AutoWallis Nyrt.

Annual Report

For the financial year ended 31 December 2024

Budapest – 25 April 2025 – AutoWallis Nyrt. (Reuters: AUTW.HU and Bloomberg: AUTOWALL HB, website: **www.autowallis.com,** hereinafter: "Company", "AutoWallis Group" or "the Group") published its annual report for 2024 (for the period ended 31 December 2024) today. The report contains the audited consolidated financial statements for the period ended 31 December 2024 prepared by the Company's management in accordance with the International Financial Reporting Standards adopted by the European Union (EU IFRS), the audited separate financial statements, the notes to the financial statements, the sustainability report and the Company's management (business) report.

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THIS IS AN ENGLISH VERSION OF THE AUTOWALLIS GROUP'S 2024 ANNUAL REPORT, IN CASE OF ANY DIFFERENCE FROM THE HUNGARIAN VERSION, THE HUNGARIAN VERSION PREVAILS.

A MESSAGE BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE COMPANY'S CEO TO SHAREHOLDERS

DEAR SHAREHOLDERS AND INVESTORS,

I am delighted to present our company's latest annual report, which not only reflects our financial and operational performance over the previous year, but also reinforces our strategic direction and long-term growth objectives.

The previous year brought a number of challenges and opportunities for us. We demonstrated our adaptability and commitment to value creation in an ever-changing market environment. Our diversification strategy proved to be successful with steady growth in our financial results, while we continue to invest in sustainable business models.

As a result of its outstanding and consistent growth in recent years, AutoWallis has evolved into an international group, with more than sixty percent of our revenues now coming from foreign markets, driven by both organic expansion and acquisitions.

As a leading integrated car dealership and mobility service provider in the Central and Eastern European region operating in 16 countries and representing 27 brands, we earned revenues of over HUF 398 billion, achieving a sales volume above the European and regional averages and an 8% growth in sales.

In 2024, we celebrated the 5th anniversary of being listed on the stock exchange. Our success is demonstrated by the fact that our growth strategy, announced in 2019, was updated for the second time last year after meeting our previous targets ahead of schedule. Under our revised strategy, we are aiming to achieve revenues of HUF 750 billion by 2028, to double our EBITDA to nearly HUF 40 billion, and to earn a profit before tax of more than HUF 25 billion.

We are grateful for the trust of our investors and financiers, who have provided the stability and resources needed to execute our growth strategy. We also appreciate our customers' trust, and we will strive to serve them as long-term partners. In our day-to-day operations, it is important for us to be worthy of this trust, which we aim to repay through future-proof value creation.

Zsolt Müllner

Chairman of the Board of Directors of AutoWallis Group

I am proud that, despite a volatile market and macroeconomic environment, we achieved stable growth and profitability in 2024. Our strong performance is based on AutoWallis Group's updated strategy presented in 2024, which emphasises not only expansion by acquisitions, but also organic growth. This is underpinned by the growth of the brands we represent, the extension of our Opel import agreement covering four countries for another five years at the beginning of the year, the expansion of our SsangYong (KGM) import agreement to four additional markets, now covering nine regional markets, and our new import agreement signed with Geely Group in March for the distribution of the Farizon brand in eight countries.

Growth was further boosted in the second half of the year by the merger of our mobility services businesses under the brand name wigo, thereby further enhancing operational efficiency, as well as the acquisition of the three BMW dealerships of NC Auto (Stratos) of the Czech Republic completed at the beginning of July.

In December last year, we carried out the largest acquisition in the history of AutoWallis by acquiring 100% of MILAN KRÁL GROUP, also operating in the Czech market. This transaction not only strengthened our position in the Czech BMW retail market, but we also expanded our portfolio to include new brands (Mercedes-Benz and Ford) and new activities (sale and servicing of Mercedes-Benz Truck heavy commercial vehicles), further enhancing our market and brand diversification. The two Czech acquisitions increased the Group's revenue-generating capacity by HUF 60 billion and improved our profitability potential.

AutoWallis Group remains committed to sustainable growth, particularly the electrification of the industry. We published our sustainability strategy in 2024, and this year, we are presenting our sustainability efforts and objectives as an integral part of our financial statements.

We believe that the exceptional expertise and commitment of our continuously growing team are essential for achieving our long-term business objectives. I am proud of the success achieved by our staff of nearly 1,500 people here at AutoWallis.

Gábor Ormosy
Chief Executive Officer

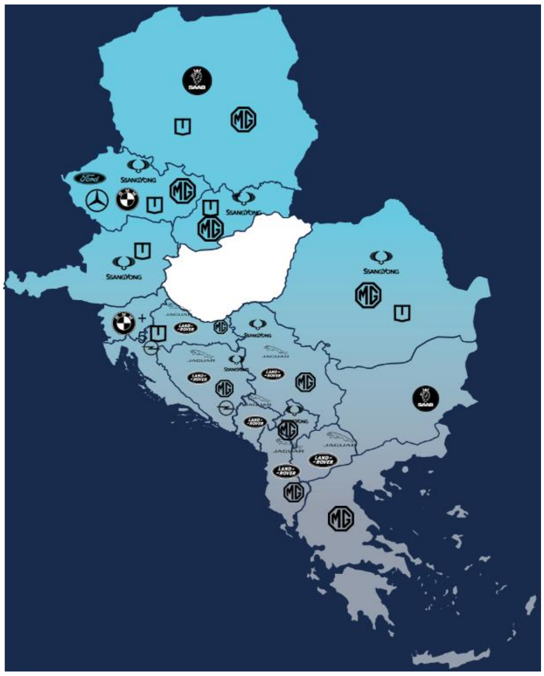
Management (Business) Report of AutoWallis and AutoWallis Group

The Group

The objective of AutoWallis Nyrt. (hereinafter: "AutoWallis Nyrt." or "the Company"), whose shares are listed in the Premium category of the Budapest Stock Exchange and are included in the BUX and BUMIX indices, is to become the leading car dealership and mobility service provider of the Central and Eastern European region by the end of the decade.

The Company is devoted to continuously expanding its portfolio that focuses on automotive investments through business development and acquisitions while operating as a group that adopts a classic, conservative and ESG-compliant business policy and responds to social and environmental challenges.

Areas of operation and activities



AutoWallis Group[1] operates in 16 countries in the Central and Eastern European region (Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia) and is engaged in the retail and distribution of motor vehicles and parts, servicing activities and short-term and long-term car rental.

The brands represented by the Distribution Business Unit of the Group include Alpine, Renault, Dacia, Farizon, Isuzu, Jaguar, Land Rover, SsangYong and Opel, the regional supply of MG and Saab parts, as well as the distribution service activity for BYD. The Retail Business Unit deals with BMW passenger cars and motorcycles, Mercedes passenger cars and trucks, BYD, Dacia, Isuzu, Jaguar, KIA, Land Rover, Maserati, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, Toyota, Ford, JóAutók.hu and AUTO-LICIT.HU, while the brands represented by the Mobility Services Business Unit include wigo carsharing, wigo fleet and Sixt rent-a-car.

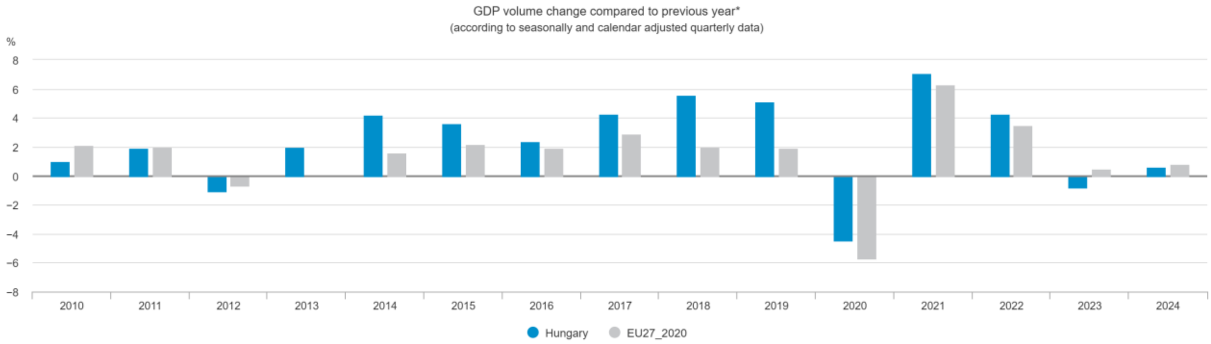
Stock exchange presence

AutoWallis Nyrt. has been listed on the Budapest Stock Exchange since 2019. Compared to the initial weight of 0.20%, the weight of AutoWallis shares in the BUX basket has more than doubled. Based on the decision of the Budapest Stock Exchange, the weight of AutoWallis shares in the index was modified to 0.44% as of 18 September 2023. Wallis Group, the Company's major shareholder, views its investment in AutoWallis Nyrt. as a strategic investment and supports the Company's regional growth plans. In 2021, the Company completed the largest share issue involving retail subscription (SPO) of the past 10 years for HUF 10 billion, which means that currently more than 4,300 retail shareholders and over 40 institutional investors, some of them foreign, are supporting the Group's growth strategy.

[1] Which collectively refers to AutoWallis Nyrt. and its subsidiaries, as explained in the Company Structure and Sites section

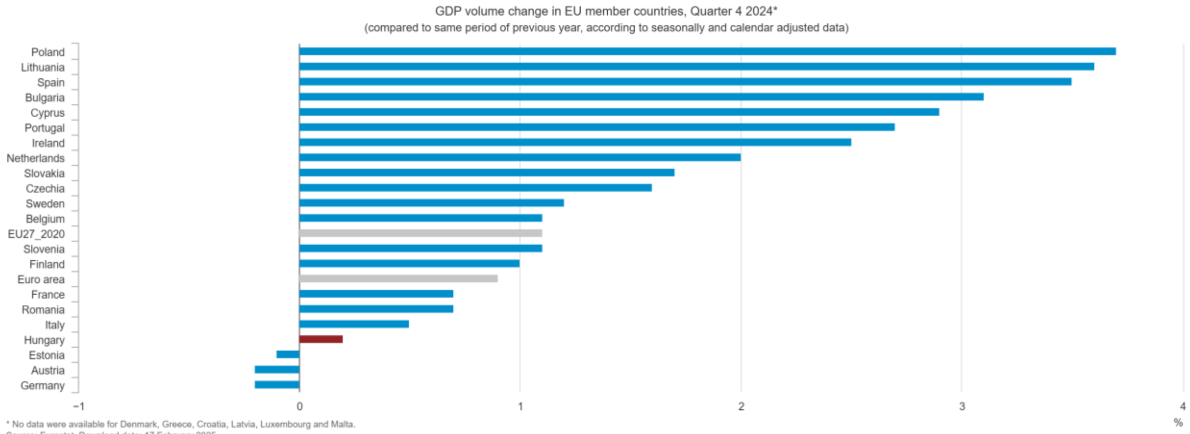
THE ECONOMIC AND MARKET ENVIRONMENT OF THE GROUP [2]

GDP development



* The source of EU data is Eurostat's database. Download date: 30 January 2025.

In 2024, the economic performance of the European Union and the Hungarian economy grew compared to the same period of the previous year by 0.8% and 0.6%, respectively. Although the performance of almost every Member State stagnated or improved slightly on an annual basis, a rise in GDP levels became apparent in Q4 as economic output gained momentum in comparison with the previous quarter in several Member States (the key markets of AutoWallis Group) and stagnated in the EU as a whole.



* No data were available for Denmark, Greece, Croatia, Latvia, Luxembourg and Malta.
Source: Eurostat. Download date: 17 February 2025.

Changes in inflation

In 2024, inflation rates and benchmark interest rates dropped compared to 2023 across Europe, including the relevant markets of the Group. The change in the inflationary environment also impacted the rise in the prices of new and used vehicles, as prices increased at a slower rate than in the previous year(s).

Reduced inflation and, in particular, a more favourable interest rate environment had an effect on disposable income (including the demand for motor vehicles) in 2024 to varying degrees in each country, typically less so in the Company's export markets. The number of new vehicles sold was on the rise in 2024 in the Central European markets; however, inflationary pressure (particularly in the Hungarian market), higher vehicle prices and economic uncertainties had a significant impact on consumer behaviour and general market performance. The automotive market continues to meet these challenges, with varying results across the region.

[2] Source of external economic data: https://www.ksh.hu/heti-monitor/index.html

New passenger car sales

	January - December 2024	2023	% change	Change
Austria	253,789	239,150	6.1%	14,639
Belgium	448,277	476,675	-6.0%	-28,398
Bulgaria	42,941	37,724	13.8%	5,217
Croatia	65,020	57,694	12.7%	7,326
Cyprus	15,057	14,740	2.2%	317
Czech Republic	231,597	221,419	4.6%	10,178
Denmark	173,114	172,745	0.2%	369
Estonia	25,386	22,820	11.2%	2,566
Finland	74,064	87,502	-15.4%	-13,438
France	1,718,412	1,774,722	-3.2%	-56,310
Germany	2,817,331	2,844,609	-1.0%	-27,278
Greece	137,075	134,484	1.9%	2,591
Hungary	121,611	107,720	12.9%	13,891
Ireland	121,196	122,400	-1.0%	-1,204
Italy	1,559,229	1,567,151	-0.5%	-7,922
Latvia	17,329	18,928	-8.4%	-1,599
Lithuania	30,122	27,666	8.9%	2,456
Luxembourg	46,659	49,105	-5.0%	-2,446
Malta	7,663	7,436	3.1%	227
The Netherlands	381,227	369,631	3.1%	11,596
Poland	551,568	475,032	16.1%	76,536
Portugal	209,715	199,623	5.1%	10,092
Romania	151,105	143,080	5.6%	8,025
Slovakia	93,409	88,003	6.1%	5,406
Slovenia	53,018	48,924	8.4%	4,094
Spain	1,016,885	949,362	7.1%	67,523
Sweden	269,582	289,820	-7.0%	-20,238
European Union	**10,632,381**	**10,548,165**	**0.8%**	**84,216**
Iceland	10,233	17,543	-41.7%	-7,310
Norway	128,687	126,953	1.4%	1,734
Switzerland	239,535	252,214	-5.0%	-12,679
EFTA	**378,455**	**396,710**	**-4.6%**	**-18,255**
United Kingdom	1,952,778	1,903,054	2.6%	49,724
EU + EFTA + UK	**12,963,614**	**12,847,929**	**0.9%**	**115,685**

Source: ACEA

The number of first registrations of passenger cars in the European Union was up by nearly 0.8% in 2024, which is approximately the same level as in the previous year. We saw mixed results across the various markets in the EU: while some markets showed outstanding performance, it was mainly the more developed Western European markets (Germany, Belgium, France) that experienced a decline.

	January - December 2024	2023	% chang	Chang e
Bosnia and Herzegovina	10,345	10,360	-0.14%	-15
Croatia	64,657	57,505	12.44%	7,152
Czech Republic	231,864	221,657	4.60%	10,207
Hungary	121,611	107,720	12.90%	13,891
Romania	151,319	142,794	5.97%	8,525
Serbia	27,872	25,439	9.56%	2,433
Slovakia	93,419	87,955	6.21%	5,464
Slovenia	53,112	49,082	8.21%	4,030
	754,199	**702,512**	**7.36%**	**51,687**

Source: Datahouse

The region where AutoWallis Group's business is carried out (and thus its relevant market) is Central and Eastern Europe. The strategy formulated by the Company also focuses on this region, and this is the specific environment where the Group's experts possess hands-on and relevant experience and an ability to create value.

In 2024, the number of first registrations of new passenger cars **in the most relevant markets of AutoWallis Group** (see the figures of Datahouse) substantially exceeded the growth in EU markets, **improving by 7.36%[3]** compared to 2023.

With all of these trends in mind, the substantial growth in the number of vehicles sold by AutoWallis Group compared to the previous year (in the Retail Business Unit) represents a significant achievement and underlines the Group's resilience resulting from its diversified and efficient operation.

Sales of new cars in the Central and Eastern European region are forecasted to show modest growth in 2025, driven by increasing electrification and strategic decisions by automakers. However, this growth may be tempered by economic uncertainties (inflationary environment, the war between Russia and Ukraine) and regulatory challenges (tariffs imposed on Chinese automakers, tax changes). AutoWallis Group continues to monitor market developments closely and leverages its diversified commercial and business portfolio to adapt to market trends.

[3] The Company uses the data provided by Datahouse for the data of relevant markets (with the exception of Poland) as they contain information on countries not covered by ACEA (e.g. Bosnia and Herzegovina and Serbia). There may be insignificant differences between the two data sources and such differences may have an immaterial impact on conclusions in the case of countries covered by both sources.

SUMMARY OF FINANCIAL AND OPERATING PERFORMANCE IN 2024

Analysis of the Group's financial performance

Data in million HUF (mHUF)	2024	2023	% change %	Change
Revenue	398,460	366,267	+8.8%	32,193
Distribution Business Unit	218,922	217,268	+0.8%	1,654
Retail Business Unit	171,113	142,818	+19.8%	28,295
Mobility Services Business Unit	8,425	6,181	+36.3%	2,244
Interest income from lease receivables	1,932	1,703	+13.4%	229
Own performance capitalised	118	253	-53.4%	(135)
Material expenses	(10,071)	(7,874)	+27.9%	(2,197)
Services	(22,832)	(17,902)	+27.5%	(4,930)
Cost of goods sold	(327,079)	(305,318)	+7.1%	(21,761)
Personnel expenses	(19,541)	(14,911)	+31.1%	(4,630)
Depreciation and amortisation	(5,678)	(4,452)	+27.5%	(1,226)
Profit of sales	15,309	17,766	-13.8%	(2,457)
Other income and expenses	(1,010)	(35)	+2,785.7%	(975)
Impairment losses on non-financial instruments	169	(2,295)	-107.4%	2,464
Expected impairment losses on financial instruments	(98)	(187)	-47.6%	89
Other income and expenses	(939)	(2,517)	-62.7%	1,578
OPERATING PROFIT - EBIT	14,370	15,249	-5.8%	(879)
Interest income	1,114	1,617	-31.1%	(503)
Interest expense	(4,062)	(5,087)	-20.1%	1,025
Financial expenses from leases	(1,212)	(1,176)	+3.1%	(36)
Foreign exchange gains or losses, net	(1,577)	(89)	+1,671.9%	(1,488)
Valuation difference of financial instruments	23	338	-93.2%	(315)
Other financial gains or losses, net	3	7	-57.1%	(4)
Financial gains or losses	(5,711)	(4,390)	+30.1%	(1,321)
Share of profit of associates and joint ventures	438	1,070	-59.1%	(632)
PROFIT BEFORE TAX	9,097	11,929	-23.7%	(2,832)
Tax expense	(2,121)	(2,086)	+1.7%	(35)
NET PROFIT OR LOSS	6,976	9,843	-29.1%	(2,867)
Retranslation of subsidiaries	504	(282)	-278.7%	786
TOTAL COMPREHENSIVE INCOME	7,480	9,561	-21.8%	(2,081)
EPS (HUF/share)	12.81	21.32	-39.9%	(9)
EBITDA impact of items which never generate any net outflow of assets	(127)	(4)		
EBITDA	20,175	19,705	+2.4%	**470**

- AutoWallis Group's **revenue** exceeded HUF 398.4 billion in 2024, which is HUF 32.2 billion (or 8.8%) higher than the revenue for the previous year. Organic growth in the Group's revenue was 7%, which is more or less the same as the growth in vehicle sales volume excluding the effects of acquisitions (6.5%). The transactions completed during the current year only contributed to growth in a prorated manner, which means that they haven't had a significant impact on the Group's revenue yet.
- **Material expenses** were up by 27.9% from the comparative period, the main reasons being inflationary effects (the rise in public utility costs and the price of materials used in the course of servicing activities), rising fuel prices and the effect

of acquisitions (materials used for servicing activities by NC auto s.r.o in 2024).

- The value of **services** was up by 28% or HUF 4.9 billion from the comparative period. The main drivers behind this uptick in expenses included the increase in logistics expenses caused by the rise in sales volumes, the rise in marketing and communication costs due to market reasons (by HUF 1.2 billion), as well as the significant increase in insurance fees and bank charges. The acquisitions completed in the current year also contributed to this surge in expenses (NC Auto s.r.o: HUF +750 million).
- The 7.1% increase in **COGS** was less than the rate of revenue increase, which is explained by the difference in the performance of the various business units (mainly retail and distribution). The Group managed to **further improve its gross margin percentage in 2024** (2024: 17.9%; 2023: 16.6%). This was caused in part by the higher revenue of the Mobility Services Business Unit compared to the previous year (as a result of its greater margin potential, given the nature of its activity). The gross margin percentage outside of the Mobility Services Business Unit also improved (2024: 16.4%; 2023: 15.7%), most of which is attributable to the current-year profit of the Distribution Business Unit.
- The 31.1% rise in **personnel expenses** is due to the growing employee headcount and the pay rise given in response to changes in the labour market. At the end of the financial year, the average employee headcount for fully consolidated entities was 1,322 (previous year: 983). Wages and salaries increased by nearly HUF 1 billion as a result of acquisitions during the current year, which affected current-year profit only after the date of completion of each acquisition.
- The 27.5% rise in **depreciation and amortisation** is explained in part by the depreciation on the assets of entities joining the Group in the current year (mostly NC Auto s.r.o), and partly by the depreciation of vehicles involved in carsharing within the Mobility Services Business Unit, which affected only a part of 2023 but the entirety of 2024 (through the acquisition of Wallis Autómegosztó Zrt. in 2023).
- In 2023, **impairment losses on non-financial instruments** had been impacted mostly by the impairment losses recognised on SsangYong vehicles damaged during transportation (HUF 1.4 billion) and other imported inventories (HUF 400 million). In 2024, the Group sold the majority of these SsangYong vehicles damaged during transportation, as a result of which impairment losses of HUF 368 million were reversed, which offset other impairment losses on inventories recognised in 2024.
- Due to all of this, **operating profit** (EBIT) **dropped by 5.8% to HUF 14.4 billion,** which is explained by rising expenses and the impact of the above-mentioned one-off items on profit, alongside an increase in revenue and a slight uptick in gross margin.
- The value of financial gains or losses was a **loss of HUF 5.7 billion** in 2024, which represents a decline in comparison with 2023. Despite the improvement in the interest rate environment in 2024 and the resulting decline in interest expenses, the ongoing and significant weakening of the forint throughout the current year had a negative impact on the balance of financial gains or losses.
- The **EBITDA,** the indicator which best describes the Group's performance, **exceeded HUF 20 billion** in 2024. Despite the negative effects described above, the Group's EBITDA margin **remained above 5%** (2024: 5.1%; 2023: 5.4%).
- The Group's **profit before tax for 2023 was HUF 9.1 billion**, which is **23.7% lower than in the previous year**. The contribution of the Group's joint ventures to the profit for the year was HUF 438 million (2023: HUF 1,070 million).

