Waberer's International Nyrt. at 31 December 2020 comprised 17,693,734 dematerialized shares each with a face value of EUR 0,35. The Company held 131,924 treasury shares at the end of 2019, and 82,775 shares were held by Waberer's ESOP organisation.

Reserves include the profits and losses of previous years, the reporting year profit or loss, and the results of transactions with equity holders, as presented in the statement of changes in equity.

The Company's equity compliance table as required by section 114/B of act C of 2000 on accounting is presented below.

Item	Opening	Closing
Issued Capital as per IFRS	**6 179**	**6 179**
Reserves as per IFRS	**46 746**	**2 869**
Corrections as per Sztv. 114/b 4a	**0**	**0**
Corrected capital	**52 925**	**9 048**
a.) Equity	**52 925**	**9 048**
b.) Issued capital as per IFRS	6 179	6 179
c) Issued capital not paid	0	0
d) capital reserve:	68 438	68 438

figures in kEUR unless indicated otherwise

e) retained earnings/losses	14 074	-37 245
f) valuation resrve	0	0
g) net loss after tax	-37 029	-43 957
h) allocated reserve	1 263	1 263

Matching under section 114/B.(5)a) of the accounting act		
Issued capital as per IFRS	6 179	6 179
Issued capital registered by the companies court	6 193	6 193
Difference:	- 14	- 14

Distributable retained earnings as per section 114/B. (5)b) of the accounting act		
Retained earnings/losses including the net profit or loss for the year	-22 955	-66 704
Retained earnings less the accumulated unrealised gains recognised on the fair value increase under IAS 40 Investment Property and plus related accumulated income taxes under IAS 12 Income Taxes	0	0
Distributable retained earnings	0	0

Capital reserve contains the variance between the the nominal value and issue value in initial public offering with EUR 45 800 thousands. It also contains the value of a business combination 22 years ago.
Allocated reserve contains unusued development reserve, which was originally created in 2017.

Main rights and obligations of the shareholders based on the Articles of Association

Only those shareholders are entitled to exercise their shareholder rights who are recorded in the register of shareholders. The conditions and method of exercising voting rights at the General Meeting are set out in section 5.6 the Articles of Association. The register of shareholders is maintained by KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (hereafter: KELER) and is updated on a monthly and before each general meeting.

1. Right to receive dividends

The shareholders are entitled to receive a share from the Group's profit that is available and has been ordered for distribution by the General Meeting in the percentage consistent with the nominal value of their shares. The detailed rules of entitlement to dividends and payments deadlines are set out in section 4.4 of the AA.

2. Right to information and to attend the general meeting

The Board of Directors shall provide information to the shareholders in respect of the Company, as well as access to the Company's documents and records. The Board of Directors shall 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 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 of conclusive force. Shareholders may also appoint a nominee to exercise shareholder rights on their behalf. Once recorded in the register of shares, such a nominee may act in their own right for the benefit of the shareholder. Only those shareholders or shareholder proxies may attend the General Meeting who were entered into the register of shareholders on the second business day preceding the date of the General Meeting based on the shareholder identification in accordance with KELER's than applicable General Business Conditions. Each share having a nominal value of EUR 0.35 shall carry one vote. Each shareholder may cast one vote only at any one a time.

figures in kEUR unless indicated otherwise

The General Meeting shall have a quorum if it was convened in accordance with the relevant rules and regulations, and if the Shareholders representing more than 40% of the registered capital of the Company 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 ten (10) 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 indicated by the law and specified 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. Non-controlling rights

Those shareholders who control at least 1% of the voting rights may, at any time, request that the General Meeting be convened, may propose new points to be added to the communicated agenda or draft resolutions in accordance with section 4.8 of the AA. All the details of non-controlling rights are set out in section 4.8 of the AA.

15. Leasing liabilities

The Group acquires the leased vehicles it needs for its basic operations as right of use assets. For trucks, the maturity of the Group's lease contracts increased from 4 years to 5 years, while for trailers it increased to 10 years in 2019. The Group acquires the vehicles directly from the manufacturers, who provide a repurchase guarantee not only for the end of the term but also during the term.

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

	Within 6 months	**6-12 months**	**1-2 years**	**2-5 years**	**5 Over 5 years**	**Total**
31 December 2019						
Lease liabilities, capital	19 774	13 638	25 885	26 867	0	86 164
Lease liabilities, interest	846	691	926	366	0	2 829
Total	**20 620**	**14 329**	**26 811**	**27 233**	**0**	**88 993**
31 December 2020						
Lease liabilities, capital	27 082	11 048	13 319	13 660	2 471	67 580
Finance lease liabilities, interest	1 687	612	915	580	89	3 883
Total	**28 767**	**11 660**	**14 234**	**14 240**	**2 560**	**71 463**

The table shows the maturity and interest payments of lease liabilities at the end of 2019 and 2020, but does not reflect the continuously replacement of the assets as the maturing lease agreements are constantly replaced with new ones.

On 1st of April 2020 the Hungarian government announced lease and loan payment moratorium until 31st December 2020. Due to the pandemic, the moratorium was prolonged for another half year. Most of the principal of the lease accumulated since March 2020 (EUR 15.2 million) will be paid in 2021 under the new financing agreement, at the date of disbursement.This happened on 3 March 2021 therefore, this amount was presented among principal payable within 6 months in the aged breakdown. The cumulated interest of approx. EUR 1.1 million will also be paid upon repayment of the principal, but from the Company's own funds. The terms of the new loan agreement are detailed in the note on subsequent events.

The interest charges on the lease liabilities are calculated based on the EURIBOR index valid at 31 December of the reporting year plus the increased interest premiums.