Analysis of the Group's operating results

Vehicle sales

	January - December		Change %
	2024	2023	
Total new vehicle sales	45,833	42,850	*+7.0%*
Total vehicle sales	48,386	44,909	*+7.7%*

Looking at the key markets of AutoWallis Group (Hungary, Austria, Slovenia, the Czech Republic, Romania and Slovakia), sales volumes grew at a pace roughly in line with market expansion in each country, with the exception of Hungary's outstanding 12.9% growth. In terms of the sale of new cars, the performance of brands represented by the Retail and Distribution Business Units varied.

The Group's diversified brand portfolio and presence across regional markets guarantee that the growth strategy is balanced. However, any currently unforeseen difficulties that certain brands may have to deal with, as well as macroeconomic challenges in the region and the logistics challenges facing the industry, could impact the expected sales figures of the upcoming period.

Automotive services

Automotive services

	January - December		Change %
	2024	2023*	
Number of service hours (hours)	210,249	179,809	16.9%
Average fleet size for car rental and fleet management (units)	3,830	3,979	-3.7%
Number of rental transactions (units)	376,225	148,607	153.2%
Number of rental days (units)	202,805	199,045	1.9%

*Restated in order to ensure comparability.

All in all, the Group achieved growth in terms of each service it provides (car rental, servicing activities, etc.) compared to the same period of the previous year. The reason behind the decline in average fleet size is the streamlining of the fleet size for rent-a-car and carsharing services in the Mobility Services Business Unit. The numbers for rental transactions and rental days include the figures of Sixt (an entity represented by the Group that provides short-term car rental services) and WIGO carsharing, where the outstanding growth (153%) in the number of rental transactions is primarily explained by the acquisition of Wallis Autómegosztó Zrt. (the figures of WIGO were included in the number of rental transactions for only four months in 2023 and for the entire year in 2024). The significant efficiency improvements in this area in 2024 are clearly demonstrated by the fact that the Group managed to achieve a nearly 2% increase in the number of rental days with a reduced fleet size.

Segment analysis

In line with its operating, management and decision-making structure, the Group examines and presents its financial and operating performance separately for its **Distribution**, **Retail** and **Mobility Services** segments (**business units**). For the purpose of presentation in the management report, the performance of each business unit is presented in a consolidated manner (after certain items are filtered out), and the data include the proportionate part of the costs of administrative functions that support the operations of each business unit.

Distribution Business Unit

As part of its Distribution Business Unit, AutoWallis Group is engaged in the distribution of new passenger cars and commercial vehicles involving various brands (Opel, Jaguar, Land Rover, SsangYong, Isuzu and, starting from 2024, Farizon) and Saab parts in Central and Eastern European countries (Albania, Austria, Bosnia and Herzegovina, Croatia, the Czech Republic, Greece, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia), as well as parts logistics for MG and distribution services for BYD.

AutoWallis Group is the Hungarian importer of the Renault, Dacia and Alpine brands through a joint venture established in partnership with the Portuguese entity Salvador Caetano.

AutoWallis GROUP

Sales performance of the Distribution Business Unit

Distribution Business Unit	January - December 2024	2023	Change %
Number of new vehicles sold (units)	36,196	34,943	+3.6%

** The number of units include 11,011 and 9,616 motor vehicles sold by the joint venture in 2024 and 2023, respectively.*

Compared to the previous year, the Distribution Business Unit of AutoWallis Group **improved its sales by 3.6%** in 2024, selling a total of 36,196 new cars. Of the brands represented by the Group, Renault contributed the most to the expansion of the Group with 7,001 vehicles sold, which exceeds the 2023 figures of the brand by 24%. The Jaguar and Land Rover brands achieved growth as well (by 28.6%), while Opel could also improve its sales volume (by 3.5%). SsangYong's performance dropped compared to 2023 (by 6.1%), mainly due to the exceptionally pronounced base effect of 2023. The business unit managed to recover from a decline in sales in Q1 of last year (which was due to the base effect and one-off items, i.e. delays in sea transportation) during the remaining part of the year, as a result of which the number of vehicles sold between Q2 and the end of the year increased by 3,894 compared to the same period of 2023.

Financial performance of the Distribution Business Unit

Profit or loss of the Distribution Business Unit

Distribution Business Unit (mHUF)	January - December 2024	2023	Change %
Revenue	218,922	217,268	1%
Gross margin	34,003	31,188	9%
Gross margin %	15.5%	14.4%	8.2%
Profit before tax (excluding the JV)	6,944	9,267	-25%
Profit before tax (including the JV)	7,455	10,337	-28%
Profit before tax / Revenue % (excluding the JV)	3.2%	4.3%	-26%
EBITDA	11,663	12,066	-3%
EBITDA / Revenue % (excluding the JV)	5.3%	5.6%	-4.1%

The **revenue** of the Distribution Business Unit increased by 1% to HUF 218.9 billion in 2024 in comparison to the previous year's revenue. The Group's sales volumes for imported brands were nearly identical to those in the previous year (revenue from the sale of Renault, Dacia and Alpine brands is not included in the Group's consolidated revenue).

Cost of goods sold dropped by 1%, which means that the business unit managed to improve its gross margin percentage slightly **in 2024 to 15.5% (2023: 14.4%)**. The **profitability** of the Distribution Business Unit **declined from 4.3% in 2023 to 3.2% in 2024,** mostly due to a rise in costs (expenses of sales support and marketing campaigns and personnel expenses) and unfavourable movements in exchange rates.

Retail & Services Business Unit

As part of its Retail Business Unit, AutoWallis Group is engaged in the sale and servicing of new BMW passenger cars, BMW motorcycles, Ford, Isuzu, Jaguar, Land Rover, MINI, Maserati, Opel, KIA, Renault, Dacia, Mercedes cars and trucks, Nissan, Peugeot, Toyota, Suzuki and BYD, as well as various brands of used motor vehicles in Hungary, the Czech Republic and Slovenia. In addition, this business unit operates the web portals joautok.hu and auto-licit.hu.

In line with the strategy formulated by AutoWallis Group, the dealerships of the business unit have immense significance despite their generally lower profitability which is typical for the industry, since the sale of new and used cars serves as the most important customer entry point for the exceptionally profitable service activity of AutoWallis Group.

By acquiring the BMW business of Stratos Auto of the Czech Republic, AutoWallis entered the Czech retail market in July 2024 and acquired BMW dealerships in Prague and two other Czech cities. The Group then completed the acquisition of Milan Kral Group in mid-December 2024, further strengthening its position in the Czech market with an additional BMW dealership, while also expanding its portfolio to include Mercedes-Benz (passenger cars and commercial vehicles) and Ford dealerships, as well as an Opel repair shop.

Sales performance of the Retail Business Unit

Vehicle sales

Number of vehicles sold (units)

Retail Business Unit	January - December 2024	January - December 2023	Change %
Number of new vehicles sold (units)	9,637	7,907	21.9%
Number of used vehicles sold (units)	2,553	2,059	24.0%
Total vehicle sales	***12,190***	***9,966***	***22.3%***
Number of service hours (hours)	***210,249***	***179,809***	***16.9%***

The Retail Business Unit **achieved organic growth in 2024 in terms of new vehicle sales (16% in Hungary and 12% in Slovenia),** exceeding the market growth rates presented in the section on the Group's environment (Hungary: +12,9%; Slovenia: +8,4%). The acquisition of NC Auto s.r.o of the Czech Republic and the opening of the Renault and Dacia dealership in Budapest (AWSC Retail) also contributed to growth.

The Group had a successful year in terms of the sale of used vehicles as well, with a growth of 24% (of which 2.9% is attributable to acquisitions). Additionally, the servicing activity (which is included in this business unit) achieved a growth rate of nearly 17% (10.8% of which resulted from acquisitions). As a result of the above, the Group's Retail Business Unit showed very strong business growth during the period.

Financial performance of the Retail Business Unit

Profit or loss of the Retail Business Unit

Retail Business Unit (mHUF)	January - December 2024	January - December 2023	Change %
Revenue	171,113	142,818	19.8%
Gross margin	30,046	25,509	20.3%
Gross margin %	*17.6%*	*17.9%*	17.8%
Profit before tax (excluding the JV)	1,797	2,102	-1.7%
Profit before tax (including the JV)	1,724	2,102	-14.5%
Profit before tax / Revenue % (excluding the JV)	*1.1%*	*1.5%*	-18.0%
EBITDA	4,934	5,302	-6.9%
EBITDA / Revenue %	*2.9%*	*3.7%*	-22.3%

The **revenue** of the Retail Business Unit **was up by nearly 20% in 2024** (8% of which is attributable to acquisitions)**,** resulting from a sharp increase in sales volume. However, this was offset by the return of large-scale promotions by manufacturers and discounts during the year, which ate into margins (a decline in the price of used cars was also observed in the market). In addition to car sales, the growth in servicing activities also contributed to the improved sales performance of the business unit.

Due to the further normalisation of margins, the gross margin percentage of the Retail Business Unit dropped slightly compared to 2023.

The profit before tax / revenue ratio **decreased to 1.1% from the 1.5% figure in 2023**. The reduction in financing costs (interest rates) had a positive impact on the business unit; however, due to the sharp increase in expenses (price increases for services used caused by inflation, as well as rising personnel expenses resulting from the pay rise within the Group) accompanied by reduced margins, the profitability of the business unit declined in terms of both EBITDA and profit before tax in comparison with the same period of the previous year.

Mobility Services Business Unit

The Mobility Services Business Unit has been treated by AutoWallis Group as a separate business unit since 1 January 2024 with a view to its long-term strategic goals. Through this business unit, the Group provides short-term and long-term car rental, fleet management and carsharing services to its clients in Hungary. The brands of the business unit include Sixt Rent-a-car, which offers premium rent-a-car services to its clients, wigo carsharing, the brand under which the Group provides one of the leading carsharing services in Budapest, and wigo fleet (formerly Nelson), which covers the Group's nationwide fleet management service.

Sales performance of the Mobility Services Business Unit

Mobility Services

	January - December 2024	2023	Change %
Number of short-term rental transactions (units)	376,225	148,607	153.2%
Number of short-term rental days (units)	202,805	199,045	1.9%
Average fleet size (short-term and long-term car rental, units)	3,830	3,979	-3.7%

The Mobility Services Business Unit significantly increased the number of rental transactions to 376,225, primarily thanks to the acquisition of Wallis Autómegosztó Zrt. (wigo carsharing) last year.

The fleet size of the Group's mobility segment decreased by 3.7% to 3,830 units, while the number of rental days increased by 1.9%, showing a significant operational efficiency gain.

Financial performance of the Mobility Services Business Unit

Mobility Services Business Unit (mHUF)*	January - December 2024	2023	Change %
Revenue and interest income from lease receivables	10,327	7,856	31.5%
Profit of sales*	1,265	828	52.8%
Profit of sales %	15.0%	13.4%	12.1%
Profit before tax**	(82)	(511)	-84.0%
Profit before tax / Revenue and income from lease receivables %	-0.8%	-6.5%	-87.8%
EBITDA**	3,578	2,335	53.2%
EBITDA / Revenue and interest income from lease receivables %	34.6%	29.7%	16.6%

** Due to the special nature of the Mobility Services Business Unit, profit of sales is presented instead of the gross margin, which refers to profit excluding financial gains or losses, other income, other expenses and impairment losses.*

*** To ensure comparability, the impact of the negative badwill of the Nelson acquisition on profit (a gain of HUF 274 million) is not included.*

The Mobility Services Business Unit reached its current size only in the second half of 2023 (as Nelson Flottakezelő joined the group only in February 2023 and Wallis Autómegosztó Zrt. has only been part of the Group since 1 September 2023). The business unit became separate on 1 January 2024, and the previous year's financial statements for the business unit covering retail and mobility services had been prepared based on different principles and with a different level of detail.

The Mobility Services Business Unit **became loss-making in 2023 due to several unfavourable (external) factors.** On the one hand, the central bank responded to runaway inflation in Hungary by raising interest rates significantly, which led to a sudden sharp increase in the cost of financing for a business unit that is already sensitive to financing, which was not immediately followed by a rise in revenues (especially for Wallis Autókölcsönző Kft., an entity involved in the rent-a-car business). This had a negative impact particularly on services denominated in EUR (which is significant due to the inflow of tourists from abroad), as the high prime rate of the central bank caused the HUF to trade at a considerably stronger level against the EUR during the period**.** Nelson Flottakezelő, acquired on 31 January 2023, was also only partially able to offset the negative effects, and in a delayed manner.

The financial performance of the business unit in 2024 was positively impacted by the reduction in interest rates caused by declining inflation, resulting in lower financing costs, and a significantly higher HUF/EUR exchange rate compared to the average exchange rate prevailing in the first half of last year. In addition to organic effects, the financial performance of Wallis Autómegosztó Zrt., a carsharing service provider acquired in August 2023, also had an impact on the profit of the business unit (as an effect of transactions).

All in all, the short-term car rental business delivered outstanding results that exceeded targets; however, this was offset by the fact that the fleet management activity performed more or less according to the plans, while the carsharing activity fell short of the targets.

Due to the potential synergies within the business unit, a major structural and organisational transformation project was carried out by the business unit (Nelson Sales Kft., Nelson Assistance Kft. and Wallis Autómegosztó Zrt. merged into Nelson Flottalízing Kft. on 30 September 2024), which will have a positive impact on the financial performance of the business unit starting from 2024Q4 and in subsequent periods.

The **EBITDA-generating ability** of the business unit **was exceptionally high** compared to the rest of the business units **at 34.6%** (due to its activities), **which demonstrates its significance within the Group.**

Events during the current period and after the balance sheet date

Significant events between 1 January 2024 and 4 April 2024 were presented in the annual report of AutoWallis Group issued on 26 April 2024.[4] In addition, in order to comply with the applicable reporting and disclosure requirements, the Group informs market participants about significant events and changes via the websites of the National Bank of Hungary and the Budapest Stock Exchange, as well as its own website.[5]

Therefore, to ensure the transparency of this report, only the most significant events that occurred in 2023 and those which have not yet been presented in previous reports or other disclosures are included in this annual report.

Significant events during the current period

a) On 26 January 2024, Wallis Tőkeholding Zrt., the largest shareholder of AutoWallis Nyrt., carried out a capital increase in AutoWallis Nyrt. for an amount of HUF 5.7 billion. As part of the capital increase, Wallis Tőkeholding Zrt. acquired 46,416,938 shares at a price of HUF 122.8 each, subject to a 12-month lock-up period. As a result of the capital increase, the share capital of AutoWallis Nyrt. increased by HUF 580,211,725 to HUF 6,743,210,575, while the number of ordinary shares increased from 493,039,908 units to 539,456,846 units.

b) In February 2024, AutoWallis Group extended its Opel distribution contract covering Hungary, Bosnia and Herzegovina, Croatia and Slovenia by five years. Today, AutoWallis Group is Opel's largest independent importer in Europe.

c) On 4 March 2024, AutoWallis entered into a sale and purchase agreement on the acquisition of the BMW business unit of Stratos Auto of the Czech Republic. Through this transaction, the Group is entering the retail market of a new country. Under the agreement, AutoWallis will be present in three Czech cities: Prague, Hradec Králové and Pardubice. In the first stage of the transaction, AutoWallis will acquire 80% of NC Auto s.r.o., the entity representing the business unit, and this share will be increased to 100% within two years. The transaction was completed on 1 July 2024.

d) On 6 March, AutoWallis announced that it had acquired SsangYong import rights in four additional countries: Bosnia and Herzegovina, Kosovo, Montenegro and Serbia. This means that the South Korean brand will now be represented by AutoWallis as an exclusive importer in nine markets of the region, Hungary included.

[4] https://www.bet.hu/site/newkib/hu/2024.04./Eves_Jelentes_129055478
[5] https://autowallis.com/

e) In March 2024, AutoWallis Group entered into an agreement for the exclusive distribution of Farizon commercial vehicles manufactured by Geely Auto Group in eight Central and Eastern European countries (Austria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia).

f) On 22 May 2024, the Group and the Portuguese entity Salvador Caetano Group announced that they would jointly open a Renault and Dacia dealership in Budapest. This move is in line with the strategy of AutoWallis to grow organically and through acquisitions, as well as through business development. The dealership (AWSC Retail Kft.) was opened in October 2024.

g) On 10 December 2024, AutoWallis Nyrt. issued fixed-rate bonds with a total nominal value of EUR 20,000,000 and a 10-year maturity as part of a subscription procedure. The proceeds from the bond issue will be used to fund the Company's planned acquisitions.

h) In December 2024, AutoWallis Group successfully completed the largest acquisition in its history so far, further strengthening its position in the Czech automotive retail market and its role as a regional leader. A 100% share in MILAN KRÁL GROUP, a company operating in the Czech market with revenues equivalent to nearly HUF 50 billion last year, was acquired by the Group in one stage, adding new brands (Mercedes-Benz, Ford) and new activities (sale and servicing of Mercedes-Benz Trucks) to the Group's portfolio.

i) In December 2024, AutoWallis Group announced that it would potentially acquire import rights for Nissan in Romania in cooperation with the Portuguese entity Salvador Caetano Group. The transaction requires approval by the competition authority. The new entity is expected to commence operations on 1 June 2025.

Events after the balance sheet date

The following significant events took place after the balance sheet date and before the approval of the 2024 Annual Report by the Board of Directors:

- On 16 January 2025, Wallis Asset Management Zrt. (one of the shareholders of AutoWallis Nyrt. with a significant shareholding) sold 40,726,797 shares to Wallis Tőkeholding Zrt., after which Wallis Asset Management Zrt. no longer had any remaining share in AutoWallis Nyrt. After the transaction was completed, Wallis Tőkeholding Zrt. held 355,182,013 shares in AutoWallis Nyrt. All of the entities involved in the transaction are directly owned by Wallis Portfólió Kft., and since the transaction took place among these entities, there were no substantial changes in shareholder control.

Information about other important events between the balance sheet date and the publication of this annual financial report is available on our website (**https://www.autowallis.com/**).

STRATEGY OF AUTOWALLIS GROUP

AutoWallis Group has developed a comprehensive service portfolio in both automotive retail and distribution and in mobility solutions, both in Hungary and across certain international markets. The company's goal is to become a leading integrator in these three business areas within the Central and Eastern European region by 2030, leveraging opportunities arising from the transformation of the market.

In 2024, the global and European automotive industries continued to undergo significant changes: the adoption of electric vehicles progressed at a slower pace, while Chinese car manufacturers further expanded their presence, with digital sales channels playing an increasingly pivotal role. AutoWallis Group is actively monitoring these developments and responding by adjusting its strategy, thereby further strengthening its market position and laying the foundation for long-term growth. In 2024, the company completed several acquisitions, launched new brands and continued its digital development efforts to maintain its competitive edge in an evolving industry environment.

Industry trends and market environment

The automotive industry is experiencing major transformations at both global and regional levels, driven primarily by technological advancements, EU-level and national sustainability efforts and shifts in the geopolitical landscape. In its strategic planning, AutoWallis Group continuously analyses these processes to effectively adapt to the ever-changing challenges and opportunities in the market. In 2024, the following industry trends proved to be the most significant.

Electrification and alternative powertrains

The adoption of electric vehicles (EVs) continued to grow, albeit at a slower pace than previously expected. The growth in the market share of EVs fell short of earlier forecasts in several countries due to changes in government subsidies, challenges in expanding charging infrastructure and higher retail prices. At the same time, interest in alternative powertrains, such as plug-in hybrids and hydrogen technologies, has remained steady. AutoWallis Group is monitoring these developments closely and is shaping its portfolio to respond to the varying needs of regional markets.

Expansion of Chinese manufacturers and market consolidation

Chinese manufacturers are playing an increasingly prominent role in the European automotive market, competing with aggressive pricing strategies and rapid model rollouts. Chinese brands, particularly in the electric segment, have gained considerable market share, forcing European and US manufacturers to develop new strategies. Acquiring Chinese import rights and forging strategic partnerships represent key opportunities for AutoWallis Group. At the same time, network consolidation among Western brands is underway, which is also creating new business opportunities.