16. Provisions

	Litigations	Other	Bonus	Total
Opening at 1 January 2019	**33**	**446**	**784**	**1 263**
Allocation and review of previous estimates	1	103	1 203	1 313
Release	- 1	- 261	- 123	- 384
Use	- 4	- 185	- 661	- 851
Closing at 31 December 2019	**28**	**103**	**1 209**	**1 340**
Allocation and review of previous estimates		94	3 249	1 313
Release	- 1		- 527	- 528
Use	- 6	- 103	- 681	- 791
Closing at 31 December 2020	**21**	**94**	**3 250**	**3 365**
Short-term portion 2019	0	103	1 209	**1 312**
Long-term portion 2019	28	0	0	**28**
Short-term portion 2020	0	94	3 250	**3 344**
Long-term portion 2020	21	0	0	**21**

At 31 December 2020, the Company presented a provision of kEUR 21 for contingent liabilities from ongoing litigations. As these contingent liabilities are expected to incur after more than one year, they are presented among long-term liabilities.

The Company made a provision of kEUR 94 for untaken employee holidays plus related taxes.

The Company suffered substantial losses because of COVID-19, but the restructuring of the international forwarding business and its restored profit generating potential brought significantly better results than expected in the crisis plan drawn up in March 2020 and the incentives devised in connection with the change in owners were also completed. As a result, management estimates a total bonus payment of kEUR 3,250 in 2021, for which a provision was made in 2020.

17. Short-term loans and borrowings

	31 December 2019	31 December 2020
Borrowings from third parties	4 197	822
Asset loans	6 000	2 045
Overdrafts	29 030	26 432
Total	**39 600**	**29 299**

figures in kEUR unless indicated otherwise

Loans from third parties included a loan of EUR 5 million received by two of the Group's subsidiaries on 30 June 2009 with a term of 4 years from one of their main suppliers. The loan was regularly prolonged due to a continuous successful co-operation. 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 changed the terms of the prolonged agreement in a way that the supplier remains as such in the future but the liabilities previously presented as a loan will be written off in equal proportions on a quarterly basis until 31 December 2024. The amount payable in 2021 is presented by the Group among short-term loans and borrowings in a total of EUR 1,368. The amounts payable in 2022 through 2024 are presented as other long-term loans in a total of EUR 3,721. The related fees are built in the lender's regular monthly service charge as the EURIBOR interest rate, which determines the basis for the interest calculation, is negative and, together with the interest premium on similar loans, does not reach 0.5%, we have not separated it from the service fee.

The related fees are built in the lender's regular monthly service charge.

18. Other current liabilities and derivative financial instruments

	31 December 2019	31 December 2020
Payments to personnel	2 300	1 142
Taxes	87	87
Accruals	8	1 319
Other liabilities	317	387
Derivative contracts	1 397	241
Total	**4 109**	**3 176**

Payments to personnel include yet unpaid wages payable to employees and related taxes presented among payroll expenses in the annual financial statements.

Liabilities from derivative contracts include revaluation losses as presented in Note 12.

19. Sales revenue, consignment services, cost of goods sold

	2019	2020
Own fleet transportation revenues	33 081	12 722
Subcontractor revenues	311 813	214 027
Other revenues	60 171	42 009
Total sales revenue	**405 065**	**268 758**

The Company's most significant revenue stream is through the subsidiaries and transportation with third party/franchise company's vehicles.

Forwarding revenues fell by 33.7% on the previous year mostly as a result of the significantly reduced fleets of the Group's subsidiaries. The reason for the decrease was the fall in demand for transportation and forwarding across Europe in the wake of the COVID-19 pandemic.

figures in kEUR unless indicated otherwise

Other revenues are from rented assets, fuel, repairs, central administration and IT services provided to the subsidiaries for their transport operations and account for 93% of total other revenues.

Item	2019	2020
Vehicle rental revenue	26 542	15 533
Revenues from fuel sold	18 360	11 473
Repair services	6 744	7 732
Revenue from goods sold	1 343	1 537
Financial services	2 084	1 664
IT services	1 316	1 061

The revenues from vehicle rentals and fuel sales are linked to the significant reduction of the forwarding operations of the franchise companies.

The significant increase in repair service revenues was due to increased repair and previously deferred maintenance work related to the preparation of the vehicles for the fleet sale.

20. Direct payroll costs and related taxes

Item	2019	2020
Direct payroll costs and related taxes	**6 770**	**3 108**
Salaries and related taxes	5 022	2 240
Variable wages and related taxes	1 748	868
Benefits	**6 553**	**1 590**
Direct payroll costs and related taxes	**13 323**	**4 698**

Payroll costs and related taxes reflect the wages, salaries and fringe benefits paid to the Company's domestic drivers, servicing personnel, and warehouse staff, and the related taxes and social security contributions. The main reason for the drop in direct payroll costs was the redundancies made as a result of the disposal of the Company's entire fleet. Own fleet transportation was discontinued as of 1 July 2020 when a new operating model was introduced and the Group's fleet used in international transportation was handed over to a subsidiary, Nexways Cargo Kft., for operating.

21. Fuel costs

	2019	2020
Fuel costs	10 438	2 611

Fuel costs fell by 75% on the previous year as a result of a 71% decline in mileage, a 1% drop in fuel prices and a 1.7% drop in fuel consumption.

22. Motorway & transit costs

	2019	2020
road tolls	7 379	1 711
ferry	15 715	8 093

figures in kEUR unless indicated otherwise

services used	863	790
other transit costs	1 801	533
Road tolls and transit costs	**25 758**	**11 127**

Within road tolls, the Company presents the own fleet road toll fee net of rebates. The drop in road tolls was due to lower mileage as a result of a reduced fleet.

Within crossing costs, the Company presents the cost of ferry and ferry fees incurred at the own fleet and the subsidiaries. Based on the contract between the Company and the transportation subsidiaries all additional costs incurred during delivery (crossing fees, licences, parking, auxiliary contract fees). Crossing fees are presented without any retrospective discount, as such discounts are considered other transit costs by the Company's management. The significant decline in crossing costs was due both to a reduced fleet and the restructured assignments involving mainland to island crossings.

Other transit costs include parking costs, other transit costs incurred during delivery, railway costs and retrospective discounts on road tolls and ferry fares.

23. Other costs

	2019	2020
Repair, installation costs	15 619	14 662
Insurance costs and expenses	2 948	1 228
Direct rental costs	681	47
Other services	155	123
Vehicle weight tax and other transportation taxes	359	326
Other costs, total	**19 762**	**16 386**

Repair and installation costs include the costs of repairing the Company's own and rented out vehicles. Based on the contract between the Company and its subsidiaries, the Company performs lump sum repairs in order to retain the fleet's functionality. The related proceeds are presented as other income, and the related costs are presented, based on the actual costs incurred, as direct wage and other costs. In addition to lump sum repairs, the cost of supplying the fleet with tires is also presented as other cost as the vehicle rental agreements with the subsidiaries also includes the cost of tires.

The lower insurance cost was due to an reduced fleet. The operator of the trailers is the Company and not the subsidiaries. The subsidiaries have been renting the trailers on a daily basis from the Company since 1 January 2016.

24. Selling, general and administrative cost

The details of indirect costs are as follows:

	2019	2020
Indirect wages and payments	**15 775**	**13.235**
Other services	**13 142**	**8 337**
Property maintenance, utilities and rent	1 105	1 049
Specialists	6 293	2 581
IT costs	2 512	2 371

figures in kEUR unless indicated otherwise

Communication costs	139	106
Company cars	904	750
Marketing costs	80	37
Other costs	2 109	1 443
Selling, general and administrative costs	**28 917**	**21 572**

The significant decrease in specialists services was caused by the termination of contracts previously signed with service providers executed by the Board of Directors to improve efficiency in the operation activity. The conditions for a complete reorganization and operational optimization from the foundations of the activity were determined by the experts, which were explained in the in the goodwill assessment strategic plans.

25. Other income

	2019	2020
Provisions released	28	21
Damage compensation received	939	918
Fines, penalties, default interest	115	58
Employee refunds	76	94
Subsidies received	7	74
Reversed impairment loss on debtors/inventories	396	555
Warranty claim compensation received	2 500	0
Other miscellaneous income	688	823
Total	**4 750**	**2 543**

Impairment losses on debtors are reversed as other income and are recognised as other expense. An application introduced in 2017 monitors each receivable item every month and its result is recorded as gross values.

In 2018, Waberer's International Nyrt. launched warranty claim proceedings against the former owner of LINK Sp. z.o.o. The proceedings ended in February 2019. Further to the agreement of the parties, the purchase price set in the sale-purchase agreement was reduced by EUR 2.5 million and concurrently settled financially. As the applicable IFRS standards allow one year for the adjustment of the related goodwill, the refunded part of the purchase price will be presented as other income in the Company's financial statements for 2019.

26. Other expenses

	2019	2020
Damages paid	1 187	1 139
Provisions	24	15
Impairment on debtors	539	1 695
Penalties, fines	364	194
Impairment on inventories	22	0
Credit loss	255	137
Other miscellaneous expenses	467	363
Total:	**2 859**	**3 543**

Income and expenses related to damage comprise damages in goods during transport and the associated insurance payouts.

The Company presents penalties, late payment interest and fines paid to third parties and transportation subsidiaries as other expense ass presented in the table below:

	2019	2020
Penalties, late payment interest and fines to third parties	363	162
Penalties to subsidiaries	1	32
Penalties, late payment interest and fines total	**364**	**194**

Based on the contracts between the Company and the transportation subsidiaries, an „availability penalty" is payable by the Company if its central commercial function cannot supply the subsidiary fleets with the agreed number of orders.

27. Financial result

	2019	2020
Interest received	1 917	520
Interest paid	- 2 728	-1 992
Realised FX gain or loss	- 54	1 200
Unrealised FX gain or loss	- 4 185	-11 624
Realised gain or loss on derivatives	- 2 336	- 5 714
Gain or loss on investments disposed of	- 24	-173
Impairment loss on investments recognised and reversed	-19 900	- 11 833
Dividends received	10 526	10 716
Total	**-17 171**	**-18 900**

Interest received included an interest of kEUR 1,517 in 2019 and kEUR 232 on assets subleased to the subsidiaries. The interest on assets assigned to the subsidiaries equals the interest paid after the original leases. As no interest was paid in 2020 as a result of the loan moratorium, no unpaid interest was recharged to the subsidiaries.

Interest paid includes the financing interest on its own fleet and the fleet rented to its subsidiaries; and the cash-pool interest on cash drawn from its subsidiaries.

The Company increased the capital of its forwarding subsidiaries by the way of share premium and (see to Note 11), concurrently, was refunded any previous share premium payments as temporary compensation by Bódi Intertrans, the legal successor of the subsidiaries. The kEUR 16,471 impairment loss recognised in the previous year on fully impaired receivables was refunded and therefore reversed.
In addition, the Company determined the recoverable amount of the interest related to the LINK legal entity and recognized the required impairment in the amount of EUR 13,934 thousand (see Note 11). The Company recognized an impairment loss of EUR 14,370 thousand on the value of its shareholding in Bódi Intertrans Kft (see Note 7).

The Company received dividends from its subsidiaries totalling kEUR 10,716 in 2020.

Foreign exchange assets and liabilities are presented in note 30. c).