Digitalisation and omnichannel sales

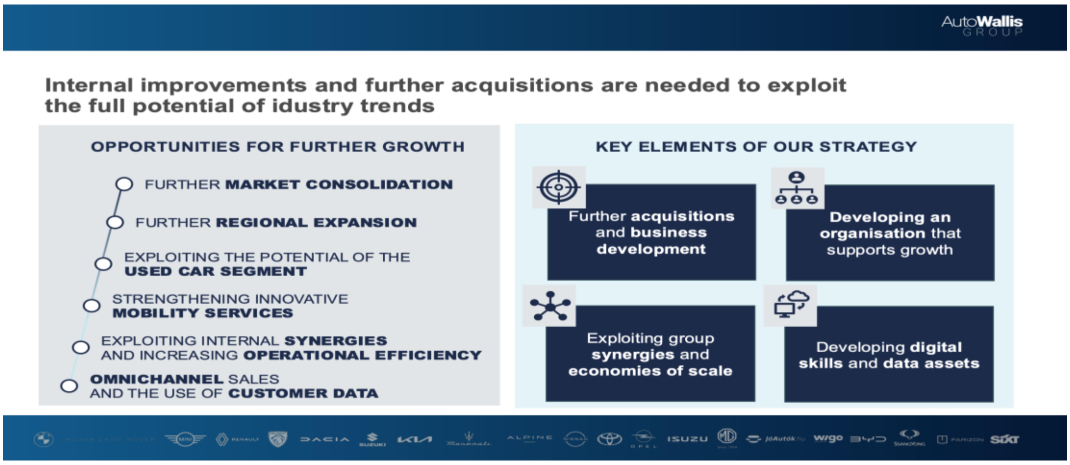
The traditional automotive trade model is gradually being transformed by the rise of online and omnichannel sales. In response, AutoWallis Group is developing its digital sales and customer relationship systems to ensure that both online and traditional retail channels are available to customers over the long term. CRM improvements, data-driven decision-making and enhancements to the digital customer experience all play a key role in this process.

Mobility services and sustainability

The mobility services market is undergoing continuous transformation, with alternative solutions such as carsharing and subscription models gaining traction alongside traditional car ownership. Although these services have not expanded as rapidly as analysts previously predicted, urban transportation trends are clearly pointing in this direction. AutoWallis Group continues to develop its mobility solutions, with a particular focus on the Wigo brand, which is the company's response to evolving consumer expectations.

Strategic objectives and results

AutoWallis Group's five-year strategy, published in 2024, focuses on *doubling*, which means achieving a twofold increase in its key performance indicators by 2028, including revenue, the number of vehicles sold and EBITDA. In order to achieve this objective, the Group is pursuing systematic efforts in organic growth, expansion through targeted acquisitions, as well as digitalisation and service development. In 2024, AutoWallis implemented several strategic measures that directly supported this growth trajectory, reinforcing the company's market position in the Central and Eastern European region.



Digitalisation and development of sales channels

Achieving the Group's strategic goals requires more efficient customer relationship management and the development of digital sales channels. In 2024, AutoWallis Group continued its CRM system development projects to strengthen its data-driven decision-making and to improve the effectiveness of its customer relations. Enhancing online sales platforms and omnichannel solutions enables the company to respond to customer needs more quickly and directly, while also increasing conversion rates.

A key element of the sales strategy is developing the digital presence of brands, making it easier and faster for customers to access offers, financing options and related services. The company remains committed to offering solutions that are aligned with changes in consumer expectations, thereby supporting long-term growth.

Mobility services and sustainability

The development of mobility services also supports the achievement of the growth objectives of AutoWallis. Through the expansion of the Wigo brand, the company offers innovative solutions in the field of urban mobility, responding to evolving customer needs. Developing its carsharing and digital platforms creates opportunities for AutoWallis to play a leading role not only in vehicle sales, but also in emerging mobility trends across the region.

The company's sustainability strategy is also closely aligned with its growth ambitions. In light of environmental regulations and rising customer expectations, AutoWallis Group focuses strongly on adhering to ESG principles. Promoting sustainable mobility solutions, supporting the adoption of electric vehicles and improving energy efficiency all contribute to long-term competitiveness.

Acquisitions and expansion

Targeted acquisitions and geographical expansion are among the cornerstones of the Group's growth strategy. In 2024, AutoWallis successfully completed the acquisition of *MILAN KRÁL GROUP*, thus becoming a key player in the Czech market and expanding its portfolio to include premium brands such as Mercedes-Benz and Ford. This acquisition not only increases the number of vehicles sold, but also boosts the company's profitability.

Another major milestone was the acquisition of the BMW business of *Stratos Auto*, further strengthening AutoWallis' position in the premium segment. Through these steps, AutoWallis has reinforced its presence in the markets of Central and Eastern Europe, securing volume growth, which is a key element of its growth strategy.

The Group has also expanded its brand portfolio. As the official distributor of Farizon, a brand of *Geely Auto Group*, AutoWallis has entered the market for electric commercial vehicles in eight Central and Eastern European countries. This move not only supports diversification, but also contributes to sustainability efforts, as demand for commercial vehicles with alternative powertrains is rising steadily across the region.

The Group also strengthened its presence in Hungary by opening its first Renault and Dacia dealership in Budapest, which marks the next step in the expansion of its retail network and in increasing sales volumes.

Financial stability and support for growth

AutoWallis Group ensured that the funds necessary for achieving its growth objectives were available in 2024 as well. During the year, the company successfully issued bonds for EUR 20 million, specifically allocated to international expansion and acquisitions. Additionally, the company carried out a capital increase that further strengthened its financial stability and growth potential. The company's financial strategy is based on balanced financing for organic growth and acquisitions, thereby minimising risks and creating shareholder value.

CORPORATE GOVERNANCE

Governance system of AutoWallis Group

In line with the statutory regulations, being a public company limited by shares and having regard to the fact that the shares issued by the Company are traded on the Budapest Stock Exchange, i.e. a regulated market, the system of voluntary and mandatory corporate governance rules that the Company applies are presented in its Corporate Governance Reports and Statements, which are directly available on the website of the Budapest Stock Exchange (www.bet.hu) and the Company's website (**www.autowallis.com**) at all times as part of the annual financial statements.

The Company meets the requirements applicable to corporate governance systems in Hungary. In the course of its operations, the Company complies with the applicable laws and supervisory regulations and the policies of the Budapest Stock Exchange and strives to follow the corporate governance recommendations of the Budapest Stock Exchange. The Company's organisational structure and operating rules are included in the Articles of Association approved by the General Meeting. The Company acts in line with the Corporate Governance Report approved via the relevant resolution of the General Meeting and such Corporate Governance Report is published in a timely manner after the regular General Meeting where the financial statements for the given financial year are approved.

The Company's management developed the necessary processes and decision-making and approval points to monitor and control the Group's business, financial and operational activities.

The BI system of AutoWallis is a key tool for supporting the above processes. AutoWallis Group has a group-level data warehouse, other data solutions and a business intelligence system in place that allow for the analysis and comparison of the financial, sales, aftersales and other data of all of its member firms. The related internal training courses are in progress within the Group.

During the upcoming period, the Group plans to standardise and develop its IT environment and the level of integration of certain software solutions in order to cope with the pressure caused by the increase in group size and the challenges faced by the sector in terms of innovation and digitalisation and, at the same time, to exploit the synergies within the Group.

Main governing body and supervisory bodies

The main governing body of the Company is its Board of Directors. The Company has a Supervisory Board and an Audit Committee in place. Up-to-date information on the composition of the Company's main governing body and its supervisory bodies is available at all times on the website of the Company or the Budapest Stock Exchange:

https://www.bet.hu/oldalak/ceg_adatlap/$issuer/3399
https://autowallis.com/vezeto-testuletek/

The rules pertaining to the appointment and removal of senior executives and the amendment of the Articles of Association are included in the Company's Articles of Association. Neither the General Meeting nor the Board of Directors of the Company adopted a resolution on a future change to their composition before the date of approval of this report.

Board of Directors

The Company is currently managed by a Board of Directors consisting of seven members. The Board of Directors elects the Chairman of the Board of Directors from its members itself. The Board of Directors is responsible for any decisions or actions which are not in the exclusive competence of the General Meeting or any other body or person on the basis of a provision of the Civil Code of Hungary (hereinafter: Civil Code) or the Articles of Association. The Board of Directors develops and manages the Company's work organisation, outlines the Company's business activities and ensures that the business activities are profitable. The employer's rights with respect to the Company's Chief Executive Officer and the rest of the Company's employees are exercised by the Chairman of the Board of Directors and the Chief Executive Officer, respectively. The employer's rights with respect to the senior executives of the Company's subsidiaries are exercised by the member of the Board of Directors who acts as the Chief Executive Officer.

Name	Position	Start of assignment	End of assignment
Zsolt Müllner	Chairman of the BoD	17/12/2018	
Gábor Ormosy	Member of the BoD	30/04/2019	
Ferenc Vaczlavik	Member of the BoD	26/04/2024	

Name	Position	Start of assignment	End of assignment
Tibor Veres	Member of the BoD	26/04/2024	
Gyula Mező	Member of the BoD	26/04/2024	
Ferenc Karvalits	Member of the BoD	26/04/2024	
Bence Buday	Member of the BoD	26/04/2024	
Gábor Székely	Member of the BoD	17/12/2018	26/04/2024
Andrew John Prest	Member of the BoD	17/12/2018	26/04/2024
Péter Antal	Member of the BoD	17/12/2018	26/04/2024

Supervisory Board and Audit Committee

The Company has a Supervisory Board consisting of four members elected by the General Meeting. The Company has an Audit Committee consisting of three members who are selected from the independent members of the Supervisory Board.

Name	Position	Start of assignment	End/termination of assignment
Attila Chikán Jr.	Chairman of the SB	17/12/2018	
György Ecseri	Member of the SB	17/12/2018	
Géza Deme	Member of the SB	26/04/2024	
Péter László Lakatos	Member of the SB	26/04/2024	
Gábor Vitán	Member of the SB	17/12/2018	26/04/2024
Bence Buday	Member of the SB	30/11/2020	26/04/2024
Petra Birkás	Member of the SB	01/07/2022	08/05/2023

Name	Position	Start of assignment	End/termination of assignment
Attila Chikán Jr.	Chairman of the AC	17/12/2018	
György Ecseri	Member of the AC	17/12/2018	
Péter László Lakatos	Member of the AC	26/04/2024	
Gábor Vitán	Member of the AC	17/12/2018	26/04/2024
Bence Buday	Member of the AC	30/11/2020	26/04/2024
Petra Birkás	Member of the AC	01/07/2022	08/05/2023

Green Financing Committee

In order to ensure that the available green funds are used in line with the green finance framework and that green aspects are also taken into account when adopting investment decisions, AutoWallis has set up a Green Financing Committee. The body (whose members are Beatrix Szabó, Sustainability and EHS Director at ALTEO Nyrt. as an external expert, business unit leaders Pál Bihari and Péter Antal, as well as Gábor Székely, the Group's IR and ESG Director) prepares a report on the fulfilment of the commitments each year. AutoWallis publishes its green allocation and impact report as a stock exchange disclosure and at **https://autowallis.com/zold-finanszirozas/**. The Company will publish its Allocation and Impact Report for 2024 in the second half of 2025.

AutoWallis Group and the going concern principle

As part of its usual planning process, AutoWallis Group prepared its business plans for 2025 and the subsequent 4-year period. The annual business plan for the year 2025 was approved by the Company's Board of Directors. Based on the plans, the management determined that the Company qualifies as a going concern. The potential impact of the war between Russia and Ukraine and the expected general macroeconomic environment and trends were also taken into account during the approval of the business plans. With these in mind, the management confirmed that the Group's reserves of cash equivalents are sufficient and its business prospects are positive and, as a result, the Group is able to continue as a going concern.

SUSTAINABILITY

Starting from 2024, the Group presents its Sustainability Report as a separate chapter of this report (page 30). The chapter of the annual report containing sustainability information, including the EU Taxonomy report and sustainability performance, has been independently certified by PricewaterhouseCoopers Auditing Ltd. (hereinafter: "PwC").

RISKS AND RISK MANAGEMENT

Key resources

- AutoWallis Group owns a stable portfolio of automotive operations developed over the past 30 years which is able to generate cash despite the crises of recent times (such as the war between Russia and the Ukraine) and the resulting macroeconomic challenges.
- AutoWallis Group works with stable partners such as BMW AG, Isuzu Motors, Jaguar Land Rover Automotive, Stellantis, KG Mobility, Renault Group and BYD Auto and, in terms of services, the Sixt AG brand.
- Supported by the 30-year history and capabilities of Wallis Group, the largest shareholder of AutoWallis,[6] AutoWallis Group is capable of acquiring new brands and expanding into new markets, as well as undertaking new mobility-related activities, either through acquisitions or by founding new companies and developing existing ones.
- The objective of AutoWallis Group is to adapt to technological changes and to the shift in customer demand in the automotive industry (currently one of the most prominent industry segments in the European Union) in a flexible manner, while adopting a conservative investment policy.
- By using a portfolio-based approach, AutoWallis Group is able to mitigate the cyclical nature of the automotive industry though the combination of various activities that react differently to changes in the market and through diversification.
- The transformation of the mobility industry, including advances in electric cars, the introduction of self-driving vehicles, the spreading of carsharing and the appearance of other needs and services in mobility, presents not only risks, but also further opportunities for growth.
- Rational retail, distribution and mobility portfolio size and volume-efficient business operations.
- Diversified financing and revenue structure.
- The operation of AutoWallis Group is cost-efficient.

Key risks

The key risks faced by AutoWallis Group and the related changes and uncertainties are as follows:

- The success of the Company's operation depends greatly on the production levels of the manufacturers of the car brands distributed by the Company. As a result, adverse effects on the production levels of manufacturers also have an indirect impact on the Company's operations.
- An important aspect of the Company's operations is the delivery of vehicles from the manufacturers to the Company and from there to customers. As a result, the Company's activities depend on access to logistics services within the industry and the region. Any disruptions to these services could

[6] For the ownership structure, please see the section on the Company's shares.

directly affect the Group's operations, even to a significant extent (longer delivery times, fluctuating costs, etc.).

- Although AutoWallis Group undertakes careful planning for commercial, legal and efficiency aspects when preparing for the implementation of its business development projects, delays or failure in the case of certain projects cannot be completely avoided. In addition, the complexity and organisational restructuring brought about by exceptional growth also result in additional responsibilities in terms of management control and strategic governance.
- The operation, financing and profitability of AutoWallis Group are indirectly or directly related to the economic processes of Hungary and the countries where the Group's subsidiaries operate. In the event of adverse changes in the macroeconomic situation of Hungary and the rest of the countries concerned, or if inflation rises permanently, growth rates decline and the external and internal balances deteriorate, AutoWallis Group will be unable to escape the effects of any unfavourable economic processes.
- Adverse changes and risks affecting the business outlook, the general financing environment, the interest rate environment and the overall capital market sentiment of the region in which AutoWallis Group operates could cause the refinancing of loans in the economy to be possible only under significantly less favourable conditions, or to not be possible at all. Such circumstances could negatively impact both the future financing of AutoWallis Group's operations and its financial position.
- In preparing projections and business plans for the Group, we assumed a stable political environment in the countries where the Group operates and in their environment. Any changes in this regard could have an unforeseen impact on the Group's performance.
- Due to the Group's geographical and operational diversification, the Group's revenues and expenses, investments and financing are generated in several different currencies (typically local currencies and the euro) which differ among members, and even among businesses. Although the management of AutoWallis Group strives to avoid exchange rate risks by implementing various approaches (strengthening natural hedges, pricing rules, hedging transactions, etc.), foreign exchange risk cannot be eliminated entirely (at a reasonable cost), and unforeseen and atypical changes in exchange rates could render any planned hedging transactions insufficient.
- The automotive industry has always been characterised by innovation and ongoing technological development, but during the recent decade, it has undergone radical change due to the environmental regulations becoming more stringent, the technological development of alternative powertrains, and the widespread adoption of mobile broadband, and the key drivers of this change include electrification and IT development (self-driving and other areas of software development) which could create new mobility solutions in the future. Such technological advancements and industry developments can significantly affect how the automotive industry operates. Technological development doesn't merely transform the areas where AutoWallis Group is present: in some cases, it may even cause certain areas to disappear entirely or may substantially reduce their significance.
- Losing key staff or difficulties in replacing them could negatively impact the business of AutoWallis.
- The dynamic growth in salaries, the shortage of workforce and any deficiencies of the education and training system in the countries where AutoWallis Group is present may have an adverse impact on the operation of AutoWallis Group.
- Through the maintenance of its sites, its servicing activities, the logistics services associated with its distribution operations and its rental fleet, AutoWallis Group is exposed to fluctuations in the price of energy and energy sources. The Group is able to partly manage these risks through investments in energy efficiency, but eliminating them altogether is not possible; as a result, any significant change (such as the soaring inflation caused by the war between Russia and the Ukraine) could have a considerable impact on the Group's financial performance.
- AutoWallis Group intends to implement its business plans partly through its existing business operations and/or by carrying out new development and construction projects and company acquisitions. Although each transaction is preceded by careful planning, there may be unavoidable events relating to the target companies when completing an acquisition which may have a negative impact on the business operations and profitability of AutoWallis Group.
- SsangYong Motor Company now operates under new ownership (KG Mobility) after a lengthy reorganisation process. The management of

AutoWallis has welcomed this change and continues to have faith in this brand, and is still distributing cars of this brand with growing success, though with increased caution and international commercial guarantees, and sales are currently rising. The stated objective of the new owner is to continue with and expand upon existing operations and to promote electromobility, for which the rest of its activities provide opportunities for synergies. Changes in the development and/or commercial strategy could significantly impact the future of our operations concerning this brand.

- On 3 July 2024, Scope Ratings GmbH, a credit rating agency headquartered in the European Union and registered with the European Securities and Markets Authority, published the results of its credit rating review. The Group's credit rating is still "B+", and the rating for the Group's senior unsecured debt also remains at "B+". If the credit rating of the Group's senior unsecured debt is downgraded to a rating below "B+", then such a downgrade could negatively impact the Group's future financing opportunities and capital strength and may lead to increased financing costs, all of which could have a materially adverse effect on the Group's financial position. A downgrade could also trigger the early redemption of bonds issued in 2020 and 2021 and could result in an extraordinary redemption obligation for the Group.
- The Group manages an extensive and continuously growing volume of data assets. This activity is subject to very strict legal requirements under both national legislation and EU law. The Group ensures the protection and processing of personal data in compliance with the applicable regulations, both in the context of its partners' systems and in managing AutoWallis Group's own data assets, and maintains adequate internal policies and systems. Nevertheless, the possibility exists that human errors or IT system malfunctions may lead to non-compliance with the Group's legal obligations, which could result in regulatory proceedings and sanctions.
- Members of AutoWallis Group require numerous permits to conduct their operations (including, for example, site operating permits, permits from specialised authorities, activity licences, etc.). If any of these certifications, classifications or licences were to be revoked or not renewed, then this could significantly restrict the activities of AutoWallis Group and could therefore have a substantial negative impact on its profitability.
- The conflict between Russia and Ukraine that began during the spring of 2022 does not have a direct impact on the Group's operation as the Group is not present in these markets and the Group is diversified in terms of both its areas of operation and the positioning of the brands it distributes. However, there may be indirect effects, including:
  - The social implications of the situation could have an adverse impact on the automotive market through a decline in demand.
  - Manufacturers may experience issues with the supply of raw materials and/or parts, leading to potential delays in planned deliveries of cars. These may negatively affect the Group's cash flows.
  - The deterioration of macroeconomic indicators (inflation, volatility of foreign exchange rates, changes in the interest rate environment) could have a detrimental effect on the Group's financing.

The implications of a prolonged conflict are difficult to predict based on the currently available information. The management is continuously monitoring any risks that this may entail, but it believes that reviewing its strategic goals and predictions is unnecessary at the moment.

Risk management

The Company's management is committed to developing and operating a suitable level of internal control which ensures that the Company operates in line with regulatory and ethics standards and the policies in place as well as the reliability of financial statements and minimises operational and compliance risks.

In addition to the requirements of the Group's governance system, the management continuously monitors and discusses any signs of risks, their probability and the associated exposure at its regular monthly business reviews and decides on any necessary steps to be taken. This is also aided by the BI system described in the section on corporate governance through the collection and processing of data. In doing so, the financial risks incurred during the course of operation, amongst others, are analysed by the Company both systematically and by business. The risks analysed include market risks (foreign exchange risk, fair value risk, interest rate risk and price risk), credit risk, payment risk and cash flow risk. The Group's intention is to minimise the potential effect of these risks. The Group is not involved in financial arrangements serving speculative purposes. AutoWallis Group presents its price risk, credit risk, interest rate risk, liquidity risk and cash flow risk (also numerically, if possible) in the consolidated IFRS financial statements of AutoWallis Group.

COMPANY STRUCTURE AND SITES

Registered offices and sites of the entities in AutoWallis Group[7]

- AutoWallis Nyilvánosan Működő Részvénytársaság, registered office: 1055 Budapest, Honvéd utca 20.
- AW Distribution Kft.: registered office: 2040 Budaörs, Szabadság utca 117.
- AW OPL Distribution Kft.: registered office: 2040 Budaörs, Szabadság utca 117.
- AW FRZ Distribution Kft.: registered office: 2040 Budaörs, Szabadság utca 117.
- WAE Hun Kft.: registered office: 2040 Budaörs, Szabadság utca 117.
- AW SLO Distribution d.o.o.: registered office: Leskoškova cesta 9E, 1000 Ljubljana
- AW CRO Distribution d.o.o.: registered office: 10020 Zagreb, Ulica Damira Tomljanovića – Gavrana 15.
- AW CZ Distribution s.r.o.: registered office: Pujmanové 1753/10a, Nusle, 140 00 Praha 4
- AW RO Distribution S.r.l.: registered office: Bucuresti, Sector 1, Str. Fagaras, Nr.9-13, Et.4, Ap.10
- AUTOWALLIS R RO S.r.l.: registered office: Bucuresti, Sector 1, Str. Fagaras, Nr.9-13, Et.4, Ap.10
- Wallis Adria d.o.o.: registered office: 10020 Zagreb, Ulica Damira Tomljanovića - Gavrana 11.
- Wallis British Motors Kft.: registered office: 1044 Budapest, Váci út 76-80.
- Wallis Motor Duna Autókereskedelmi Kft.: registered office: 1097 Budapest, Könyves Kálmán krt. 5.
- Wallis Motor Pest Autókereskedelmi Kft.:
  - registered office: 1138 Budapest, Váci út 175.
  - sites: 1140 Budapest, Hungária krt. 95.; 1143 Budapest, Francia út 38.
- Wallis Autókölcsönző Kereskedelmi és Szolgáltató Kft.: registered office: 1138 Budapest, Váci út 141., site: 1033 Budapest, Kórház utca 6-12.
- Wallis Autómegosztó Zrt. (dissolved by merger on 30 September 2024)
- Iniciál Autóház Kft.:
  - registered office: 9028 Győr, Külső Veszprémi utca 6.
  - site: Győr, Külső Veszprémi utca 5.
- ICL Autó Kft.:
  - registered office: 9028 Győr, Külső Veszprémi utca 6.;
  - sites: 9400 Sopron, Balfi út 162.; 9700 Szombathely, Vásártér u. 3.; 9200 Mosonmagyaróvár, Szekeres Richárd u. 17.
- Wallis Kerepesi Kft.: registered office: 1106 Budapest, Kerepesi út 85.
- K85 Kft: registered office: 1106 Budapest, Kerepesi út 85.
- Wallis Motor Ljubljana d.o.o.: registered office: Celovška cesta 182, 1000 Ljubljana
- VCT78 Ingatlanhasznosító Kft.: registered office: 1055 Budapest, Honvéd utca 20.
- AW Csoport Szolgáltató Kft.: registered office: 1055 Budapest, Honvéd utca 20.
- DALP Kft.; registered office: 1055 Budapest, Honvéd utca 20.
- AW Property Kft.; registered office: 1055 Budapest, Honvéd utca 20.
- AVTO AKTIV SLO d.o.o.; registered office: Celovška cesta 182, 1000 Ljubljana, Slovenia
  Sites:
  - AVTO AKTIV, KRANJ, Mirka Vadnova 2a, SI-4000 Kranj, Slovenia
  - AVTO AKTIV, KOPER, Ankaranska cesta 12, SI-6000 Koper, Slovenia
  - AVTO AKTIV, TRZIN, Ljubljanska cesta 24, 1236 Trzin, Slovenia
  - AVTO AKTIV, NOVA GORICA, Industrijska cesta 9, 5102 Nova Gorica, Slovenia
  - AVTO AKTIV, BTC CITY LJUBLJANA, Latinski trg 5, SI-1000 Ljubljana, Slovenia

- AAI PROPERTIES d.o.o.; registered office: 1000 Ljubljana, Celovška cesta 182, Slovenia
- C182 LJUBLJANA d.o.o.: Registered office: 1000 Ljubljana, Celovška cesta 182, Slovenia
- Net Mobilitás Zrt.: registered office: 1055 Budapest, Honvéd utca 20.
- Logic Car Kft.: registered office: 1055 Budapest, Honvéd utca 20.
- Nelson Flottalízing Kft.: registered office: 1061 Budapest, Király utca 38. 1/8

[7] As at 31 December 2024

    - sites: 8143 Sárszentmihály, Árpád utca 1/A; 8000 Székesfehérvár, Vörösmarty tér 1., 1095 Budapest, Soroksári út 26.
- Nelson Sales Kft. (dissolved by merger on 30 September 2024)
- Nelson Assistance Kft. (dissolved by merger on 30 September 2024)
- AW Marketing és IT szolgáltató Kft.: registered office: 1055 Budapest, Honvéd utca 20.
- NC Auto s.r.o.: registered office: Březhradská 195, Březhrad, 503 32 Hradec Králové
- Milan Král a.s.: registered office: Pod Stromovkou 211, 370 01 Litvínovice
- MILAN KRÁL HOLDING a.s.: registered office: Pod Stromovkou 211, 370 01 Litvínovice
- ACR auto, a.s.: registered office: Pod Stromovkou 211, 370 01 Litvínovice
- MNC auto a.s.: registered office: Pod Stromovkou 211, 370 01 Litvínovice
- MK KAR-LAK s.r.o.: registered office: Pod Stromovkou 211, 370 01 Litvínovice
- MK správní společnost s.r.o.: registered office: Pod Stromovkou 211, 370 01 Litvínovice

Joint ventures:

- AutoWallis Caetano Zrt.; registered office: 1055 Budapest, Honvéd utca 20.
- RN Hungary Kft.: registered office: 1138 Budapest, Váci út 140. Site: 9027 Győr, Platánfa utca 1.
- AWSC Retail Kft.: registered office: 1097 Budapest, Fék utca 2-4.

SHARE CAPITAL OF THE COMPANY AND INFORMATION ON SHARES

Share capital and shares of the Company

The Company's share capital is made up exclusively of series "C" shares listed on the Budapest Stock Exchange (i.e. a regulated market). The number and total nominal value of these shares as at 31 December 2023 is as follows:

Series of shares	Nominal value (HUF/unit)	Number of units	Total nominal value (HUF)
Series "C" (ordinary shares)	HUF 12.50	539,456,846 units	HUF 6,743,210,575
Total share capital:			**HUF 6,743,210,575**

Information on shares

Share type	Ordinary share
Type of security	Registered
Method of creation	Dematerialised
Identifier (ISIN)	HU0000164504
Ticker	AUTOWALLIS
Nominal value of the security	HUF 12.5
Number of securities listed (units)	539,456,846
Total nominal value	HUF 6,743,210,575
Right to dividends	Full year
Date of listing	25 June 2013
First trading day	25 June 2013
Stock exchange category	Premium

Investors with a significant share

The following table lists the shareholders of the Company with a share greater than 5% as at 31 December 2024 for the listed series:

Name	Name of security (ISIN code)	Custodian (yes/no)	% held
Wallis Tőkeholding Zrt.	HU0000164504	no	58.29%
Wallis Asset Management Zrt.	HU0000164504	no	7.55%
Széchenyi Alapok kockázati tőkealap	HU0000164504	no	7.59%
Total:			**73.43%**

Rights and obligations relating to shares

The Company's shareholders are entitled to the membership rights and monetary rights set out in the statutory regulations and the Company's Articles of Association on the basis of their dematerialised registered shares.

The shares are freely transferable, subject to the provisions of the Company's Articles of Association, and the transfer of the shares issued by the Company is not limited by the deed of foundation (Articles of Association). Dematerialised shares are transferred by having them credited to and removed from the relevant securities accounts.

The Company's Board of Directors (or its representative) keeps a share register that lists shareholders possessing registered shares and shareholder proxies by share type, in which the name (company name) and home address (registered office) of each shareholder and shareholder proxy, the series, number and nominal value of the shares owned by each shareholder, the ownership percentage of the shareholder and the date of registration are recorded.

Transfers of registered shares are effective and shareholders may exercise their shareholder's rights against the Company only if the shareholder (i.e. the party that acquires the share) is registered in the share register. Deleted information must also be identifiable in the share register. Shareholders may access the share register and may request a copy of the section of the share register that is relevant to the shareholder in question from the Board of Directors (or the representative of the Board of Directors), and the keeper of the share register must comply with such request within five days. Third parties may access the share register.

Shareholders are entitled to a proportionate part of the profits of the Company (dividend) which is distributable and approved for distribution by the General Meeting under Section 3:261 (1) of the Civil Code based on the nominal value of their shares. Dividends may also be paid by the Company in the form of in-kind benefits or as a combination of monetary and in-kind benefits. Shareholders are entitled to dividends if they are listed in the share register at the time of the General Meeting that decides on dividend payment. Shareholders are only entitled to dividends in proportion to their cash contribution already paid.

Having regard to the fact that the Company's ordinary shares are listed on the Budapest Stock Exchange, the final amount of the dividend must be disclosed no later than two trading days before the ex-coupon date (as defined in the Regulations for Listing, Continued Trading and Disclosure of Budapesti Értéktőzsde Zrt.) under the Regulations for Listing, Continued Trading and Disclosure. The earliest permitted ex-coupon date is the third trading day following the date of the General Meeting (or, in the case of a dividend advance, the meeting of the Board of Directors) that determines the amount of the coupon.

The Company's shareholders are entitled to participate in the General Meeting, to request information in connection with agenda items and to participate in decision-making by casting their votes. The Company's shares represent voting rights at the General Meeting, the voting power of which depends on the nominal value of each share. Shares of the same nominal value represent equal voting rights.

The Board of Directors must provide the required information on matters listed on the agenda of the General Meeting to shareholders submitting a written request at least eight days before the date of the General Meeting. Such information must be provided no later than three days before the date of the General Meeting. The Board of Directors may refuse to provide such information only if the Board of Directors is of the opinion that doing so would reveal trade secrets of the Company. Providing information is mandatory even in such cases if a resolution adopted by the General Meeting requires the Board of Directors to do so. The provision of information that does not contain any trade secrets may not be limited. However, shareholders may not access the Company's business records or other business-related documents.

Shareholders holding at least one (1) percent of the voting rights may, by stating the reason, request in writing that the Board of Directors place a specific item on the agenda of the General Meeting. Shareholders may exercise this right within eight days from the publication of the notice convening the General Meeting. Shareholders holding at least one percent of the voting rights may also submit draft resolutions relating to agenda items in writing within eight days from the publication of the notice convening the General Meeting.

Shareholders may exercise their shareholder's rights (including voting rights) either directly or through a proxy. Such power of attorney is valid until the next ordinary General Meeting or extraordinary General Meeting is adjourned. Members of the Board of Directors and the Supervisory Board, directors, the Company's auditor and senior employees of the Company may not act as proxies for shareholders, unless such individuals (with the exception of the auditor) possess clear voting instructions for each draft resolution given in writing by the shareholder issuing the power of attorney. The power of attorney must be submitted to the Company in the form of a public document or a private document with full probative force.

Information on the issue of shares and the purchase of treasury shares

The General Meeting of the Company issued Resolution No. 13/2024. (IV.26.) to authorise the purchase of treasury shares as follows:

a) Type of shares that may be acquired: ordinary shares.

b) Number of shares that may be acquired: the total number of the shares issued in the particular series, not exceeding 25% of the share capital.

c) Face value of the shares that may be acquired: HUF 12.5.

d) The lowest amount of consideration in case of a purchase: a price that is 20% lower than the closing price on the trading day preceding the transaction.

e) The highest amount of consideration in case of a purchase: a price that is 25% higher than the closing price on the trading day preceding the transaction.

In Resolution No. 14/2024. (IV. 26.), the general meeting of AutoWallis Nyrt. authorised the Board of Directors to increase the Company's share capital in accordance with Section 3:294 (1) of the Civil Code and Section 11.1 of the Articles of Association, as follows:

- The highest amount to which the Board of Directors may increase the share capital of the Company: HUF 10,000,000,000, i.e. ten billion forints.
- The share capital of the Company may be increased by issuing new ordinary shares and/or any type of preferential shares and/or convertible bonds and/or mandatory convertibles and/or any combination thereof.
- The Board of Directors is also authorised to limit or exclude pre-emptive subscription rights granted under the Civil Code or the Articles of Association.
- The new ordinary shares to be issued during the capital increase must be admitted to trading on the stock exchange by the Board of Directors.
- Period available for the capital increase: 5 (five) years from the day following the date of the Company's General Meeting on 26 April 2024. This authorisation to increase share capital is renewable and applies to all cases and methods of share capital increase and any combination thereof, and may be exercised several times during the above period.
- On the basis of the authorisation to increase the share capital, the Board of Directors shall also decide on matters relating to the increase of the share capital which are otherwise within the competence of the General Meeting under the Civil Code or the Articles of Association.

OTHER

Research and experimental development

AutoWallis Group did not carry out any research and development activities in 2024.

Material information

All material information which could materially impact operations outside of the normal course of business was published by the Board of Directors at the places where the documents of AutoWallis Nyrt. are published. The management is not aware of any agreements to indemnify members of the management or employees.

Consolidated Sustainability Report

Table of Contents

1. General information

1.1. Basis for the preparation of the sustainability report

1.1.1 General basis for preparation of sustainability statements

[BP-1]

Presentation of the sustainability report

This document is the Integrated Report of AutoWallis Nyilvánosan Működő Részvénytársaság (hereinafter individually referred to as: "AutoWallis Nyrt." or "AutoWallis") and its consolidated subsidiaries (hereinafter collectively referred to as: "AutoWallis Group" or "the Group") for the year 2024 (1 January 2024 to 1 December 2024), the purpose of which is to present our sustainability and transparency efforts and our consolidated financial data to all stakeholders. The scope of consolidation is the same as that of the financial statements.

The sustainability report has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) of the European Union and the relevant European Sustainability Reporting Standards (ESRS), in line with the sustainability requirements and statements set out in the aforementioned directives and Act C of 2000.

Members of the sustainability reporting working group and the persons responsible for the organisation's datapoints were involved in the development of the report, performing verification tasks. Following expert and internal reviews, the completed report was commented on by ESG Director Gábor Székely, and the final document was approved by the Company's Board of Directors.

Representation of our value chain in the sustainability report

The company considered both the upstream and downstream value chain when identifying impacts, risks and opportunities, as well as during the Scope 3 calculation. In terms of data for value chain performance, AutoWallis Group's primary goal for the 2024 report was to improve the presentation of the Group's performance, but it has also identified the relevant partners and begun developing a data collection framework, and plans to present the performance of the full upstream and downstream value chain in its sustainability report no later than 2028.

Omitted information

As a first-time reporter, this is the first year that AutoWallis is preparing its sustainability report in accordance with the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD). The provisions of the ESRS and the CSRD allow undertakings to omit certain information.

Our sustainability report does not cover any topic or information which we do not intend to disclose in the report on the basis of the option to omit sensitive information corresponding to intellectual property, know-how or the results of innovation.

Under Section 134/J of the Accounting Act, the Group is required to prepare its consolidated business report in the electronic reporting format (XHTML) specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) and to mark it up using that electronic reporting format. Since the ESEF taxonomy for sustainability reporting has not yet been adopted, the Group was unable to mark up the disclosures.

Although compliance with the tagging obligation has been postponed under the provisions of the ESRS, AutoWallis has prepared the report with those requirements in mind. Accordingly, the following tables present the information associated with the relevant disclosures.

ESRS sustainability matters in a yes/no format	BP-1
The company is not required to prepare financial statements.	no
The integrated sustainability report was prepared in accordance with Article 48i of Directive 2013/34/EU.	yes
The company made use of the option to omit specific information corresponding to intellectual property, know-how or the results of innovation.	no
The company made use of the option provided by the Member State to omit the disclosure of impending developments or matters in the course of negotiation.	no

1.1.2 Disclosures in relation to specific circumstances
[BP-2]

Restatement of information

AutoWallis Group is publishing its sustainability report under the ESRS for the first time. Accordingly, the presentation of reporting errors in prior periods and changes will be relevant in the next reporting period.

Other sustainability reporting practices applied

We did not adopt the practices of any other reporting standards in our report.

Disclosures using a reference document

- Consolidated financial statements 10.2

Estimates included in the report

In preparing the report, we made value chain estimates regarding GHG emissions, which we considered to be sufficiently reliable based on industry standards. In cases of incomplete reporting, these estimates were calculated using a proxy-based approach. The estimates were reviewed by the team of experts responsible for compiling and overseeing the GHG inventory. Further details are provided in the chapter on Scope 3 emissions.
Due to reporting difficulties for disclosure E5-5 in the report, we used estimates for the amount of municipal and non-hazardous waste, as well as for the disposal of non-hazardous waste through incineration and landfill.
Where no actual data was available, we used estimates for disclosure S1-16 to calculate the median annual total remuneration of all employees in the given subsidiary (excluding the highest paid individual).

Time horizons

The time horizons of the currently applicable strategic and business plans do not differ from those defined in ESRS 1.

Phased-in requirements under Appendix C

AutoWallis Group postpones the application of the following disclosure requirements set out in Appendix C:

1. **ESRS E1-9:** Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
2. **ESRS E5-6:** Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities
3. **ESRS S1-7:** Characteristics of non-employee workers in the undertaking's own workforce
4. **ESRS S1-11:** The undertaking may omit the information prescribed by ESRS E1-11 for the first year of preparation of its sustainability statement.
5. **ESRS S1-12:** Percentage of employees with disabilities
6. **ESRS S1-13:** Training and skills development
7. **ESRS S1-15**: Work-life balance

Also, the disclosure of the following datapoints specified in Appendix C is postponed:

1. **ESRS S1-14**: Cases of work-related ill-health and number of days lost to injuries, accidents, fatalities and work-related ill health, and information on non-employees:

S1-14	**88 (d)**	Number of cases of recordable work-related ill health
S1-14	**88 (e)**	With regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health
S1-14		Information on non-employees under disclosure requirement S1-14

2. **ESRS SBM-3:** Information required under SBM-3 paragraph 48 (e) (anticipated financial effects):

SBM-3	**48 (e)**	The anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term

By phasing in these disclosure requirements, we ensure that the quality, reliability and comparability of the relevant data will meet ESRS requirements in the future. Accordingly, we are continuously working on improving our reporting systems and expanding our data collection capabilities.

ESRS sustainability matters in a yes/no format	BP-2
Changes have occurred in the preparation and presentation of sustainability information compared to the prior reporting period(s).	Yes
The undertaking relies upon European standards approved by the European Standardisation System (ISO/IEC or CEN/CENELEC standards).	No
The undertaking has identified material prior period errors.	No

1.2. Governance

1.2.1 The role of the administrative, management and supervisory bodies [GOV-1]

The Group's management body is the Board of Directors, which is responsible for the strategic planning and management of the company. The members of the Board of Directors are elected by the General Meeting for an indefinite term, and their work is overseen by the Supervisory Board in order to safeguard the interests of the Company. The Board of Directors meets regularly and convened 13 times in 2024.

	2024
Number of executive members[8]	11
Number of non-executive members	1,325
Total number of executives	11
Number of male executives	11
Percentage of male executives (%)	100%
Number of female executives	0
Percentage of female executives (%)	0%
Number of independent board members	4
Percentage of independent board members (%)	36%

The total number of executives reported includes business unit and area leaders, as well as heads of functional areas (e.g. sales and marketing) at the central (HQ), business unit and subsidiary levels.

The Board of Directors is responsible for developing the Group's business strategy and coordinating the activities of the subsidiaries. The Board makes decisions on matters involving the sustainability strategy, relying on the expertise of not only the ESG Director, but also the individual members of the Board of Directors, the Supervisory Board and the Green Committee.

Members of the Board of Directors and the Supervisory Board with expertise in sustainability and in the sectors, products and geographical locations of the company:

- **Tibor Veres**, Member of the Board of Directors: Currently serves on the Boards of Directors of WING Group and Graboplast, as well as on the Board of Trustees of UNICEF Hungary.
- **Gábor Ormosy**, Chief Executive Officer: Starting from 2004, he worked as the CFO and later as the CEO of Wallis Autó Holding, and also held the position of CFO at Wallis Group. He studied at Corvinus University of Budapest and Georgetown University. In 2006, he founded and led MAG Zrt. and later held executive positions at MKB Bank and the Veolia Group.
- **Zsolt Müllner**, Chairman of the Board of Directors: Graduated in economics from the Budapest University of Economics and Business. He has been with Wallis Group since 1994, initially as the Managing Director of Wallis Motor and later as the Chairman and CEO of Wallis Auto Holding. Since 2007, he has served as the CEO of Wallis Asset Management Zrt. He is also a member or the chairman of the boards of several companies, including Graboplast Zrt., WING Zrt. and Venturio Zrt. He played a key role in founding ALTEO Group and in the stock market launch of AutoWallis.
- **Ferenc Vaczlavik**, Member of the Board of Directors: An economist who started his career in 1998 at Magyar Telekom, followed by leadership roles both in Hungary and abroad. He worked as CFO at the Central European subsidiaries of Liberty Global and AMC Networks. He has held the position of CFO of AutoWallis Nyrt. since 2021.
- **Gyula Mező**, Member of the Board of Directors: Holds degrees in electrical engineering and engineering economics. He gained leadership experience in finance at DuPont, Leo Burnett and Citibank. He was formerly the Deputy CEO for Finance at Wallis Asset Management and the Chairman of the Board of Directors at Alteo Nyrt. He is currently the CEO of Wallis Asset Management and serves on the boards and supervisory boards of several companies.
- **Ferenc Karvalits**, Member of the Board of Directors: An economist who graduated from the Budapest University of Economics and Business and Columbia University. He was formerly the Deputy Governor of the Hungarian National Bank,

[8] The Group's executives include the executives of the subsidiaries.

the Co-CEO of CIB Bank and the Chairman of FHB Bank. Starting from 2013, he worked as Chief Strategy Officer at Wallis Asset Management, where he is currently the Deputy CEO for Strategy, and is also a board member and supervisory board member at WING and Graboplast.