28. Income tax expense

figures in kEUR unless indicated otherwise

The income tax expense disclosed in the financial statements for the Company as at 31 December 2019 and 2020 comprised the following components:

	2019	2020
Current income tax expense	881	566
Deferred taxes	- 773	- 216
Total income tax expense	**108**	**350**

The Company treats the Hungarian corporate tax and local business tax as income taxes, along with the corresponding foreign income taxes; the impacts of the different tax bases are presented in the breakdown of the difference between the expected tax and the recognised income tax.

During the preparation of the financial statements for 2019, based on the strategic plans for 2020-2022, the Company revised the return on deferred tax assets from the loss carried forward. Further to the options allowed by the corporate income tax act, the Company and the Hungarian subsidiaries that use the same functional currency merged into a corporate tax group effective as of 1 January 2019 so that these companies can pay corporate tax on a collective basis.

The difference between the tax payment liability based on the accounting profit and the actual tax liability is broken down in the following table:

	2019	2020
Profit before taxation under IFRS	- 36 921	-43 957
Income tax expense	108	350
Expected tax	-4 172	- 4 967
(11.3% of the pre-tax profit)	**4 280**	**5 317**

	2019	2020
Impact of different tax bases (local business tax)	2 292	2 992
Effects of permanent differences (penalties, levies)	38	3
Development tax allowance (permanent difference)	1 441	2 342
Losses carried forward (used, written off)	509	-20
Other	**4 280**	**5 317**

29. Management of financial risks

During its operations the Company is exposed to various types of financial risk. These risks can be classified into the following groups:

- credit risk
- liquidity risk
- market risk.

This section contains a brief description of how these risks impact on the Group's exposures and what targets, processes and internal policies the Company has elaborated 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 Company. Their task is to design and set up a standard risk management policy and strategy, and continuously monitor that to what risks the Company is exposed. 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.

(a) 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 non-payment risk of clients.

Trade and other receivables

There is no high concentration of credit risks within the Company. In 2019, the 10 largest customers accounted for 27.77% of the total revenues. In 2020, this ratio was 29.68%.

The Company drafted a credit risk management policy based on which a review is carried out on all new clients 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 Company does not ask for any collateral to secure individual trade receivables.

The Company has developed long-term relationships with clients, and losses are not common. The Company monitors existing clients on a monthly basis to check the size of existing exposures and matured 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 scope of external services and service-providers used for risk management was widened to mitigate future risks. One segment of clients has loan insurance contracts, while a new service-provider was brought in to help rate clients in Central and Eastern Europe more effectively.
There is centralised risk and receivables management for foreign subsidiaries once they join the central IT system.
With a higher headcount in Collection, more emphasis is now placed on proactive client management.
The calculation of impairment reflects an estimate of the likelihood of loss for the Group from exposures to clients. The majority of the impairment loss is from individual impairment charges on individually significant items. The other part is the group impairment, which is recorded for incurred but yet unidentified losses in groups of similar assets. The allocation of group impairment is facilitated by historic loss figures.

(b) Liquidity risk

Liquidity risk is the risk that the Company 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 order to manage any liquidity shortage and also enable the pre-funding of trade receivables and trade payables. The Group has a number of overdraft agreements with various banks in order to mitigate liquidity risk.

Calculation of financial covenants for 2020 and 2019 per loan agreement:

Interest coverage	**2019.12.31**	**2020.12.31**
Total interest coverage	10,26	8,27
EBITDA (EUR million)	56,2	33,8
Net of the full interest (EUR million)	5,5	4,1
Minimum amount:	4,00	4,00
Compliance:	**Met**	**Met**

Debt service	2019.12.31	2020.12.31
Debt service ratio	0,74	3,87
Free Cash-flow (EUR million)	51,1	77,0
Full debt repayment (EUR million)	68,7	19,9
Minimum amount:	1,05	1,05
Compliance:	**Not met**	**Met**

Net debt service	2019.12.31	2020.12.31
Debt coverage ratio	4,56	3,37
Net debt (1) (EUR million)	256,1	114,0
EBITDA (EUR million)	56,2	33,8
Maximum amount:	5,00	5,00
Compliance:	**Met**	**Met**

(c) Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and share prices will influence the Company's results and the fair values of financial instruments reported in the financial statements. The purpose of managing market risk is to control the exposure affected by market risks in a way that maximises the return achieved. The Company's treasury department focuses on market risk management.
In terms of market risk, the Company is primarily exposed to exchange rate risks as well as cash-flow risks derived from changes to interest rates and global fuel price.
The Company is exposed to substantial market risks during its operations. The actual figures subsequently calculated generally differ from the exchange rates, interest rates, share, other security and commodity prices used during planning. Transactions made for hedging purposes but not included in hedge accounting are designed to protect the Company from this uncertainty, particularly from impacts adversely affecting the planned cash flow.
Besides, the Company uses a fuel price covenant in its transportation contracts in order to mitigate its exposure to fuel price fluctuations.

(i) Foreign exchange risk

Of all the market risks, the Company was less affected by exchange rate risk in 2020 as most of the Company's revenues
and expenses incurred in its functional currency (EUR).
The Company enters into derivative contracts, but most of the contracts mitigate the risk of the subsidiaries. Therefore the Company does not apply hedge accounting on the standalone level as the documentation requirements and the measurement of hedge efficiency have not been developed at the level of the individual companies yet.

(ii) Interest cash flow risk

The Company pays interest on leases and loans. The interest payable generally comprises a reference interest rate and an interest premium. The reference rate changes constantly based on supply and demand on the interbank money market, central bank decisions and other factors.

The Company does not enter into speculative derivative contracts, but hedge accounting is not applied for any of the concluded contracts either given that it has yet to elaborate the related necessary documentation requirements and hedge effectiveness testing system. As the rule of thumb, transactions may not focus on one partner and must be diversified.

(d) Equity management

The Company 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 activities. Management continuously monitors returns and the level of dividends due to the shareholders.

The Company's Board of Directors strives to strike a balance between the advantages of a strong equity position, security, and higher borrowings enabling higher returns.