- **Bence Buday**, Member of the Board of Directors: Graduated from Corvinus University of Budapest and the INSEAD MBA programme. He began his career at McKinsey & Company, after which he worked on the integration of Vodafone and UPC. He was the CEO of Wallis Autómegosztó Zrt. between 2020 and 2023 and is currently the Chief Transformation Officer and Deputy CEO at Wallis Asset Management. He serves on the boards of WING and Graboplast Zrt.
- **Attila Chikán Jr.**, Chairman of the Supervisory Board: An expert in energy and economics and the CEO of ALTEO Nyrt. He is actively involved in sustainability issues and serves as Chairman of the Business Council for Sustainable Development in Hungary (BCSDH).
- **Péter László Lakatos,** Member of the Supervisory Board**:** Graduated in accounting and business valuation from Corvinus University of Budapest and later earned a PhD there. He then obtained a law degree from the Faculty of Law at ELTE. He has taught at Corvinus University since 2002 and is currently the head of its Institute of Accounting and Law. He has gained practical experience at large corporations and has led large-scale international accounting projects since 2004. He is the auditor of a number of listed Hungarian companies and regularly participates in capital market transactions as an advisor and manages accounting system transformations in Hungary and abroad. He also serves as a forensic expert in complex cases involving capital and financial markets.
- **György Ecsery**, Member of the Supervisory Board: An expert with over 20 years of experience in the financial and real estate sectors. He holds an engineering degree from the University of Technology and an MBA from Durham University in the UK. He has worked at Wallis Group for ten years as a project director and supports several members of the Group as a board member and supervisory board member.
- **Géza Deme**, Member of the Supervisory Board: Holds a degree in economics from the Faculty of Economics at the University of Miskolc. He began his career at K&H Bank in 1995 where he gained experience in corporate finance. In 2000, he worked on transforming the bank's corporate processes as a member of the CEO's team. He was a senior manager at Magyar Factor Zrt. between 2001 and 2002, after which he led a successful advisory firm specialising in trade finance and credit insurance solutions as the owner and executive officer for four years. He served as Deputy CEO and later CEO and Chairman of CIB Faktor Zrt. from 2007 and became CEO and board member at Start Garancia Zrt. in 2021. He oversaw the transformation of operations to support the company's new strategy. He has been the CEO of Széchenyi Alapok Zrt. since February 2023 and the Chairman of the Board of Directors since April 2023.

The preparedness of the members of the Board of Directors on sustainability topics is supported through participation in forums, presentations and training on sustainability, which cover recent developments, opportunities and risks.

As of now, the percentage of female executives within the Board of Directors and Supervisory Board of AutoWallis is 0%. We are, however, committed to strengthening diversity and are striving to increase their representation.

The CEO is responsible for managing the operations of the company. The members of the Audit Committee, which operates under the Supervisory Board, are elected by the company's General Meeting from among the independent members of the Supervisory Board, in accordance with the provisions of the Civil Code. The responsibilities of the Audit Committee include reviewing and approving the company's integrated report as required under the Accounting Act, and overseeing the audit of the report.

The Green Committee of the Company acts as an advisory body to the Board of Directors, and its primary responsibility is to monitor the allocation and use of proceeds from green bonds, which means that funds may only be allocated to projects or investments classified by the Green Committee as green projects. Each year, the Committee summarises the allocation and impact of green funding in the Allocation and Impact Report (Green Report). Members of the Green Committee include Gábor Székely, IR (Investor Relations) and ESG Director, business unit leaders Péter Antal, Péter Ilyés and Pál Bihari, as well as Beatrix Szabó, Sustainability and EHS (Environment, Health and Safety) Director at ALTEO Nyrt. as an external expert. The committee typically meets quarterly, but at least once a year.

The Chairman of the Green Committee is responsible for developing the Company's ESG strategy and overseeing its sustainability impacts, risks and opportunities. The ESG Director is also a member of the company's Risk Management Committee, which approves and incorporates all identified sustainability impacts, opportunities and risks into the Company's risk management strategy. In addition, the ESG Director is responsible for managing and monitoring these impacts, risks and opportunities, and reports on them to the Board of Directors and the Supervisory Board at least once a year.

The company provides for employee representation by granting special authority to a member of the Supervisory Board to investigate reports submitted through the whistleblowing system. This member has the authority to independently review any complaints concerning any of the company's executives, thereby protecting the interests of employees and ensuring that fair procedures are adopted.

Key management bodies

1.2.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

[GOV-2]

The ESG Director reports once a year and the Risk Management Committee reports semi-annually on material sustainability-related impacts, risks and opportunities, the relevant policies, objectives and measures, as well as the due diligence process and its application to the CEO, the Board of Directors, the Executive Team, business unit leaders and the Director of Real Estate Management.The Board of Directors and the Supervisory Board receive reports from the internal audit department and on the work of the Risk Management Committee twice a year. The Risk Management Committee makes recommendations to the Board of Directors in connection with processes, indicators and methodologies. The Board of Directors takes ESG aspects into account when making key business decisions, with particular regard to the climate risk assessment prepared in 2024 and the long-term goals outlined in the transition plan and the ESG strategy. In our business decisions, we focus strongly on ethical, social and environmental considerations, such as increasing the ratio of electric and hybrid vehicles in our own fleet (for our carsharing, long-term lease and rent-a-car services), installing electric chargers and solar panels, increasing the energy efficiency of the properties owned and leased by us, and using green energy.

A key decision and investment was the acquisition of the carsharing company wigo in 2023, during which the social and environmental impacts of carsharing were also treated as top priorities. A single shared vehicle can replace up to 16 traditionally owned cars. By using Euro 6 compliant and electric vehicles, we significantly reduce pollutant emissions compared to a typical car in Hungary, which is 15.8 years old on average and equipped with a conventional powertrain (Euro 3 or Euro 4 engine), the emissions of which can be up to 5 to 6 times those of Euro 6 engines). The social and environmental impacts of carsharing continued to be important considerations during the comprehensive integration process in 2024. This integration has resulted in more efficient fleet management and faster service.

Sustainability issues addressed by the company's bodies during the reporting period

During the reporting period, the company's various bodies were actively engaged in sustainability matters: in our own fleet, vehicles with a higher consumption and higher CO2 emissions were replaced by electric or low-consumption hybrid vehicles, and we installed solar panels on several of our properties. For company cars, we aimed to encourage as many employees as possible to choose electric or hybrid models. An important decision was to reimburse employees for the home charging of company vehicles based on charging reports, thereby further promoting the choice and convenient everyday use of electric or plug-in hybrid models.

Risk Management Committee

The Risk Management Committee regularly reviewed ESG matters and developed the Group's risk matrix, which identified 192 risk elements based on a comprehensive assessment. It then prioritised and weighted these risks based on the guidance provided by the Board of Directors and defined its annual work programme in order to allow the Group to clearly understand the significance of ESG risks and develop methodologies for managing each risk.

Audit Committee

In terms of non-financial data, the Audit Committee was actively involved in selecting the auditor in order to ensure the correctness and reliability of the data presented in the sustainability report. Its responsibilities also include expressing an opinion on the financial statements prepared in accordance with the Accounting Act, monitoring the audit of the financial statements prepared in accordance with the Accounting Act, submitting a proposal for the selection of the auditor and their remuneration, preparing and signing the contract with the auditor, ensuring that the auditor complies with professional standards and, if necessary, proposing measures to the Supervisory Board. Additionally, the Audit Committee is responsible for assessing the operation of the financial reporting system and proposing any necessary measures, assisting the Supervisory Board in properly overseeing the financial reporting system, and reviewing the effectiveness of the internal audit and risk management systems.

Executive Team

The expert analysis prepared by an external expert on climate risk assessment was validated by the Executive Team during the management meeting. In this context, the Executive Team also made decisions regarding the Group's commitments and the use of 2025 as the baseline year. The choice of 2025 as the baseline year is justified by significant acquisitions, organisational changes and new practices in sustainability reporting and emissions calculations. Accordingly, the Group's commitments under the ESRS-aligned transition plan for climate change mitigation will be determined relative to the 2025 baseline year.

Board of Directors

The Board of Directors regularly addresses issues of social responsibility, which are of key importance for achieving the company's sustainability goals. The management of ESG risks has been given high priority, and the annual work programme of the Risk Management Committee and the scope of risks assessed have been defined accordingly.

New policies

In 2024, we developed new policies for all material topics, including conflicts of interest, anti-corruption and privacy. These policies directly contribute to ethical company operation, legal compliance and the protection of our clients' data.
The policies were prepared and drafted by the Risk Management Committee with the involvement of the Group Compliance Officer and the Group Legal Department. Policies related to ESG matters were approved by the CEO through resolutions.

Whistleblowing system

During the reporting year, we reviewed our group-level whistleblowing and ESG complaints reporting system, which will include a suggestions line as well. For our foreign subsidiaries, the online reporting platforms are currently being translated into all relevant regional languages, and the entire system will be relaunched in the first quarter of 2025. The Risk Management Committee was responsible for regularly reviewing our ESG complaints and whistleblowing lines, which are operated according to the relevant internal policies. Detailed information on the reporting system is provided under disclosure S1-3.

Urban Mobility Services:

In 2024, AutoWallis Group introduced the first integrated mobility service in Hungary. To this end, Nelson and wigo were merged into a single legal entity from both an operational and a legal aspect, enabling more efficient fleet management, the exploitation of synergies and faster response to changing market needs.
As part of the integration, a significant percentage of our vehicles with conventional powertrains were replaced by hybrids. With the introduction of Opel hybrids, models with an urban consumption of 10 litres were replaced by models consuming 5 litres, resulting in significant fuel savings and reductions in CO_2 emissions. Further details on this topic are provided in chapter E1-6 of the report. This measure is environmentally beneficial, particularly in urban settings. The decisions related to the process were supervised and approved by the Executive Committee.

Data processing and security:

In the reporting year, the Risk Management Committee focused strongly on standardising data processing efforts across the Group, which is planned to be implemented at group level in 2025. The group-wide system has already been developed and is currently being rolled out at the subsidiaries.
The measures described in this chapter outlining our corporate governance actions in broad terms contribute to achieving the company's sustainability goals, ensuring that all of our business decisions and activities are aligned with our sustainability goals.

Organisational structure

1.2.3 Integration of sustainability-related performance in incentive schemes

[GOV-3]

Our current remuneration policy at AutoWallis Nyrt. includes fixed and variable, as well as short- and long-term incentive schemes. These incentives are provided by the company in the form of remuneration, which is proportional to the tasks performed, the degree of responsibility and the Group's available funds, profitability, importance in the national economy, net sales revenue and employee headcount. The incentives support our Group's business strategy, long-term interests and sustainability, and ensure transparency and accountability in corporate governance. By using defined performance criteria, our goal is to encourage directors to make decisions that take into account the long-term interests of investors, external and internal stakeholders, owners and employees. The performance-based remuneration of the Board of Directors considers our Group's strategic objectives and values. Bonus awards for directors include weighted group-level, business unit, subsidiary and individual targets.
At the moment, executive remuneration does not depend on performance in terms of the company's sustainability goals or impacts, and the remuneration system does not take climate considerations into account among non-financial performance indicators. In the future, however, we plan to incorporate performance evaluation in terms of sustainability goals and climate considerations into our remuneration system, thereby encouraging executives to actively contribute to and achieve results in these key areas. At present, executives and employees have sustainability objectives included in their incentive schemes only if their line of work specifically involves sustainability, its internal regulation or establishing the necessary measurement system, or if their objectives indirectly enhance the sustainability of our business operations. Good examples include the efficient management of the mobility service fleet by deploying vehicles with a lower consumption and thus lower CO_2 emissions, or targets related to green financing and green projects.

1.2.4 Statement on due diligence

[GOV-4]

AutoWallis Group is committed to sustainability and responsible business conduct. To this end, it has integrated or is integrating comprehensive ESG due diligence procedures into its governance and operational structure in relation to its own operations.

Statement on due diligence	
a) embedding due diligence in governance, strategy and business model	We incorporate sustainability considerations into our business decisions by including ESG aspects among the inputs for our decision-making processes, ensuring that ESG risks and opportunities are sufficiently embedded into our strategy. We pay special attention to integrating ESG aspects into our risk management processes, internal policies and operating model. A key source for this is our Code of Ethics and Business Conduct.
b) engaging with affected stakeholders in all key steps of the due diligence	We engage in extensive dialogue with our stakeholders (including our investors, partners, customers and employees) to ensure that any of their feedback that is relevant to ESG is incorporated into our decision-making processes, even as part of the Double Materiality Assessment (DMA), which is further detailed under disclosure IRO-1. A possible avenue for this could be our ESG Complaints Line, which will be made available to both internal and external stakeholders (in 2025Q1).
c) identifying and assessing adverse impacts	We conduct regular risk assessments across the full spectrum of our operations. There has been and will be a strong focus on ESG in these assessments to help identify and quantify adverse environmental, social and governance impacts. In doing so, we rely not only on internal databases, but also on the expertise of external professionals. Detailed information on this process is provided under disclosure GOV-5 in this report.
d) taking actions to address those adverse impacts	In order to mitigate the ESG risks and adverse impacts identified, we implement specific actions (Action Plans or Remediation Plans), whether in the area of sustainable procurement practices, energy efficiency projects or ethical governance measures. Our objective as a responsible company is to minimise our

	environmental and social footprint. Further details are provided in chapters E1, S1 and G1 of this report.
e) tracking the effectiveness of these efforts and communicating	We monitor and measure our ESG performance and communicate the results in a transparent manner in our annual sustainability reports, as well as through regular communications to investors, partners and customers.

1.2.5 Risk management and internal controls over sustainability reporting

[GOV-5]

Our commitment to sustainability is not only a cornerstone of our long-term corporate strategy, but also an integral part of our operations. Identifying, analysing and managing sustainability risks is essential for ensuring the stable and responsible growth of our business activities. We operate a comprehensive risk management system that allows us to meet and effectively respond to sustainability challenges in a proactive manner, thereby contributing to our long-term success.

In 2024, we completed the development, approval and consolidation of several internal policies, resulting in the implementation of a new internal regulatory framework that applies to all consolidated subsidiaries of the Group.[9] This includes a new common risk management policy.

Along with the CEO of AutoWallis Group, the leaders of the Group's subsidiaries also regularly report on operations and performance to the Board of Directors and to the finance and controlling teams of AutoWallis Group during monthly controlling meetings.

The annual reports of AutoWallis Group must be shared with the Board of Directors, the Audit Committee, the Supervisory Board and the Executive Team at least one week prior to publication. The disclosure of the reports requires an official approval by these bodies.

To support the deeper integration of ESG principles, a dedicated ESG Director role was established in 2022 and was filled by Gábor Székely. With his help, we successfully finalised and published our ESG reports and developed our ESG strategy in previous years.

Within AutoWallis Group, the director responsible for real estate management also oversees various environmental matters, such as energy management, waste management and water management.

The Group's management reviews the signs of risks, the likelihood of their occurrence and the extent of risk exposure every two weeks and decides on the necessary actions during these business reviews. This is carried out within the framework of the Risk Management Committee established by the Board of Directors. In 2024, the Committee launched a comprehensive risk assessment of all the risks that the Group may face. A shortlist of 28 risks was compiled from the 193 risks identified, covering areas such as climate change, increasing energy demand and supply chain risks. The final scope of analysis was narrowed down to areas where the potential impact on the Group's operations is the greatest and where risks can be quantified, allowing for thorough analysis and traceable mitigation efforts. Both quantitative tools (questionnaires, analysis of controlling results, etc.) and qualitative tools (in-depth interviews, benchmark studies, etc.) were used in order to identify risks. We arrived at the Risk Map of AutoWallis Group by assessing and scoring the likelihood of occurrence, the expected impact if realised, and the strength of existing controls for each item of risk. AutoWallis Group is constantly working on the final iteration of the Risk Map and, accordingly, our risk management efforts, and the Group is designing and implementing action plans to address identified threats.

Our risk assessment processes are complemented by executive health screening, mandatory occupational health screening for new hires (which AutoWallis Nyrt. extended to office staff in December 2024), workplace ergonomics and noise level controls, and occupational safety training aimed at ensuring safe working conditions. As part of the annual comprehensive risk assessment, the Group also conducted a sustainability risk evaluation. In order to address the identified gaps, the Group has begun reviewing its existing policies and procedures, with special focus on integrating the required controls into its new policies.

Our Business Intelligence (BI) system plays a key role in achieving our ESG (environmental, social and governance) objectives, particularly by supporting data-driven decision-making and risk management processes.

The system collects and integrates data from various sources (internal company systems, financial data and market analyses), enabling AutoWallis Nyrt. to track and monitor market risks and financial risks for each business unit.

The BI system uses advanced analytical tools to support stakeholders across the organisation in responsible and data-driven decision-making. Near real-time data analysis allows us to respond rapidly to market and financial changes, thereby minimising the potential impact of currency, price, interest rate and other financial risks. These analyses enable AutoWallis Nyrt. to manage market risks proactively, ensuring stable operations that are free from speculation. Additionally, the BI system supports the preparation of our consolidated IFRS financial statements through automated reports, allowing for the quantification of price, credit, interest rate, liquidity and cash flow risks. This not only enhances the transparency of corporate governance, but also promotes compliance with ESG principles.

All in all, the BI system is not only used to analyse financial and market risks, but it also actively contributes to sustainable and responsible corporate governance. Under the currently effective internal policies, any commitment exceeding HUF 50 million that is

[9] The entities acquired at the end of 2024 (entities within MILÁN KRÁL Group) are not subject to this system.

not included in the business plan requires a decision by the Board of Directors. Furthermore, establishing or dissolving an entity, launching a new activity and adopting policies are also among the responsibilities of the Board of Directors.
There is no dedicated internal audit function within AutoWallis Group, and this task is performed by an appointed external independent auditor.
The use of funds raised through green bonds requires approval by the Green Committee (GC) in each case, in the absence of which even the Board of Directors may not allocate funds to projects that the GC has not classified as green. The classification process is governed by the Green Financing Framework of AutoWallis Group, which is available on our company website.

1.3. Strategy

1.3.1 Strategy, business model and value chain

[SBM-1]

Our ESG objectives are closely aligned with the general strategy of our company. Our sustainability efforts include increasing the share of electric vehicles in our offering (including hybrid vehicles) and the development of e-mobility, which involves increasing the number of charging stations at our sites and improving the share of electric and hybrid vehicles within our own fleet. Our objective is for the Group to become a leading integrator in the region for the retail and distribution of motor vehicles and for mobility services by 2028. In 2023, the Group was among the first to open a dealership in Budapest for BYD, one of the leading global manufacturers of electric vehicles. In addition, AutoWallis became the service provider for the importer, supporting the company in marketing, training, logistics and the coordination of the overall activity. AutoWallis Group aims to cover the entire value chain, integrating its commercial and service portfolio in a unified brand structure, thereby maximising operational and sales synergies among group members. Our strategy covers the Central and Eastern European region. In terms of cooperation with stakeholders, the executives or commercial directors are responsible for communication with the respective brands at the retail units, while for imported brands, communication is handled by the brand managers and business unit leaders.

	CLIMATE CHANGE	OWN WORKFORCE	CONSUMERS AND END-USERS	BUSINESS CONDUCT	URBAN MOBILITY SERVICES	WASTE
Goals under the sustainability policy	• Electromobility: Prioritising low-emission vehicles • Energy procurement practices and energy consumption: We are conducting a comprehensive assessment of the energy efficiency of our buildings and our energy consumption to allow us to operate showrooms and service centres which are equipped with the most modern and energy-efficient building engineering solutions possible. • Climate risk mitigation and transition to environmentally friendly solutions, making innovative mobility services available and adopting digital solutions.	• Employee training: In addition to mandatory and optional training programs (e.g. language courses), we also offer ESG training to our employees. • Equal opportunity, diversity and ethical workplace: Developing a workplace that promotes diversity, equal opportunity, health and safety. • Safe and employee-friendly environment:	No specific target identified.	• Social initiatives and support for local communities. • Transparent communication: We engage in transparent and open communication with our customers, partners, shareholders and employees. We publish our sustainability report in the form of a regular annual report.	No specific target identified.	• Waste management practices: We strive to minimise the environmental impact of waste generated and to recycle as much of the waste generated in our operations as possible.

Strategic objectives for 2024	• Improving the energy efficiency of operations, including maximising the use of renewable energy sources. • Reducing primary energy consumption and increasing the share of green energy in the energy mix. • Increasing the share of renewable energy to 30% by 2031	• Annual ESG training and regular mandatory employee training programs • Implementing a common group-wide performance evaluation system, career map and incentive system • Retaining employees and attracting the right mix of a sufficient number of skilled workforce across the Group	• Providing our customers with vehicles that are in impeccable condition and keep up with technological innovations • Ensuring access to safe, affordable and sustainable transportation systems by 2030	• Establishing a company-wide complaints management system • Adopting common group-level governance policies • An audit compliant and IT-supported data collection system which complies with the requirements of the CSRD and the ESG Act.	• Developing a high-quality, reliable, sustainable and flexible infrastructure • Modernising the infrastructure by 2030 to increase resource efficiency and the use of clean and environmentally friendly technologies	• No separate strategic goal has been proposed regarding the amount of waste generated by AutoWallis Group.

Figure 1: Comparison of the objectives set out in the sustainability policy and the ESG strategy

Climate change:

In 2023, AutoWallis Group made a commitment to actively contribute to the fight against climate change. To this end, we are continuously improving the energy efficiency of our operations and are striving to maximise the use of renewable energy sources. Our goals by 2031 include:

- installing 10,000 LED light bulbs,
- increasing the share of renewable energy to 30% and installing solar power plants at all new commercial sites,
- reducing CO_2 emissions by 1,000 tonnes.