There was no change in equity management processes and methods during 2019 or in 2020.

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

To protect creditors, section 133(2) of Act V of 2013 on the Civil Code prescribes the following in terms of equity compliance: "If a business association's equity is not sufficient to cover the subscribed 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 annual account for the second year, the business association shall be required to adopt a decision within sixty days of this deadline for its transformation. Instead of transformation the business association may opt dissolution without succession or for merger."

The Company meets the above statutory capitalisation requirements.

In accordance with government decree 261/2011. (XIII.7.) Korm. the professional conditions and licensing procedures of domestic and international goods transportation, 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 suitability and appropriate financial background.
The financial position is appropriate if the business entity has the necessary equity to start and pursue its activities without any problems:

i. equity (wealth) for a vehicle (trailer) or for the first vehicle (trailer) is at least EUR 9,000 and for every additional vehicle (trailer) at least EUR 5,000 and
ii. the company constantly meets its tax, customs duty and contribution payment requirements as well as its payment requirements to the transport authority.

The Company engaged in road transportation activities have the required level of capitalisation.

figures in kEUR unless indicated otherwise

30. Financial instruments

(a) Credit risk

The Company's maximum exposure to credit risk is as follows:

	31 December 2019	31 December 2020
Other financial investments	16	4
Trade receivables	47 849	25 531
Intercompany receivables	239 849	78 108
Other current assets and derivative financial instruments	6 280	2 788
Cash and cash equivalents	14 071	41 564
Maximum credit risk exposure	**308 065**	**147 995**

Impairment loss on trade receivables broken down by maturity:

	31 December 2019		31 December 2020	
	Initial cost	Impairment	Initial cost	Impairment
Not yet due	44 742	0	25 409	39
overdue 0-90 days	2 760	3	31	5
overdue 91-180 days	326	100	82	22
overdue 181-360 days	214	120	85	39
overdue 360 days	359	330	513	484
Trade receivables	**48 402**	**553**	**26 120**	**589**

Based on historic loss figures, the Company does not consider it necessary to record impairment loss on trade receivables that are not overdue or overdue by no more than 90 days, unless the given receivable is already subject to collection or the client is under liquidation. The majority of the trade receivables balance is from financially sound clients.

(b) Liquidity risk

Financial liabilities broken down by maturity:

	31 December 2019				
EUR	within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Financial lease liabilities	19 774	13 638	25 885	25 544	0
Short term loans	39 600	0	0	0	0
Trade payables	42 702	0	0	0	0
Other current liabilities and derivative financial instruments	4 109	0	0	0	0
Total	106 185	13 638	25 885	25 544	0

	31 December 2020				
EUR	within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Financial lease liabilities	27 082	11 048	13 319	13 660	2 471
Short term loans	29 299	0	0	0	0
Trade payables	24 546	0	0	0	0
Other current liabilities and derivative financial instruments	3 176	0	0	0	0
Total	84 103	11 048	13 319	13 660	2 471

(c) Foreign exchange risk

Exposures of the Company broken down by currency:

	31 December 2019			
	EUR	HUF	other	total
Trade receivables	45 935	1 432	482	47 849
Leases payable	-86 164	0	0	-86 164
Short-term loans and borrowings	-39 600	0	0	-39 600
Trade payables	-39 797	-2 753	-152	-42 702
Net position	**-119 626**	**-1 321**	**330**	**-120 617**

	31 December 2020			
	EUR	HUF	other	total
Trade receivables	24 388	957	225	25 570
Leases payable	-67 580	0	0	-67 580
Short-term loans and borrowings	-29 299	0	0	-29 299
Trade payables	-23 067	-1 447	-32	-24 546
Net position	**-95 558**	**-490**	**193**	**-95 855**

The Company's receivables and liabilities in were translated at the following year-end rates: 365.13 HUF/EUR. The business plan for 2021 was based on a projected rate of 360 HUF/EUR.

Remeasuring the open currency position as at 31 December 2020 in the event of a weakening in the exchange rate of 1 HUF/EUR would produce a foreign exchange loss of HUF 0.49 million (kEUR 1.5). A reasonably probable foreign exchange of 2.76% is estimated based on historic figures over a year.

The expected loss from the re-measurement of currency positions outlined above does not reflect the real foreign currency risk, since if the euro strengthens against the forint and the lei, the exchange gain on the Company's sales revenue in euros compensates for any exchange loss on the currency positions.

The Company enters into derivative contracts to mitigate the exchange-rate risk for the Group. At 31 December 2020, the positive fair value of derivative transactions based on remeasurements on the reporting date was kEUR 0, while the negative fair value difference was kEUR 241. At 31 December 2019, the positive fair value of derivative transactions based on remeasurements on the reporting date was kEUR 1,069 the negative fair value difference was kEUR 1,397.

(d) Fair value of financial instruments

The following table presents the fair values and carrying values of financial instruments for 2019 and 2020:

	2019		2020	
	Fair Value	**Book value**	**Fair Value**	**Book value**
Other non-current financial assets	16	16	4	4
Trade receivables	47 849	47 849	25 570	25 570
Intercompany receivables	239 849	239 849	78 108	78 108
Other current assets and derivative financial instruments	6 280	6 280	2 788	2 788
Cash and cash equivalents	14 071	14 071	41 564	41 564
Total financial assets	**308 065**	**308 065**	**148 034**	**148 034**

	2019		2020	
	Fair Value	**Book value**	**Fair Value**	**Book value**
Finance lease liabilities	86 164	86 164	67 580	67 580
Short-term loans	39 600	39 600	29 299	29 299
Trade payables	42 702	42 702	24 546	24 546
Intercompany liabilities	213 015	213 015	95 687	95 687
Other current liabilities and derivative financial instruments	4 023	4 023	3 089	3 089
Total financial liabilities	**385 504**	**385 504**	**220 201**	**220 201**

The fair value of financial assets and liabilities fairly approximates their value recognised in the statement of financial position.

The fair values of financial instruments were determined as follows:

- *Fair value of trade receivables:* discounted value of future cash flows of receivables based on the market interest rate on the reporting date. Due to the quick turnover of debtors, discounting has no material effect.
- *Fair value of derivative transactions:* determined using a measurement technique based solely on market inputs.
- *Fair value of finance lease liabilities and loans:* present value of future cash flows calculated based on market interest rate on reporting date. The market interest rate used to discount finance leases is determined with reference to similar finance lease agreements.
- *Fair value of trade payables:* future cash flows discounted to the reporting date. Due to the quick turnover of payables, discounting has no material effect.

(e) Interest rate risk

Fair value sensitivity review for fixed-income financial instruments
The Company generally does not have fixed-income financial assets and liabilities which are measured at fair value through profit or loss, nor did it conclude interest rate swaps for hedging purposes, and so changes in the interest rate would not affect the Company's profit or loss at the reporting date.

Cash flow sensitivity review for floating interest financial instruments
Based on our analyses a 10-bp change in the EURIBOR would change the interest on leasing liabilities by kEUR 97. This change would not affect the Company's equity. This analysis assumed that all other factors (such as foreign exchange rates) remained unchanged.

figures in kEUR unless indicated otherwise

31. Provisions, contingent liabilities and contingent assets

The details of provisions per category and any movements in provisions are presented in Note 16.

Litigations

The following table shows the provisions allocated for legal actions against the Group, broken down by years, and the litigated amount from the legal actions for which the Group did not allocate provisions (contingent liabilities) after deliberating on the information available. In these cases, it is more likely the case will be won than lost, and so no cash outflow is expected.

	2019		2020	
	Litigated principal amount		Litigated principal amount	
	Provision presented	Contingent liability	Provision presented	Contingent liability
Total:	28	9	21	37

On 19 July 2018, the Company lodged a claim with the local court of Munich by reference to a decision of the European Commission of 19 July 2017 against certain vehicle manufacturers (MAN, Volvo/Renault, Daimler (Mercedes), Iveco and DAF). Further to the decision of the EC, the above vehicle manufacturers formed a cartel between 17 January 1997 and 18 January 2011 (in the case of MAN until 20 September 2010) and violated section 101(1) of the Treaty on the Functioning of the European Union when they synchronised their wholesale list prices, the timing of the introduction of new emission technologies and the recharge mechanism of the related costs onto their customers, and standardised the method of sharing other sensitive commercial information about vans, lorries and trucks across the EEC. On 5 February 2019, the Company upgraded the initial claim to an integral action for a total compensation EUR 39.3 million, supplemented by an amount of EUR 16.5 million until 31 December 2020. The litigated amount is based on a detailed claim assessment report prepared by an economist specialised in competition law about the extent of overpricing by the truck.

32. Transactions with related parties

Members of the management at 31 December 2020:

- Barna Erdélyi, Waberer's International Nyrt. CEO
- Szabolcs Tóth, Waberer's International Nyrt. CFO;
- Zsolt Barna, Managing Director of Waberer's-Szemerey Kft. and head of the regional contracted logistics business line;

Members of the Board of Directors:

Name	Status	Date and duration of appointment
Gerard van Kesteren	independent non-operational (external) member	29/7/2016 -31/5/2021
Alain Beyens	non independent non-operational (external) member	30/4/2020 – 31/5/2023
Dániel Csanád	non independent non-operational (external) member	28/8/2018 - 31/5/2021
Erdélyi Barna	non independent operational member	21/3/2017 - 31/5/2021

figures in kEUR unless indicated otherwise

Dr. Lakatos Péter	independent non-operational (external) member	29/7/2016 - 31/5/2021
Robert Knorr	non independent non-operational (external) member	21/12/2017 – 30/4/2020
Robert Ziegler	non independent operational member	16/6/2019 – 23/3/2020

Robert Ziegler was a Board member and CEO from 1 February 2019 until his resignation on 23 March 2020. On 23 March 2023, the Board appointed Barna Erdélyi, the Company's former CFO, as the new CEO.

The following changes took place affecting key senior officers: Olivier Van Houtte was the leader of the international operating business between 1 February 2020 and 1 February 2021. Effective as of 23 June 2020, Szabolcs Tóth was appointed financial and strategic director by the Board. Effective as of 1 February 2021, Zsolt Barna became the COO for the international transportation business headquartered in Hungary, replacing Olivier Van Houtte. Effective as of 1 February 2021, the Hungarian designation the position of Szabolcs Tóth changed to „gazdasági vezérigazgató-helyettes" (CFO).

At 31 December 2020, the Board members held the following numbers of shares:

Gerard van Kesteren	3,049 shares

Members of the Supervisory Board:

Name	Status	Date and duration of appointment
David William Moffat Thompson (AB chair)	independent	28/8/2018 – 31/5/2021
Székely Sándor	non independent (employees' delegate)	11/5/2017 – 31/5/2021
Szalainé Kazuska Mária	non independent (employees' delegate)	31/5/2017 – 31/5/2021
Philip Anthony Marshall (AB member)	independent	31/5/2017 – 31/5/2021
Nagy Gábor Béla (FB chair	independent	31/5/2017 – 31/5/2021
Dr Bodnár Zoltán György (AB member)	independent	31/5/2017 – 31/5/2021

Transactions with the management and those exercising ultimate control

The remuneration of key senior officers are presented below:

	2019	2020
Payroll	1 793	943
Total:	1 793	943

The members of the Board of Directors (not including members of management and the Board member delegated by the primary shareholder) are paid kEUR 50 (gross), the Chairman of the Board is paid kEUR 100 (net), the members of Supervisory Board are paid kEUR 10 (gross), the Chairman of the SB is paid kEUR 15 (gross), and the members of the Audit Committee are paid kEUR 5 (gross) per annum for their contribution. The members of the Nominating and Remuneration Committee are paid kEUR 5 (gross) per annum, with the chairman being paid kEUR 5 more. In view of the Company's difficulties, all the members of the Board of Directors, the Supervisory Board, the Audit Committee and the Nominating and Remuneration Committee relinquished 25% of their remunerations.