Own workforce:

For us, the satisfaction and commitment of our employees are key. We organise annual ESG training sessions and regular employee training. Our aim is to build an organisational structure that is sustainable in the long term and guarantees flexible career paths, effective communication and employee retention. In addition, we also strive to attract the right mix of a sufficient number of skilled workforce across the Group, for which the relevant indicators and targets are currently under development.

Consumers and end-users:

AutoWallis Group is also committed to consumer satisfaction. We always provide our customers with vehicles in impeccable condition. Our goal for the period until 2030 is to sell safe, affordable, accessible and sustainable transportation systems. AutoWallis is dedicated to bringing the freedom and joy of driving to its customers as their long-term partner, offering the leading brands and solutions of the automotive industry.

Urban mobility services:

In the field of urban mobility services, we are developing a high-quality, reliable, sustainable and flexible infrastructure for our customers. Our goals for the period until 2030 include modernising the related systems, increasing the efficiency of resource use and adopting clean and environmentally friendly technologies. We plan to install 100 electric charging stations and put 250 electric vehicles into operation by 2031.

These actions and developments demonstrate AutoWallis Group's commitment to combating climate change, enhancing employee satisfaction, consumer quality and business structure, and developing a sustainable urban mobility infrastructure.

Business performance of AutoWallis in 2024

The growth of the region's leading integrated automotive retail and mobility service provider was supported not only by organic development, but also by the acquisitions completed in 2024, and the increasingly diversified portfolio of our regional company provides a solid foundation for continued and stable growth.

This strong performance is based on the updated strategy of AutoWallis presented in 2024. In addition to organic growth, contributing factors also included the acquisition of three BMW dealerships of NC Auto (Stratos) of the Czech Republic completed in early July, and the launch of the Renault and Dacia dealerships in Budapest during the autumn and their sales figures, both achieving excellent results. In the reporting year, the acquisition of MILAN KRÁL GROUP of the Czech Republic, completed in December 2024, expanded the product portfolio of AutoWallis Group through the launch of the sale and servicing of Mercedes-Benz passenger cars and light commercial vehicles, Mercedes-Benz Trucks heavy commercial vehicles and Ford passenger cars in the Czech Republic.

AutoWallis Group had a strong year in 2024 as the number of vehicles sold by the Group increased by 7.7% to 48,386 units compared to the previous year. The largest growth was recorded by the Retail Business Unit, improving new vehicle sales by 21.9% to 9,637 units, while the sale of used vehicles expanded at an even faster rate (by 24%) to 2,553 units. The Distribution Business Unit increased its sales volume by 3.6% to 36,196 units in 2024.

AutoWallis Group and the member firms included in the report currently employ workforce in six countries (Hungary, Slovenia, Slovakia, Romania, the Czech Republic and Croatia), of which the Hungarian presence is the most significant, followed by Slovenia. Further information on the Group's revenue and a breakdown of revenue by business unit is presented in the Group's consolidated financial statements.

The activities of AutoWallis Group do not involve any products or services that are banned in certain markets. The Group does not generate any revenue from Taxonomy-aligned economic activities related to fossil gases.

The closing headcount of AutoWallis Group as at 31 December 2024 was 923 in Hungary, 211 in Slovenia, 154 in the Czech Republic, 42 in Croatia and 6 in Romania.

Business model and value chain of AutoWallis Group

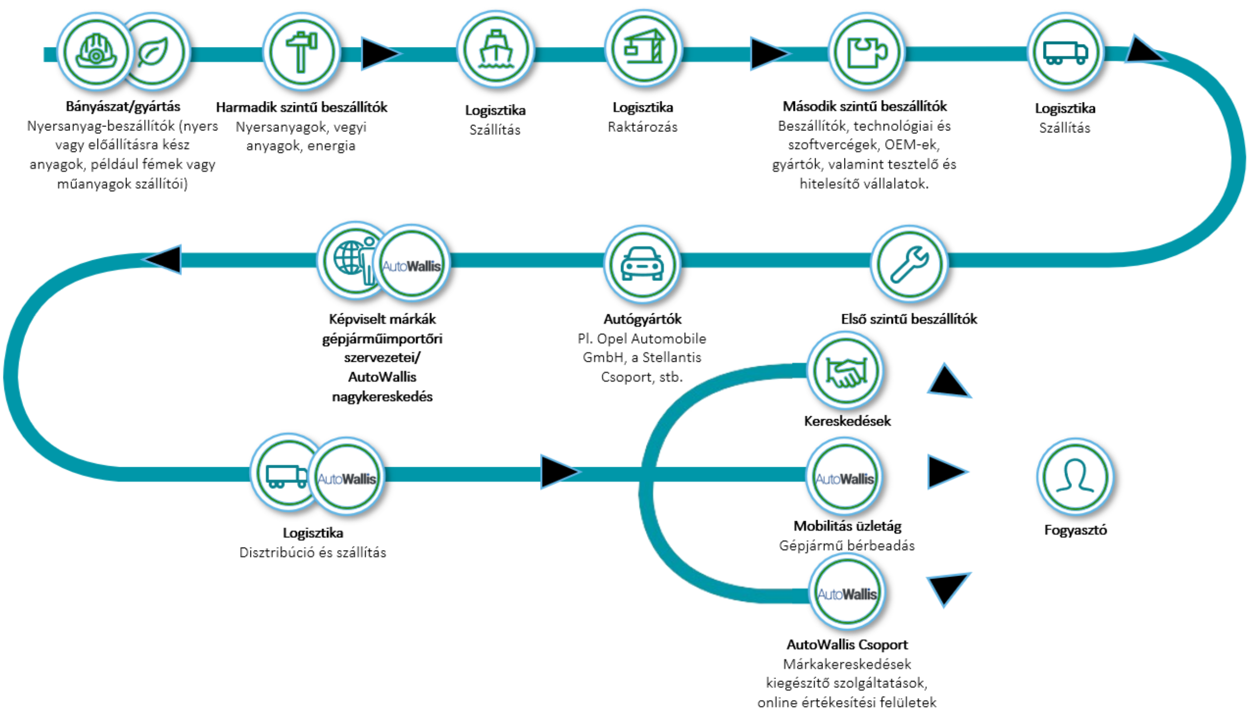


Figure 2: Overview of the value chain of AutoWallis Group

The main procurement sources of our retail units are the vehicle import organisations of the brands we represent. This business unit sells internationally recognised car brands at a regional level and provides customers with comprehensive servicing and additional services for the represented brands. We sell new and used vehicles, as well as motorcycles and parts. In our Retail Business Unit, the service brands of our Mobility Business Unit play an increasingly important role alongside our dealerships, as the short-term and medium-term car rental services of Sixt are available at two locations in Budapest and one in Debrecen. With the integration of the carsharing service wigo and Nelson Flottakezelő, we established Hungary's first integrated mobility service provider, which is engaged in fleet management and short-term car rental (carsharing). Our activities also include operating two online vehicle sales platforms, Jóautók.hu and Auto-Licit.hu.

The main partners and procurement sources of our Distribution Business Unit include car manufacturers such as Opel Automobile GmbH, Stellantis Group, SsangYong (now called KG Mobility Corporation), Jaguar Land Rover Limited, Renault and MG.

The Group's goal is to continuously expand its market presence by adding new brands and conquering new markets. Our foreign presence is demonstrated by the fact that, in addition to our activities in the region, our company is the exclusive representative of the Jaguar and Land Rover brands in eight countries of the Adriatic and Balkan regions, and we are the exclusive commercial provider of MG parts in 13 countries within the region. We are the representatives of the SsangYong brand in Hungary, Romania, Slovakia, the Czech Republic and Austria, and we are responsible for the import of Opel passenger cars and commercial vehicles in Hungary, Slovenia, Croatia and Bosnia and Herzegovina. Furthermore, we represent the Farizon brand as an importer in eight countries in the region, and we have been engaged in the Hungarian import of Renault through a joint venture with Salvador Caetano Group of Portugal since 2022.

In addition to the Group's corporate governance system, the management regularly reviews and analyses potential risks, their likelihood of occurrence and the resulting risk exposure during monthly business reviews. At these meetings, risk factors are monitored and any necessary measures are implemented. The business intelligence (BI) system, which forms part of the corporate governance system, supports data collection and analysis, enabling the Group to assess any financial risks regularly and in detail. These risks include market risks (such as foreign exchange risk, fair value risk, interest rate risk and pricing risk), credit risk, payment risk and cash flow risk. The Group's goal is to minimise the potential effects of these risks.

The war between Russia and Ukraine that began during the spring of 2022 has not had a direct short-term impact on the operation of the Group and its subsidiaries as we are not present in the countries concerned and the Group is diversified in terms of both its areas of operation and the positioning of the brands it distributes. However, there may be indirect short-term effects, including:

- The social implications of the conflict could have an adverse impact on the automotive market through a decline in demand.

- Manufacturers may face issues with the supply of raw materials and/or parts, leading to potential delays in the planned deliveries of cars and thus negatively affecting the Group's cash flows.
- The deterioration of macroeconomic indicators (inflation, volatility of foreign exchange rates and changes in the interest rate environment) could have a detrimental effect on the Group's financing position.

The implications of a prolonged conflict are difficult to predict accurately based on the currently available information. Management is continuously monitoring any risks that may arise in this regard.

The inputs of the business model of AutoWallis Group are essentially the car manufacturers that produce the brands distributed by AutoWallis. When sourcing and securing these inputs, AutoWallis focuses primarily on maintaining high-quality relationships with stakeholders and on ensuring its own reliability.

The strength of our business model is that AutoWallis operates in both retail and distribution, as well as in the mobility sector. For investors, our stock market presence continued to provide a stable and reliable investment in 2024, with our share price increasing during the reporting year. Our expansion through opening new sites creates new jobs, benefiting not only employees, but also the local economy.

The upstream value chain of AutoWallis Group primarily includes key suppliers, i.e. car manufacturers and importers, from whom AutoWallis Group procures vehicles for its retail and distribution operations. In the Distribution Business Unit, these include Opel (Stellantis Group), SsangYong (now called KG Mobility Corporation), Jaguar Land Rover Limited, Renault, Isuzu and Farizon. The procurement of finished goods is based on orders from contracted partners (dealerships). The Distribution Business Unit is not involved in direct sales to end-users. Here, the downstream value chain consists of the contracted logistics partners of the Distribution Business Unit who assist AutoWallis in delivering the finished goods to dealerships. Also included here are the dealerships that choose AutoWallis Group as their supplier. A large percentage of the procurement volume of the Distribution Business Unit is made up of the purchase of new vehicles and factory parts, as well as logistics and marketing costs. The primary procurement sources for the retail units are the vehicle import organisations of the represented brands. These organisations form the Group's upstream value chain. The downstream value chain includes retail customers and end-users who use our mobility services.

1.3.2 Interests and views of stakeholders

[SBM-2]

AutoWallis focuses strongly on considering the opinions of stakeholders affected by its business activities and on communicating with them. Involving our stakeholders plays a key role in both shaping strategic goals and their subsequent revision. The specific steps and timeline of this engagement are defined as the need arises. A number of expectations related to sustainability performance are expressed by our stakeholders, particularly investors, customers and authorities, and we strive to understand these through the methods presented in the table. This approach was also applied during the double materiality analysis, where we presented our stakeholders' views with the help of industry research and experts. The users of the sustainability report were taken into account as shown in the table.

The table below presents the main stakeholder groups we have identified, categorised by type, and outlines the ways we communicate with them, the goal being to gain a better understanding of the Group's performance, reputation, impacts and opportunities. The results of these stakeholder consultations were taken into account during the double materiality assessment and also serve as a key source of information for planning annual ESG tasks.

Main category	*Current method of communication*	*Current methods of stakeholder engagement*
Investors (institutional, professional, retail)	*Direct*	*E.g.: annual reports, regular public reports, investor days, press releases, statements, consultations, etc.*
AutoWallis Group's management	*Direct*	*E.g.: management meetings, strategy development*
Own workforce	*Direct*	*Autospoiler (Intranet), email, face-to-face and phone communication*
Subsidiaries	*Direct*	*E.g.: annual strategy development events*
Suppliers and service providers	*Direct*	*Email and phone communication*
Customers	*Direct*	*Ongoing communication*
Governmental and supervisory bodies, authorities, the Budapest Stock Exchange	*Direct and indirect*	*Email, phone communication, contact via the ERA system (Hungarian National Bank) and the KIBINFO platform (Budapest Stock Exchange)*
General public/society	*Indirect*	*Announcements*
Educational institutions		*Active collaboration and ongoing communication*
Financial institutions and insurance companies	*Direct*	*Consultations, offers, reports, announcements, contact via the closed system of the relevant bank*
Media	*Direct*	*Interviews, announcements, forums, investor days, reports and statements*

Below we present the four main stakeholder groups as defined under the ESRS, which include our own workforce, workers in the value chain, affected communities and consumers.

S1: *Own workforce*

The Group focuses strongly on providing its employees with stable employment, competitive benefits, a safe working environment and equal treatment and opportunities, while also taking their interests into account. In addition, we use various methods to understand the opinions and needs of our colleagues: in 2024, we conducted another comprehensive employee engagement survey, assessing employee needs across different topics via digital questionnaires. We continuously monitor the effectiveness of implemented measures and employee satisfaction through dedicated communication channels. Further information on the above-mentioned engagement survey is provided under disclosure S1-2.

S2: *Workers in the value chain*

AutoWallis builds long-term and stable business relationships with its partners based on years of collaboration. Through these relationships, the company contributes to enhancing job security and sustainability across its value chain.
The company does not have a supplier code of ethics in place at this moment. However, our goal is to approve and implement the already developed policy across the Group in the coming year. Until this separate policy comes into effect, the ethical requirements and provisions outlined in the Group's Code of Ethics and its Procurement Policy remain applicable.

S4: *Consumers and end-users*

Our current external communication with consumers, end-users and capital market participants is primarily conducted via the online platforms of the Group and its individual brands and subsidiaries, announcements, as well as marketing activities, investor relations and public relations. However, due to the Group's diverse operations, the unique requirements of each automotive brand and geographical diversity, these efforts are relatively fragmented. The marketing function not only provides information, but is also responsible for the sales and customer relations procedures which govern direct customer relationships and are managed at the subsidiary level.

Communication with other stakeholders

We communicate with industry participants through membership in the professional organisations listed below. Our website, social media channels (Facebook and LinkedIn) and press releases play a key role in communicating with the media and our broader environment. Communication with our customers, business partners and suppliers is handled by designated colleagues within each of our subsidiaries.

Organisations and associations of which AutoWallis is a member

- National Association of Vehicle Dealers
- Automotive Manufacturers and Importers Association (APIA)
- Romanian Association of Renault Dealers
- Association of Hungarian Opel Dealers
- Association of Customs, Excise and Taxation Service Providers
- Hungarian Vehicle Importers Association
- Automotive Manufacturers and Importers Association
- Hungarian Car Rental Association
- National Association of Managers
- European BMW Dealers' Association
- National Association of BMW Dealers
- Jaguar Land Rover European Dealer Council (JLR EDC)
- Slovenian Chamber of Commerce and Industry (GZS)

Informing the governing and supervisory bodies

The perspectives and interests of key stakeholders, along with the company's sustainability impacts, are communicated to the Supervisory Board and the Board of Directors through reports by the internal auditor managing the whistleblowing system. The internal auditor prepares and presents a report at least once a year, ensuring access to relevant information derived from submitted reports and allowing the necessary measures to be implemented.

1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model

[SBM-3]

As part of the materiality assessment, AutoWallis Group identified the ESRS topics listed in the following table as material. A detailed description of the related impacts, risks and opportunities is provided in chapter IRO-1.
The actions taken and planned by the company, including any changes made to the strategy or business model and planned changes, are presented in detail in the respective chapters.

Topical ESRS	Topic	Sub-topic	Impact	Risk	Opportunity
E1	Climate change	Climate change adaptation		•	
		Climate change mitigation	•		•
		Energy			•
E5	Circular economy	Waste	•		
S1	Own workforce	Working conditions (in terms of own workforce)	•		•
		Equal treatment and opportunities	•		
S2	Workers in the value chain	Working conditions (in terms of own workforce)		•	
S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	•		
		Personal safety of consumers and/or end-users		•	•
G1	Business conduct	Corporate culture			•
		Management of relationships with suppliers including payment practices	•		

AutoWallis Group has made a commitment to present in its 2025 sustainability report how the material impacts and risks originate from its corporate strategy and business model, as well as the corresponding adjustments made. Furthermore, it will disclose information on the resilience of its strategy and business model, including qualitative and, where applicable, quantitative analyses, the methodology applied and the time horizons considered.

1.4. Impact, risk and opportunity management

1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]

AutoWallis Group's materiality analysis was based on the methodology defined in the ESRS standards, namely the double materiality principle, which considers two dimensions: impact materiality and financial materiality. Impact materiality assesses the positive and negative environmental and social impacts of the company's operations over the short-, medium- or long-term. At the same time, a topic identified is considered financially material for AutoWallis if it represents risks or opportunities that could significantly affect the Group's financial position over the short-, medium- or long-term.

The material topics relevant to AutoWallis Group were identified along the sub-topics defined in the ESRS standards. In the first step, with the help of consultations with experts, we excluded those sub-topics that were not considered material for the Group based on both AutoWallis' own operations and its value chain.

We then conducted an expert assessment of both the internal and external context of the Group. To understand the internal context, we analysed the business model, strategies, value chain and environmental and sustainability approaches of AutoWallis using the financial and ESG reports of previous years and identified our value chain and stakeholders. To understand the external context, which also involved identifying stakeholders, we relied on available online sources, industry standards and the relevant legal environment. A more detailed stakeholder engagement approach is currently being developed.

With the help of our expert team, we then conducted a value chain assessment, where we defined our product and service portfolio and also prioritised our suppliers, thereby supporting the mapping of our operational context.

The expert analysis of the Group's material topics had already been carried out during the previous double materiality assessment, which served as the basis of our report under the GRI standards. The first step was to conduct an expert review of these topics. Applying the evaluation methodology detailed in the ESRS, we assessed both the mandatory topics defined by the ESRS and the voluntary topics identified through the due diligence of the operations and value chain of AutoWallis. Each sub-topic was scored based on both impact materiality and financial materiality.

In evaluating impact materiality, we analysed the severity, likelihood and time horizon of each impact. Severity is based on the scale, scope and irremediable character of the impact. Scale reflects how grave the negative impact is or how beneficial the positive impact is for people or the environment for the given topic. Scope measures the size of the geographical area or the number of people impacted by the given topic. The irremediable character of the impact shows whether and to what extent the negative impacts could be remediated, i.e. restoring the environment to its prior state. Our evaluation of financial materiality was based on three aspects: magnitude, likelihood and time horizon, which includes short-, medium- and long-term impacts. The numerical ranking yielded by this evaluation forms the basis for identifying material impacts.

In assessing financial materiality, we considered two main factors. The first is the potential magnitude of financial impacts, evaluated on a five-point scale: very significant, significant, moderate, low and insignificant. A monetary value is assigned to each category. The second factor is the likelihood of occurrence, also scored on a five-point scale: very likely, likely, moderately likely, unlikely and very unlikely. The combination of these two factors determines the degree to which a sustainability issue is material in terms of the company's financial performance.

The list of identified impacts, risks and opportunities was approved by the Risk Management Committee of AutoWallis at its meeting on 19 September 2024.

For each of the resulting material topics and their respective sub-topics, we defined various impacts, risks and opportunities (IRO). In terms of impacts, both the positive and negative effects that AutoWallis has on the environment and society were taken into account. We paid special attention to the human rights aspects of our own workforce and workers in the value chain by assessing potential impacts in detail, impacts relating to working conditions, and both the direct and indirect environmental impacts of the Group's activities. The products distributed and services provided by AutoWallis have a marginal impact on consumers and end-users in several ways. In terms of our mobility services and retail activities, the safety features of the vehicles in our fleet and those sold by our retail units contribute significantly to road traffic safety, reducing the risk of accidents. The high quality and professionalism of our spare parts sales and servicing activities guarantee longer lifespans and operational reliability for vehicles, thereby reducing maintenance costs for consumers and mitigating the risk of unexpected breakdowns. In addition, the energy efficiency of the vehicles not only helps to reduce fuel costs for end-users, but also alleviates environmental impact, thus contributing to more sustainable transportation.

Identifying and assessing sustainability impacts, risks and opportunities are part of the company's risk management process, making sure that the fundamental principles of the overall risk profile and risk management processes are also applied when evaluating sustainability topics. The risk management expert and the Risk Management Committee both participate in the assessment of impacts, risks and opportunities. The further development of the identification of sustainability impacts, risks and opportunities and their integration into our processes is planned for 2025. More information on how the materiality analysis is integrated into decision-making processes is provided under disclosure GOV-5 of this report.

The annual programme and rules of procedure of the Risk Management Committee, according to which the Committee performs its work during the given year, are defined by the Board of Directors. The Risk Management Committee reports to the Board of Directors at least twice a year, manages risk management processes, oversees progress and reports identified risks. The Board of Directors defines its work programme and the necessary actions based on these reports.

This first sustainability report includes a presentation of the process for identifying and assessing material impacts, risks and opportunities, and any future changes thereto will be detailed in the relevant reports, covering the reasons, scope and timing of such changes and modifications. AutoWallis Group plans to review this process in 2025.

The material topics identified through our analysis, along with the related impacts, risks and opportunities, are presented in detail in later sections of this report.