Transactions with companies governed by the ultimate parent

Transactions with related parties were always carried out under normal commercial conditions and at arm's length prices, taking into account volumes, complexity of service, standards and seasonality.

Transactions with related parties outside of the Group:

	2019	2020
Mid Europa Partners	6	0
LAKATOS, KÖVES ÉS TÁRSAI LAW OFFICE	61	251
Total	**67**	**251**

Transactions with related parties within the Group:

Transactions with intra-group related parties are presented below. Revenues are positive, expenses are negative numbers.

Item	2019	2020
Delta-Rent Kft.	**- 164**	**118**
Materials and goods sold	1	22
Cash-pool interest	- 2	- 3
Company car rental	- 536	- 489
Other activity	161	548
Business services	61	61
Property rentals	17	16
IT services	4	4
Vehicle repairs	56	- 86
Intermediary services	34	-
Fuel sold	40	45
Forwarding franchise companies	**- 183 878**	**- 26 053**
Subcontractors	- 240 244	- 35 136
Materials and goods sold	564	118
Compensation for damaged goods	127	68
Cash-pool interest	168	98
Other activity	527	492
Forwarding services	2	-
Business services	953	145
IC Leasing interest received	1 454	81
Property rental	276	147
IT services	926	141
Vehicle rentals	25 819	3 812
Vehicle repairs	6 104	1 184
Intermediary service	1 889	338

figures in kEUR unless indicated otherwise

Transport services	-	-
Road toll	-3	-54
Fuel sold	17 560	2 513
Közdűlő-Invest Kft.	**19**	**14**
Materials and goods sold	-	1
Cash-pool interest	-2	-2
Other activity	3	5
Business services	11	-
Vehicle repairs	7	10
LINK Sp. Z.o.o.	**-4 529**	**-2 173**
Subcontractors	-4 823	-2 175
Materials and goods sold	1	-
Compensation for damaged goods	2	-
Other activity	-32	-5
Forwarding services	48	2
Vehicle repairs	-	-
Transport services	275	5
Nexways Cargo Kft.	**-7 862**	**-112 829**
Subcontractors	-10 040	-142 890
Materials and goods sold	40	375
Compensation for damaged goods	4	61
Cash-pool interest	3	17
Other activity	11	401
Business services	45	616
IC Lease interest received	62	150
Property rentals	11	15
IT services	44	598
Vehicle rentals	633	11 266
Vehicle repairs	170	5 702
Intermediary services	111	1 146
Road tolls	-1	-6
Fuel sold	691	8 984
Rapid Teherautószerviz Kft.	-	-
Materials and goods sold	276	620
Cash-pool interest	-1	-1
Other activity	-19	-39
Business services	67	67
Property rentals	18	42
IT services	10	10
Vehicle repairs	-116	13
Intermediary services	14	7
Dividends received	87	-
Fuel sold	18	17
S.C Waberer's Romani S.A	**-722**	**-219**
Subcontractors	-967	-519
Materials and goods sold	-	-
Other activity	-41	-41
Forwarding services	46	11
Business services	18	18
Credit loss	-	-
IT services	33	30
Transport services	189	282
Wáberer Hungária Biztosító Zrt.	**7 162**	**9 526**
Subcontractors	-	-

Compensation for damaged goods		52		23
Insurance services	-	2 839	-	1 190
Other activity		38		164
Dividends received		9 911		10 529
Waberer's trading offices abroad		**6**	-	**152**
Interest on loans granted		-		-
Subcontractors		5		-
Other activity		1	-	15
Dividends received		-	-	137
Waberer's Network Kft.		**730**		**690**
Subcontractors	-	154	-	53
Materials and goods sold		-		-
Cash-pool interest		1		1
Other activity	-	9	-	4
Forwarding services		595		15
Business services		124		124
IT services		29		29
Dividends received		373		-
Transport services		225		578
Road tolls	-	454		-
Waberer's Slovakia		**156**		**188**
Dividends received		156		188
Waberer's-Szemerey Logisztika Kft.		**1 405**		**2 441**
Interest on loans granted		75		76
Subcontractors	-	97	-	227
Materials and goods sold		15		-
Cash-pool interest	-	16	-	7
Other activity	-	167		906
Forwarding services		244		457
Business services		822		651
Property rentals		1		-
Property rent	-	29	-	29
IT services		302		278
Vehicle rentals		91		454
Vehicle repairs		7		10
Intermediary services		5		-
Transport services		75		-
Road toll		-	-	124
Fuel sold		77	-	4
WB Station &Services	-	**379**		-
Interest on loans granted		-		-
Other activity	-	219		-
Credit loss	-	160		-
Total	-	**188 063**	-	**128 448**

33. Subsequent events

On 3 March 2021, Group management issued an Investor's Announcement in relation to the execution of a consortium financing agreement for WABERER'S INTERNATIONAL Nyrt. According to the announcement, a long-term financing agreement revealed in their Investor's Announcement of 5 November 2020 and in the Q3 2020 financial reporting package was signed on 3 March 2021 by the Company and other Group member debtors (hereafter collectively: Waberer's Group) and by the key funders (banks and leasing companies), as well as by Trevelin Holding (the prospective owner of 30.99% of the Company). As a result of the agreement, the banks will continue making available to the Company all the funds necessary for Waberer's Group's operations based on a levelled collateral portfolio and usual market covenants.