The following topics were identified as material based on the materiality assessment:

- Climate change adaptation
- Climate change mitigation
- Energy
- Waste
- Working conditions (Own workforce)
- Equal treatment and opportunities (Own workforce)
- Working conditions (Workers in the value chain)
- Information-related impacts for consumers and/or end-users
- Personal safety of consumers and/or end-users
- Corporate culture
- Management of relationships with suppliers including payment practices

The impacts, risks and opportunities identified within the material topics are summarised in the table below, taking into account where the impact occurs.

Material topic	Classification	Place of occurrence	Time horizon			Description of impact, risk or opportunity
			Short-term (up to 1 year)	Medium-term (1 to 5 years)	Long-term (5 to 25 years)	
Climate change adaptation	Actual risk	Own operations		x	x	The increasing demand for heating and cooling due to climate change may significantly raise the operating costs of car dealerships, especially if renewable energy sources are not used.
Climate change mitigation	Actual opportunity	Own operations	x	x		Regulatory changes and growing demand from environmentally conscious customers present an opportunity for AutoWallis to expand its electromobility services. This includes the sale of electric vehicles and chargers, as well as the provision of related services. Government incentives and discounts for electric vehicles can boost sales by making EVs more attractive to customers, which increases interest and demand.
	Actual negative impact	Own operations			x	The carbon footprint of AutoWallis primarily stems from the fuel consumption of company cars and the natural gas usage of the properties owned or leased by the company, as well as CO2 emissions from distribution logistics within Europe.
	Actual negative impact	Value chain			x	Vehicle manufacturing involves significant carbon dioxide emissions, with the extraction and processing of raw materials and manufacturing processes having the biggest impact. Emissions also result from the transportation of parts and vehicles (sea and road transport).
	Actual negative impact	Value chain	x	x		Operating fossil fuel-powered vehicles involves high carbon dioxide emissions.

	Actual positive impact	Value chain	x	x	x	By selling electric vehicles, AutoWallis contributes to the reduction of GHG emissions, as electric vehicles are not associated with carbon dioxide emissions, provided they are powered by electricity from renewable sources.
	Actual positive impact	Value chain	x	x	x	AutoWallis' carsharing service reduces the need for private car ownership, thereby easing traffic congestion and lowering carbon dioxide emissions. In addition, the carsharing service promotes the use of electric vehicles, further reducing environmental impact.[10]
Energy	Actual opportunity	Own operations	x	x	x	Energy efficiency improvements and the use of renewable energy sources can reduce energy costs and increase operational efficiency in the long term. For example, installing solar panels can bring down electricity costs, while LED lighting can reduce both energy costs and maintenance needs.
Waste	Actual negative impact	Value chain	x	x	x	Environmental impacts associated with AutoWallis' products are assessed, but since the company has no influence over product design or material use, this may represent a risk.
Working conditions (Own workforce)	Actual risk	Own operations	x	x	x	The absence of an occupational health and safety management system may lead to safety rules being disregarded, causing an increase in the number of accidents, which could result in legal consequences, litigation and fines, and may also negatively impact the company's reputation.
	Actual negative impact	Own operations	x	x	x	The absence of an occupational health and safety management system may lead to safety rules being disregarded, causing an increase in the number of accidents, which could result in legal consequences, litigation and fines, and may also negatively impact the company's reputation.
Equal treatment and opportunities (Own workforce)	Actual positive impact	Own operations	x	x	x	AutoWallis is actively working on increasing the proportion of female employees, which enhances workforce diversity, fosters creativity and creates a more attractive work environment for employees, contributing to the attraction and retention of talent.
	Actual positive impact	Own operations	x	x	x	AutoWallis guarantees and supports knowledge-based employee development by offering a diverse and accessible training portfolio, position-specific and leadership training programs and regular exam-based assessment. This has an effect on employee morale, creating a more cheerful and professional knowledge-based workforce.
Working conditions (Workers in the value chain)	Actual risk	Own operations	x	x	x	If the safety requirements for workers in the automotive value chain are inadequate, then the workers in the value chain may be exposed to workplace accidents and injuries, which could negatively impact the value chain in the long term.
Information-related impacts for consumers and/or end-users	Actual positive impact	Own operations	x	x	x	The secure handling of customer data, the protection of confidential information and enhanced data protection measures build customer trust in AutoWallis, potentially giving the company a competitive edge.
Information-related impacts for consumers and/or end-users	Actual positive impact	Own operations	x	x	x	Active involvement in the due diligence of subsidiaries and regular third-party audits enhance transparency, help identify potential weaknesses and strengths, and make the company more resilient to privacy issues.
Information-related impacts for consumers and/or end-users	Actual positive impact	Own operations	x	x	x	The availability of information on the services of AutoWallis and the provision of information on sold vehicles to customers in a transparent and honest manner provides clear and straightforward guidance to end-users and can be considered a social benefit.

10 A single shared vehicle can replace up to 16 traditionally owned cars. By using Euro 6 compliant and electric vehicles, we significantly reduce pollutant emissions compared to a typical car in Hungary, which is 15.8 years old on average and equipped with a conventional powertrain (Euro 3 or Euro 4 engine), the emissions of which can be up to 5 to 6 times those of Euro 6 engines.

Information-related impacts for consumers and/or end-users	Actual positive impact	Own operations	x	x	x	Providing customer service that is constantly available and clearly structured is the foundation for a great user experience, which ultimately affects customer satisfaction and enhances AutoWallis' reputation and sales.
Personal safety of consumers and/or end-users	Actual opportunity	Own operations	x	x	x	In the case of Wigo carsharing, it is especially important to consider the safety of the carsharing service, which may entail risks. The use of modern vehicles and regular maintenance are essential for ensuring user safety, which helps reduce the number of serious accidents.
Personal safety of consumers and/or end-users	Actual negative risk	Own operations	x	x	x	Both the vehicles sold and those used in the carsharing service cause pollution, which stems from tire wear and harmful GHG emissions. These pollutants have significant impact on end-users and local communities, harming human health and potentially leading to illnesses in the long term.
Corporate culture	Actual opportunity	Own operations	x	x	x	Strengthening corporate culture improves employee satisfaction and fosters innovation. A focus on diversity and inclusion can enhance brand loyalty and positive market perception. Creating a Code of Ethics and Business Conduct, developing an ethical business culture (a culture of compliance), establishing a Compliance function and extending it to the entirety of AutoWallis Group while considering local specifics, reinforcing policies and processes, ensuring internal and external compliance, implementing control points, educating employees, reviewing and strengthening risk management processes, supporting internal audits (focusing on ESG) and laying the foundation for IT security can further strengthen corporate culture.
Management of relationships with suppliers including payment practices	Actual positive impact	Own operations	x	x	x	Strengthening supplier relationships and promoting fair payment practices can improve supply chain efficiency.

2. Environment

2.1 Taxonomy report

Introduction and legal background

The EU Taxonomy Regulation (2020/852) establishes the legal framework for determining whether an economic activity qualifies as environmentally sustainable, i.e. whether an investment project can be considered environmentally sustainable. The regulation requires both financial and non-financial undertakings subject to the regulation to disclose how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable.

The regulation provides the overarching legal framework and general requirements, but does not define the technical screening criteria or the disclosure obligations. A number of delegated acts (hereinafter: "delegated acts") complement the Taxonomy Regulation and provide essential information for the application of the principles set out therein. These delegated acts define the criteria for evaluating the economic activities of undertakings (hereinafter: "technical screening criteria"), as well as the disclosure obligations.

For the purposes of our report, we considered the following:

- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment
- Delegated Regulation (EU) 2021/2139 (Climate Delegated Act)
- Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act)
- Delegated Regulation (EU) 2022/1214 (Complementary Climate Delegated Act)
- Delegated Regulation (EU) 2023/2485 (supplementing the Complementary Climate Delegated Act)
- Delegated Regulation (EU) 2023/2486

Taxonomy-aligned activities

Economic activity	Description
6.5. Transport by motorbikes, passenger cars and light commercial vehicles (CCM*)	Within AutoWallis Group, companies engaged in rent-a-car services and carsharing own vehicles of category M1 that they operate and lease.
7.2. Renovation of existing buildings (CCM*/CCA**)	AutoWallis Group has prepared and commissioned the renovation of several existing buildings it owns.
8.1. Data processing, hosting and related activities (CCM*)	The online platforms Jóautók.hu and auto-licit.hu are operated by Net Mobilitás Zrt.
5.4. Sale of second-hand goods (CE***)	AutoWallis Group is engaged in the sale of used cars as it is one of its core activities.

*CCM: Climate change mitigation

**CCA: Climate change adaptation

***CE: Transition to a circular economy

The above activities were further examined in accordance with the technical screening criteria defined under the EU Taxonomy: substantial contribution, DNSH (Do No Significant Harm) and minimum social safeguards.

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities	

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Assessment of Taxonomy-aligned activities

Minimum social safeguards

We examined whether our operations are in line with the OECD[11] and UNGP[12] guidelines on the following topics at group level based on existing internal policies and regulations (such as the Code of Ethics and the Procurement Policy):

- human rights (including labour rights and consumer rights),
- taxation,
- fair competition,
- bribery and extortion.

Our sustainability report includes provisions on human and labour rights [S1-1] regarding workplace safety, health, inclusion and education. For the purposes of the assessment, it is important to note that the internal policies do not currently cover topics such as human trafficking, forced labour, child labour or the inclusion of own workforce vulnerable to exploitation.

For these criteria, AutoWallis Group has ethics and procurement policies in place that cover and include most of the above areas. However, it must be noted that these policies are currently under review to ensure that they are aligned not only with current global market conditions, but also the above-mentioned MSS criteria, amongst others.

Based on the above, we do not currently meet the minimum social safeguards as yet.

Technical screening criteria

In 2024, a climate risk assessment for buildings and core activities was completed, which facilitates alignment with the climate change adaptation analysis.

Transport by motorbikes, passenger cars and commercial vehicles (CCM)

The subsidiaries of the Group that are engaged in car rental have vehicles of category M1 whose CO2 emission is below 50g CO2/km. As detailed in chapter [E5-1], the recycling rate is 95%, although this varies depending on the brand and model. Car manufacturers and their contracted partners are required to meet strict recycling, recovery and disposal targets, with vehicles being subject to a recycling requirement of 85% by weight after 1 January 2006 and 95% after 2015. The wholesale distributors of brands must ensure the free take-back of end-of-life vehicles for the brands distributed.

Renovation of existing buildings (CCM I CCA)

AutoWallis Group performs the financial accounting of renovations of existing properties it owns (at CapEx level) in accordance with the definitions set out in Decree No. 9/2023 (V. 25.) ÉKM. AutoWallis has carried out a climate risk analysis. Annex 6.1 of the risk analysis document lists each building and their descriptions. In addition, there is a chapter on general risk assessment and recommendations which summarises future opportunities affecting AutoWallis and its existing properties. For buildings, we typically do not possess lists of technical specifications or product datasheets that would allow us to precisely identify the water usage levels of each sanitary installation in the renovated buildings. At present, we do not have adequate data available to meet the DNSH requirements related to the protection of water, pollution and the transition to a circular economy.

11 https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm

12 https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

Data processing, hosting and related activities (CCM)

In the case of data centres, the activity performed does not meet the criteria for significant contribution and the DNSH criteria: the climate risk analysis does not cover the infrastructure, and since the service involves rented cloud infrastructure, the transition to a circular economy was deemed not to be relevant.

Sale of second-hand goods (CE)

The sale of used vehicles represents a material activity, which involves performing preliminary inspections, cleaning and any necessary repairs prior to the sale. As this activity does not involve significant water use, we did not consider the criterion for the sustainable use and protection of water and marine resources to be relevant. We assessed the criteria for the prevention and reduction of environmental pollution and are improving our data collection efforts in this regard, primarily for tyres.

Analysis of KPIs

KPIs related to turnover

The proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 is calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU. The turnover covers the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008. A detailed breakdown of the Group's revenue is provided in Note VII.1 of the consolidated financial statements.

KPIs related to capital expenditure (CapEx)

Denominator

The denominator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations.

CapEx covers costs that are accounted based on:

a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii);
b) IAS 38 Intangible Assets, paragraph 118, (e), point (i);
c) IFRS 16 Leases, paragraph 53, point (h);
d) IAS 40 Investment Property, paragraph 79(d), points (i) and (ii) (for the cost model).

To avoid the double counting of CapEx, intra-group CapEx items are eliminated from the denominator, and we make sure that each expenditure is allocated to a single economic activity rather than being split across multiple activities. The Group does not have a reliable breakdown of capital expenditures associated with the various activities by environmental objective if an expenditure contributes to more than one environmental objective.

Numerator

Investments and cost of goods sold related to assets that are linked to Taxonomy-eligible activities.

Otherwise, the Group has no plans for transforming Taxonomy-eligible activities into Taxonomy-aligned activities. Detailed information on the Group's capital expenditure is provided in Notes VIII.1, VIII.2 and VIII.5 of the consolidated financial statements.

KPIs related to operating expenditure (OpEx)

Denominator

The denominator covers operating expenditure recognised by the Group in 2024 (including material expenses, services, cost of goods sold, personnel expenses, and depreciation and amortisation).

Numerator

The denominator covers direct non-capitalised costs that relate to assets, development projects, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. In the case of the sale of second-hand goods, the carrying amount of used cars sold by the Group at the time of derecognition is used. Expenditures related to data processing include personnel expenses and material expenses necessary for conducting the activity. Operating expenditure related to transportation activities includes items of material expenses (e.g. fuel costs and services used), personnel expenses and depreciation and amortisation which are closely linked to such activities.

R&D is either non-existent or not material for these activities. Otherwise, the Group has no plans for transforming Taxonomy-eligible activities into Taxonomy-aligned activities.

To avoid the double counting of Taxonomy-eligible OpEx, we make sure that each expenditure is allocated to a single economic activity rather than being split across multiple activities.

	Proportion of turnover		Proportion of CapEx		Proportion of OpEx	
Activity	Per Taxonomy-eligible objective	Per Taxonomy-aligned objective	Per Taxonomy-eligible objective	Per Taxonomy-aligned objective	Per Taxonomy-eligible objective	Per Taxonomy-aligned objective
Climate change adaptation	0%	0%	0%	0%	0%	0%
Climate change mitigation	1.98%	0%	75.75%	0%	2.16%	0%
Sustainable use and protection of water and marine resources	0%	0%	0%	0%	0%	0%
Transition to a circular economy	4.48%	0%	0%	0%	4.73%	0%
Protection and restoration of biodiversity and ecosystems	0%	0%	0%	0%	0%	0%
Pollution prevention and control	0%	0%	0%	0%	0%	0%

Annexes

FY2024 turnover

Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover (4)	CCM (5)	CCA (6)	WTR (7)	PPC (8)	CE (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	PPC (14)	CE (15)	BIO (16)	MSS (17)	Taxonomy-aligned proportion of turnover, FY23 (18)*	E (20)	T (21)
Text		*HUF million*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ALIGNED ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0.00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**0%**	**0%**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	**7,368**	**2%**														2%		
Data processing, hosting and related activities	8.1	**344**	**0%**														0%		
Sale of second-hand goods	5.4	**19,082**	**5%**														N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**26,794**	**7%**														**2%**		
Total (A.1+A.2)		**26,794**	**7%**														2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**371,666**	**93%**																
Total (A+B)		**398,460**	**100%**																

FY2024 CapEx

Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover (4)	CCM (5)	CCA (6)	WTR (7)	PPC (8)	CE (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	PPC (14)	CE (15)	BIO (16)	MSS (17)	Taxonomy-aligned proportion of CapEx, FY23 (18)*	E (20)	T (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ALIGNED ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0.00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**0%**	**0%**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	11,599	75%														73%		
Renovation of existing buildings	7.2	54	0%														1%		
Data processing, hosting and related activities	8.1	104	1%														1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,757	76%														76%		
Total (A.1+A.2)		11,757	76%														76%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**3,763**	**24%**																
Total (A+B)		**15,520**	**100%**																

FY2024 OpEx

Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover (4)	CCM (5)	CCA (6)	WTR (7)	PPC (8)	CE (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	PPC (14)	CE (15)	BIO (16)	MSS (17)	Taxonomy-aligned proportion of OpEx, FY23 (18)*	E (20)	T (21)
Text		HUF million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ALIGNED ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	0%	0%	0%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	7,849	2%														2%		
Data processing, hosting and related activities	8.1	479	0%														0%		
Sale of second-hand goods	5.4	17,388	5%														N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		25,716	7%														2%		
Total (A.1+A.2)		27,394	7%														2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		359,368	93%																
Total (A+B)		385,084	100%																

CCM – Climate change mitigation	E – Enabling activity
CCA – Climate change adaptation	T – Transitional activity
WTR – Sustainable use and protection of water and marine resources	Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity
PPC – Pollution prevention and control	N – No, Taxonomy-eligible but not Taxonomy-aligned activity
CE – Transition to a circular economy	E – Enabling technology
BIO – Protection and restoration of biodiversity and ecosystems	
MSS – Minimum social safeguards	

2.2 Climate change

2.2.1 Integration of sustainability-related performance in incentive schemes

[GOV-3 – E1]

Chapter 1.2.3 of this report presents details on the inclusion of sustainability aspects in the remuneration of the management.

2.2.2 Transition plan for climate change mitigation

[E1-1]

AutoWallis Group did not have a transition plan for climate change mitigation in place during FY2024. However, the development of such a plan was initiated during the year, with its adoption planned for FY2025. As part of the development of the transition plan, the baseline year for GHG emissions will also be determined, which is expected to be the year 2025. The process will include setting carbon reduction targets for the years 2030 and 2050.

The reasoning behind this decision is that the Group underwent dynamic business expansion in 2024, during which its operations were expanded to include three plus five new sites in the Czech Republic and several new automotive brands. The acquired retail and servicing companies also possess real estate and technological equipment, the carbon emissions data of which will partially be included in the Group's carbon inventory in 2025.

In addition, the integration of the Mobility Services Business Unit was completed, which required significant organisational and planning transformation. This allowed synergies between the various mobility services to be exploited, which are expected to contribute substantially to emissions reduction, although obtaining the data to confirm this will only be possible in the coming years. The data for 2024 already show that a smaller fleet size allows for a greater number of rental transactions. Flexible carsharing and car rental services make for a service portfolio that is much more adaptable to users' needs, providing the most energy-efficient option for both urban and longer-distance car travel. Educating customers is also a key objective for the coming years, as the company will not be able to commit to emissions reduction targets in this area without changes in customer preferences.

Due to organisational changes, it has become necessary to conduct a detailed energy efficiency assessment of the newly acquired properties, technological processes and equipment (which is scheduled to take place in 2025Q1) and to identify energy efficiency measures and assess the potential for reducing greenhouse gas (GHG) emissions. These measures serve to complement existing assessments, supporting the development of a comprehensive action plan which may later be approved by the Board of Directors.

2.2.3 Material impacts, risks and opportunities and their interaction with strategy and business model

[ESRS 2 SBM-3 – E1]

As part of its preparations for the ESG reporting process, the Group carried out a Climate Risk and Vulnerability Assessment (hereinafter: "CRA Document") with the involvement of a team of external experts in the second half of 2024. This team of professionals, comprising meteorologists, climate researchers and transportation and energy engineers, reviewed the Group's operations and properties based on their geographical location. The purpose of the assessment was to identify climate change-related risks and vulnerability potential affecting AutoWallis Group's business processes and properties, and to propose measures for managing them. The document has been published on the company's website and is available at the following link:
https://autowallis.com/esg-jelentes/

The methodology for the assessment carried out in accordance with Regulation (EU) 2020/852 (the so-called Taxonomy Regulation) was developed in accordance with the MSZ EN ISO 14091 (ISO 14091:2021) standard (which is also included in the Hungarian Standards) specifically for AutoWallis Group, taking into account its specific features and operational characteristics. The assessment summarises the guidelines related to vulnerability, environmental impacts and risk assessment.

In terms of the Group's Retail Business Unit, the climate risk assessment identified the properties used by this business unit as being the most sensitive to climate-related risks. These include showrooms, to some extent repair shops, and, in some cases, paint shops and office spaces.

The company's current portfolio of leased properties cannot be considered a long-term commitment that would justify their inclusion in the sensitivity analysis, as their lease periods typically range from 3 to 5 years.

The assessment covered the properties owned by the Group as these are involved in its operations over the long term and are thus relevant in terms of climate risks and adaptation strategies. Given that real estate investment projects are planned for a period of at least 60 years, the Group's climate risks involving properties must be assessed on at least the same timescale.

The properties are presented in the following table:[13]

	Address of the property	Type	Year of construction
1.	9028 Győr, Külső Veszprémi út 1.	Parking lot	2005
2.	9028 Győr, Külső Veszprémi út 5.	Office building	2007
3.	9028 Győr, Külső Veszprémi út 6.	Showroom, repair shop	2005
4.	9200 Mosonmagyaróvár Szekeres R. u 17.	Showroom, repair shop	2004
5.	9400 Sopron, Balfi út 162.	Showroom, repair shop	2004
6.	9700 Szombathely, Vásártér u. 3.	Showroom, repair shop	2004
7.	2220 Vecsés, Széchenyi u. 56.	Rent-a-car service	Renovation
8.	1044 Budapest, Váci út 76-80.	Showroom, repair shop	2021
9.	1106 Budapest, Kerepesi út 85.	Showroom, repair shop	1970
10.	1143 Budapest, Hungária körút 95.	Showroom, repair shop	2016
11.	1117 Budapest, Építész u. 40-44	Showroom, repair shop	2026
12.	Ljubljana, Slovenia, Celovska 182	Showroom, repair shop	1980
13.	Ljubljana, Slovenia, Latinski trg 5.	Showroom, repair shop	2016
14.	Trzin, Slovenia, Ljublanska cesta 24.	Showroom, repair shop	
15.	Nova Gorica, Slovenia, Industrijska cesta 9.	Showroom, repair shop	

Based on their geographical location, the properties owned by AutoWallis Group can be categorised into three groups: those located in Budapest, in Northwestern Hungary, and in Slovenia.