figures in kEUR unless indicated otherwise

Key terms of the agreement:

- Overdraft facility in the next 5+2 years;
- Supply Chain factoring facility and Debtor factoring facility in the next 3 years;
- Deferred repayment of the lease principal suspended because of the loan moratorium in 2020 after the fifth year;
- Continued availability of vehicle funds, including the prolongation of trailer financing to 10 years;
- The funding costs of the above loan products remain unchanged;
- As part of the agreement, the Company agreed to pay dividends or other forms of profit sharing (including advance dividends) during the validity of the agreement, only subject to prior written consent of the financing banks.
- Disbursement is subject to presenting mortgage confirmations on all the Group's properties
- Mortgage for Waberer's-Szemerey Logisztika Kft. business line, LINK Sp. Z.o.o shares, shares collateral agreement for the shares of Wáberer Hungaria Biztosító Zrt. and trevelin Holding Zrt.
- Mortgage receivables for the receivables of Waberer's International Plc. and Waberer's-Szemerey Logisztika Kft., except for the VAT receivables and circular mortgage contract for the asset and receiavables (except VAT receivables) of the Waberer International Plc.
- the contract will be replaced by new commitments instead of the financial covenants previously used, which are as follows
    - quarterly cumulated regular EBITDA (LMT regular EBITDA) for the Hungarian subsidiaries of the International Transportation segment and the regional contract logistics segments on a consolidated basis

	LTM Ebitda covenants
2021 q1	16 065
2021 q2	26 041
2021 q3	35 556
2021 q4	47 402
2022 q1	54 593
2022 q2	57 850
2022 q3	59 312
2022 q4	60 710
2023 q1	61 086
2023 q2	61 485

	LTM Ebitda covenants
2023 q3	61 867
2023 q4	62 227
2024 q1	62 374
2024 q2	62 542
2024 q3	62 694
2024 q4	62 823
2025 q1	63 123
2025 q2	63 446
2025 q3	63 751
2025 q4	64 034

10% or at least EUR 5 million deviation is allowed.

- net loan and LMT's regular EBITDA ratio

net debt / Ebitda	net debt / Ebitda covenants
2021 q3	5.14
2021 q4	4.64
After	less than 3.5

The availability of the credit facilities depend on the Group ability to meet the above covenants.

On 22 December 2020, Group management issued an Investor's Announcement with regard to future changes in Waberer's International Nyrt's ownership structure. The Company's management received the following information from Trevelin Holding (member of IndotekGroup; hereafter: Trevelin), MHB Optimum Zrt. (seat: 1037 Budapest, Montevideo utca 5.; company reg. No.: 01 10 141073; sole shareholder: Mike Ferenc, hereafter: MHB) and from HIGH YIELD Vagyonkezelő Zrt. (seat: 1055 Budapest, Kossuth Lajos tér 18. A. lház. 4. em; company reg. No.: 01 10 047626; sole shareholder: Wáberer György, hereafter: HIGH YIELD): As it was announced by Waberer's International Nyrt. in October 2020, a share sale-purchase agreement (SPA) was signed by CEE TRANSPORT HOLDCO S.á.r.l. (majority shareholder of Waberer's International Nyrt., hereafter: CEE Transport Holdco), as seller, and Trevelin, as buyer. In accordance with the terms of the said agreement, (i) CEE Transport Holdco, as seller, and Trevelin, as buyer, agreed upon the sale-purchase of 24% of the shares issued by Waberer's International Nyrt., (ii) CEE Transport Holdco established a freely transferable buy option for Trevelin on 47.99% of Waberer's International Nyrt's shares (Option Shares), and (iii) CEE Transport Holdco and Trevelin established a sell option on the Option Shares for CEE Transport Holdco. In view of this, on 20 December 2020, Trevelin exercised its buy option in addition to the previously announced 24% of the shares (4,246,496 shares) for further 6.99% (1,236,865 shares) of Waberer's shares and, as a result, increased its prospective ownership stake to 30.99% (5,483,361 shares). At the same time, Trevelin transferred its buy option for 21% of Waberer's shares (3,715,684 shares) to MHB and transferred its buy option for 20% of Waberer's shares (3,538,746 shares) to HIGH YIELD. Upon transferring the buy options, MHB and HIGH YIELD exercised their acquired buy options. The transactions are expected to be concluded after due endorsement by the relevant authorities by the end of Q1 2021. After a successful conclusion of the transaction, Waberer's ownership structure will be as follows: (1) Trevelin: 30.99%, (2) MHB: 21%, (3) HIGH YIELD: 20% (4) Other institutional and private investors, treasury shares: 28.01%.

34. Auditor independence – non-audit services

Group management engaged companies related to Erns&Young Könyvvizsgáló Kft. (1132 Budapest, Váci út 20.) with the following non-audit services in the reporting year. The total of such non-audit services was kEUR 100, which is within the limit approved by the Supervisory Board (i.e. the total of non-audit services may not exceed the audit fee).

[illegible]	[illegible]	[illegible]
Transactions advisory	M&A due diligence	100
Total		**100**

Non-audit services	100
Group audit fees	281
Ratio	35,6%

The signing statutory auditor responsible for the audit is Zsuzsanna Bartha (HCA registration No.: 005268).

The person responsible for the compilation of the consolidated IFRS financial statements is Péter Szalona (registration No.: 190255).

The Company's annual financial statements are signed by Barna Erdélyi, CEO (domicile: 1039 Budapest, Nyár utca 10.) and Szabolcs Gábor Tóth, CFO (domicile: 1039 Budapest, Aradi utca 14-16.).

The loss for the year will be posted to retained earnings/losses. No dividend payment is recommended by the Board of Directors.