Material climate-related risks

The following table presents the material climate-related risks identified by the company and whether the entity considers each risk to be a climate-related physical risk or a climate-related transition risk.

[13] Not including the properties acquired in the course of the Milan Kral deal at the end of 2024.

Chronic phenomena	Detailed description of hazard	Type of climate-related risk (transition/ physical)
Heat stress	The operation of showrooms and servicing and car rental processes are made impossible by high temperatures.	physical
Heat wave	Persistently high temperatures disrupt or stop the sales activity, servicing or the provision of services.	physical
Heat wave	The Group is forced to use active cooling systems to manage persistently high temperatures in the case of critical processes.	transition
Cloudbursts, flash floods, hail	Vehicles stored outdoors or in transit are damaged and lose value, and the Group's properties are damaged.	physical
Windstorms	Vehicles stored outdoors or in transit are damaged and lose value, and the Group's properties are damaged.	physical
Forest and grassland fires	Vehicles stored outdoors are damaged and lose value, and the Group's properties are damaged.	physical
Flooding	Vehicles stored outdoors are damaged and lose value, and the Group's properties are damaged.	physical

The resilience analysis (i.e. the assessment of climate-related risks) covered the Group's own properties, transportation in the Distribution Business Unit, retail activities and the Mobility Services Business Unit. While the Group's adaptive capacity has not yet been fully mapped, the risk mitigation proposals address the above-mentioned processes in their entirety.

As part of the analysis, location-specific climate risks were identified for each individual property. As for the distribution activity, the risk assessment involved examining sea and land transport routes and the geographical location of logistics hubs, as detailed in section 1.6 of the Climate Risk Assessment. In the case of the retail activity and mobility services, the climate risks of the relevant countries were assessed. Risks identified using the methodology of the EU Taxonomy Regulation were classified based on their expected frequency and their impact on business continuity. Accordingly, we identified high, medium and low risks.

As part of the resilience analysis, impact chain-based risk mitigation measures were developed for high and medium risks, aiming to enhance resilience to the relevant risks.

As for the methodology of climate change scenarios, the analysis was based on the widely used global RCP scenarios, specifically a pessimistic scenario (RCP8.5) and a more moderate one (RCP4.5). For both global scenarios, downscaled data for the Carpathian Basin is widely available, which means that detailed spatial resolution data for Hungary (and, for most parameters, Slovenia) is accessible through the NATÉR (National Adaptation Geo-information System) database. Based on these, location-specific climate risks were identified for each individual property. As for the distribution activity, the risk assessment involved examining sea and land transport routes and the geographical locations of logistics hubs. In the case of the retail activity and mobility services, the climate risks of the relevant countries were assessed.

The analysis was carried out in the second half of 2024. Given that a significant part of the assessment focuses on the Group's real estate portfolio, the time horizon extended to the end of the 21st century. Accordingly, the period between 2070 and 2100 was used for evaluating climate change scenarios.

As a result of the resilience analysis, a total of 15 risk mitigation measures were defined in response to the risks identified, which were included in an action matrix. This matrix assigns the resilience-enhancing measures to each property and to the distribution, retail and mobility services segments, and also serves as a basis for prioritisation, specifying levels of high, medium and low priority.

Risk mitigation action matrix

		Kockázatcsökkentési intézkedések														
		Szerkezeti tartósság növelése	Megfelelő anyagok kiválasztása	Épületgépészeti felülvizsgálat	Korszerű hőszigetelés	Vízelvezető rendszer felülvizsgálata	Alternatív szállítmányozás	Víztakarékossági utasítás	Aktív hűtési rendszerek	Passzív hűtési rendszerek	Tűzvédelmi felülvizsgálat	Preventív munkautasítások	Passzív jégvédelmi rendszerek	Adaptív műszakrend	Árvízvédelmi rendszerek	Biztosítások
Ingatlanok	INI-KV1-3		1					1		1	2					1
	INI-KV5	1	1		2			1	3	3	2					1
	INI-KV6	1	2	2	3	2		1	3	3	2	1	2	3		1
	INI-MOSON	1	2	2	3	2		1	3	3		1	2	3		1
	INI-SOP	1	2	3	3	3		1	3	3	2	1	3	3		1
	INI-SZOM	1	2	3	3	2		1	3	3		1	2	3		1
	SIXT	1	2	2	1	1		1	2	1	2	1	2	3		1
	WBM	1	2	2		2		1	1	1		1	2	2	1	1
	W-KER	2	2	2	2	1		1	2	2	2	1	2	3	3	1
	W-H95		2	1		1		1				1	2	2		1
	AW-BUDA		2			1		1				1	2	2	1	1
	AA-C182		2	1	1	2		1	1	1		1	3	2		1
	AA-L5	1	2	2	1	2		1	1	1		1	3	2		1
	AA-TRZIN	1	2	2	3	3		1	2	2		1	3	2	1	1
	AA-NG	1	2	2	2	1		1	1	1	2	1	3	2		1
Ágazat	Nagykereskedelem		2				2	1	2	2	1	1	2	2		2
	Kiskereskedelem		2				2	1	2	2	1	1	2	2		2
	Mobilitás	1	2					1	2	2	1	1	2	2		2

The table defines three levels of priority ranging from 1 to 3, where 1 indicates the least critical and 3 the most critical measures. Cells highlighted in pink indicate that the corresponding measure is not relevant to the element being assessed. The vertical axis lists the properties owned by the Group, identified by codes, with the proposed measures associated with the activities of the three business units being listed on the horizontal axis.
At the level of the Group, the measures defined include: enhancing structural durability, selecting suitable materials, building engineering inspections, modern thermal insulation, inspecting drainage systems, alternative transportation solutions, water-saving protocols, active cooling systems, passive cooling systems, fire safety inspections, preventive work instructions, passive ice protection systems, adaptive shift scheduling, flood protection systems, and insurance coverage. These are presented in detail in chapter 4.1 of the CRA Document.

In general, the two main scenarios reveal that the predictions of the RCP8.5 scenario (which is based on higher radiative forcing) for the period between 2070 and 2100 showed the greatest projected deviation compared to the reference period. However, in the case of precipitation changes and precipitation indices, there were some contradictions: while one variation projects a decrease in precipitation, the other may indicate an increase. In such cases, we used the version representing the higher risk, and an average of the deviations was applied in cases where the projections pointed in the same direction.

The company focuses strongly on aligning its strategy and business model with climate change over the short-, medium- and long-term (including ensuring continued access to financing at an affordable cost of capital, reallocating, upgrading or decommissioning existing assets, adjusting the product and service portfolio, and retraining its workforce), which the company will report on in detail next year in the report for 2025 as part of its transition plan.

2.2.4 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

[IRO-1 – E1]

Over a time horizon of more than 10 years, risks were defined based on the RCP4.5 and RCP8.5 scenarios. According to the high-emission climate change scenario, the most significant risks arising in the course of the Group's operations are heat stress, heat waves, and cloudbursts along with the resulting flash floods. When assessing medium-level risks, the risks of forest and grassland fires and windstorms are added to the above. These risks were examined in connection with the properties owned by the Group and its upstream value chain, which span a large geographical area due to the extensive sea and land transport routes involved. On the downstream side, risks were identified based on the geographical location of the Group's retail companies and the associated land transport routes. These were identified as medium-level risks in the form of heat stress, heat waves, cloudbursts, flash floods and river floods.

Out of the 41 companies in the Group, 11 are engaged in automotive retail and servicing, 4 in the distribution of vehicles and parts and 2 in mobility or fleet services, 3 operate as holding centres, while the remaining companies provide various services (e.g. property rental and intra-group services). The listed activities result in both direct and indirect CO_2 emissions from energy consumption related to transportation and properties. For indirect CO_2 emissions, the carbon intensity associated with vehicles sold is also an important emissions category that needs to be assessed. The assessment process began in 2023, but sufficient data to evaluate the full life cycle emissions of the vehicles distributed has not yet been available.

The emissions inventory for the year 2024 has been expanded to include the assessment of Scope 3 categories. However, preparing a complete inventory covering all categories across the entire Group is achievable in 2025. Scope 1 emissions of the Group, i.e. its direct emissions, include greenhouse gas emissions from fuel consumption and natural gas use in properties owned and leased by the Group, and fugitive greenhouse gas emissions from refrigerant refills in cooling systems in buildings owned by the Group. The fuel statement includes the consumption of petrol (for petrol and hybrid vehicles) and diesel vehicles based on company fuel card statements used by the Group's employees. The figures were documented based on the exact quantity data recorded on the fuel cards.

The indirect emissions of AutoWallis Group include emissions from the consumption of purchased electricity, including electricity used in buildings owned or controlled by the Group, which is used, amongst others, for charging electric vehicles. Electricity consumption data for buildings were collected based on metering and invoice data. Electric vehicle charging is tracked and recorded separately, including consumption for the use of own vehicles and vehicles leased or rented out.

Among the physical climate-related risks identified by the company, the most significant risks arising in the course of the Group's operations under the high-emission climate change scenario are heat stress, heat waves, and cloudbursts along with the resulting flash floods. When assessing medium-level risks, the risks of forest and grassland fires and windstorms are added to the above. These risks were examined in connection with the properties owned by the Group and its upstream value chain, which span a large geographical area due to the extensive sea and land transport routes involved. The process was as follows:

- In the first step, we define the expected lifetime of the relevant economic activities of AutoWallis Group identified under the Taxonomy Regulation, and assign the objectives of the risk assessment to it.
- In the second step, we identify the potentially relevant climate-related hazards for which we conducted the geographic and relevance screening of the climate-related hazards set out in Section II of Appendix A to Annex I of the Climate Delegated Act.
- In the third step, the climate risk assessment, we categorise risks based on whether the time horizon of the economic activity is shorter or longer than 10 years. For time horizons under 10 years, we typically rely on extrapolation, and use climate forecasts where they are available. For time horizons beyond 10 years, we apply the RCP approach.
- Finally, in the fourth step, we identify and evaluate appropriate and effective adaptation solutions to mitigate material risks for each economic activity. We then assess the capacities of current and future adaptation solutions.

On the downstream side, risks were identified based on the geographical location of the Group's retail companies and the associated land transport routes. These were identified as medium-level risks in the form of heat stress, heat waves, cloudbursts, flash floods and river floods.

Exposure and sensitivity assessments were conducted for each property owned by the Group, and the company's upstream and downstream processes were also taken into account. These factors can vary for each property and each procurement and retail process. The most important exposures identified are as follows: human discomfort, water supply, government restrictions, transportation and logistics disruptions, failures in building engineering, limitations of drainage systems, material fatigue, inadequate thermal insulation, increased cooling demand, greater maintenance needs, and damage to buildings. The following sensitive operational elements were deemed critical from the perspective of the Group: employee health, the integrity of vehicles and equipment, business continuity, the lifespan of assets and parts, water supply systems, energy supply systems and the physical accessibility of services (or properties). The resulting risks were determined by examining these exposure and sensitivity elements one by one, and by assessing the specific geographical effects of the climate scenarios considered. The detailed assessment is provided in the CRA conducted for the Group.

Of the physical risks identified, the following were recognised as high or medium transition risks: heat stress and heat waves, which affect multiple properties and are partially managed through active cooling systems with a high energy consumption.

Given that the Group's retail activities are currently carried out in showrooms, heat stress and potential heat waves pose risks to these operations. Several solutions have already been implemented to address this, which are also able to address transition risks: alongside passive cooling systems, an increasing proportion of sales is being conducted by using electronic contracts, which results in significantly lower CO_2 emissions.

The Group did not present any critical accounting estimates related to climate change in the 2024 financial statements as their impact cannot be reliably estimated.

The results of the climate risk analysis have been and will continue to be taken into account in our planned and future renovation projects. These include the installation of air conditioning systems, solar panels, drainage systems and electric vehicle chargers.

2.2.5 Policies related to climate change mitigation and adaptation

[E1-2]

Climate change mitigation is addressed in various general policies and regulations incorporating elements that reduce harmful emissions associated with the operation of the Group (e.g. the choice of BEVs is preferred under the Company Car Policy).

Climate change adaptation is reflected in our corporate guidelines, given the increased focus on efforts to manage heat and on property developments aimed at improving energy efficiency in order to ensure that working conditions are appropriate.

Energy efficiency is also incorporated into our policies, as the cost-benefit analysis has shown that cost reduction is achieved through the efficient use of energy. For instance, proper thermal insulation can make heating more efficient.

The use of renewable energy has become a focal point in property development through the installation of solar panels.

2.2.6 Actions and resources in relation to climate change policies

[E1-3]

The climate change mitigation measures implemented by AutoWallis Group in 2024 and those planned for the future are presented below. These actions reflect our commitment to both decarbonisation and energy efficiency and contribute to the achievement of our sustainability goals. The various implemented projects, including their objectives, financial aspects and expected impacts, are described in detail below.

Solar development project of Iniciál Kft.

The solar development projects carried out at several sites of Iniciál Kft. during the reporting period demonstrate our commitment to decarbonisation and climate change mitigation. Solar panels with a total capacity of 234.6 kWp were installed across four sites of Iniciál Autóház Kft. The projects were completed in October 2024, meaning that the actual results in terms of reductions in greenhouse gas (GHG) emissions will be derived from the production and consumption data for the year 2025. The purpose of the measure was to produce renewable energy onsite and to reduce the volume of electricity drawn from the grid. Implementing the project required a capital expenditure of HUF 36,723,685 plus VAT.

Energy efficiency improvements of Wallis Motor Ljubljana d.o.o.

The replacement of thermal insulation glazing and the installation of heat-insulating doors and windows at the site of Wallis Motor Ljubljana d.o.o. were aimed at reducing heat loss at the premises. This is intended to reduce heating energy demand and district heating consumption. The development projects were completed in the second half of 2024, which means that the results in terms of GHG emission reductions can only be evaluated based on the energy consumption data for 2025. Implementing the project required a capital expenditure of EUR 46,916.43 plus VAT.

Lighting upgrade for AVTO AKTIV SLO d.o.o.

A comprehensive lighting upgrade was carried out at the Trzin and Nova Gorica sites of AVTO AKTIV SLO d.o.o. by installing LED lighting. The goal of the project was to reduce electricity consumption. The upgrade was carried out in the second half of 2024, which means that the results in terms of GHG emission reductions can only be evaluated based on the energy consumption data for 2025. The lighting upgrade required an investment of EUR 109,000.

Solar development project of Wallis Motor Pest Kft.

The planned solar development project at the site of Wallis Motor Pest Kft. will involve the expansion of the existing solar panel system in 2025. The purpose of the development project is to increase the amount of renewable energy produced onsite and to reduce the volume of electricity drawn from the grid. Implementing this measure requires an investment of HUF 32,452,292 net. The impact on the reduction of GHG emissions can only be assessed after the development project is completed.

Heat generation using a heat pump

The planned future measures also include onsite heat generation using a heat pump at the site of Iniciál Kft. in Győr, which aims to reduce natural gas consumption. The implementation of this measure is not dependent on the availability or allocation of resources.

The measures listed above are not linked to a corporate policy, as the transition plan of AutoWallis is under development. These measures are related to the objectives of the ESG Strategy. Forecasts for the expected GHG emission reductions and the exact financial implications of the measures have not yet been defined. AutoWallis does not currently adopt nature-based solutions to achieve its decarbonisation targets; however, such future opportunities are already being assessed and considered. There are currently no separate capital expenditures being planned in relation to the measures listed above, but information related to these initiatives is being monitored under the Green Financing Framework.

2.2.7 Targets related to climate change mitigation and adaptation

[E1-4]

The targets for reducing greenhouse gas (GHG) emissions will be determined based on data from the 2025 baseline year and will be detailed in our next report. These targets will form an integral part of the transition plan aimed at climate change mitigation. AutoWallis did not monitor the effectiveness of its related policy during 2024 but will focus strongly on this objective going forward.

2.2.7 Energy consumption and mix

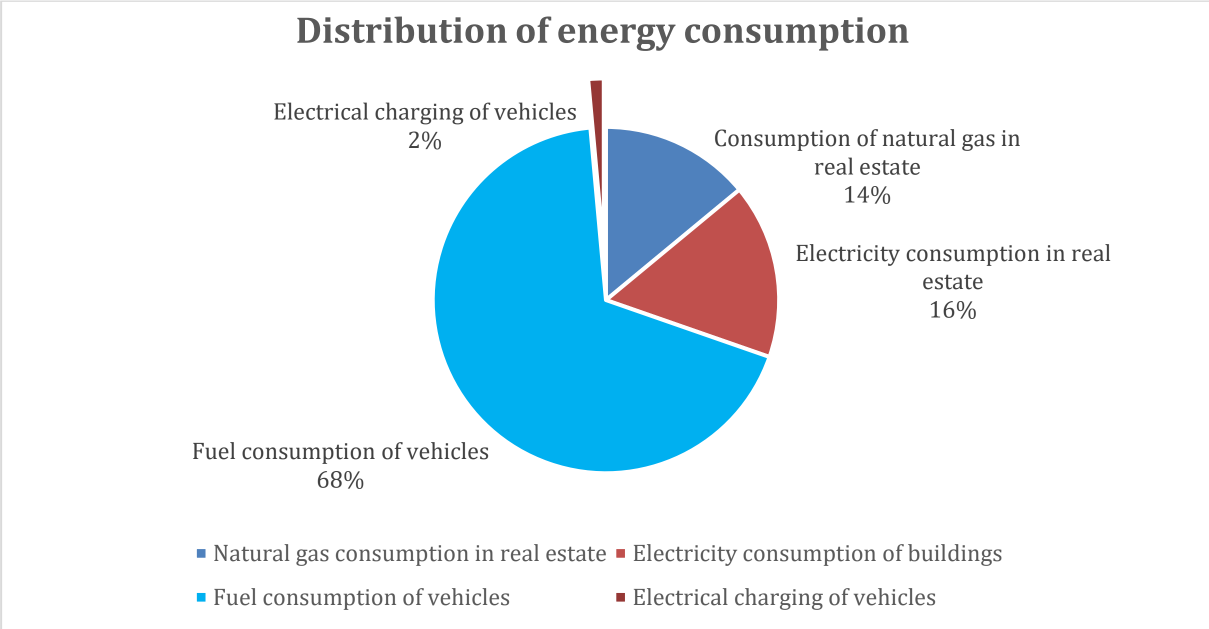
Energy production

	Unit of measurement	2024
Total energy consumption related to own operations	MWh	26,651
Total energy consumption from fossil sources	MWh	23,626
Share of fossil sources in total energy consumption	%	89%
Total energy consumption from nuclear sources	MWh	1,583
Share of energy consumption from nuclear sources in total energy consumption	MWh	6%
Total energy consumption from renewable sources	MWh	1,008
Fuel consumption from renewable sources	MWh	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	850
Consumption of self-generated non-fuel renewable energy	MWh	158.2
Share of renewable sources in total energy consumption	%	4%
For high climate impact sectors[1]		
Fuel consumption from coal and coal products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	0
Fuel consumption from natural gas	MWh	3,664
Fuel consumption from other fossil sources	MWh	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	1,734

[E1-5 39.]

	Unit of measurement	2024
Non-renewable energy production	MWh	0
Renewable energy production	MWh	225

The section on energy consumption and mix contains the total direct energy consumption of the 35 companies in the Group for 2024, without geographical restrictions. This includes energy consumption data for automotive retail units and repair shops and for the properties, offices, warehouses and parking lots used by the Distribution Business Unit, as well as fuel consumption by employees and electricity used for charging electric vehicles. In addition, fuel consumption related to the rental services provided by the Mobility Business Unit using fuel cards was also included in the energy consumption data. Due to the varying payment terms and unique characteristics, the data were separately collected and processed by an external team of energy experts for each company and site. In addition to the quantities invoiced by energy providers, estimated and calculated values were also used, taking into account the actual readings from energy meters. For fuel consumption, accurate volume data was available from fuel service providers.



Energy intensity associated with activities in high climate impact sectors

For high climate impact sectors

[E1-5 40.]

	Unit of measurement	2024
Energy intensity associated with activities in high climate impact sectors (total energy consumption per net revenue)	MWh/HUF million	0.034
Total energy consumption from activities in high climate impact sectors	MWh	13,163
Net revenue from activities in high climate impact sectors	HUF million	390,035
Net revenue from activities outside high climate impact sectors	HUF million	8,425

Of the Group's activities, vehicle retail and distribution and servicing are considered high climate impact activities. Therefore, the Group aims to focus strongly on the energy efficient operation of its properties and on continuous monitoring. Since 2023, fuel consumption related to the company's vehicle fleet has been precisely monitored through the implemented fuel card system.

	Energy consumption of vehicles (kWh)		Energy consumption of properties (kWh)	
Distribution	2,646,441.6	26,494	385,242.5	597,623.3
Retail	2,655,406.5	136,417	3,278,636.9	3,436,924.5
Mobility services	12,882,274.4	220,224.4	66,653.3	318,186.2
Total	**18,184,122.5**	**383,135.5**	**3,730,532.6**	**4,352,734**

2.2.8 Gross Scopes 1, 2, 3 and Total GHG emissions

[E1-6]

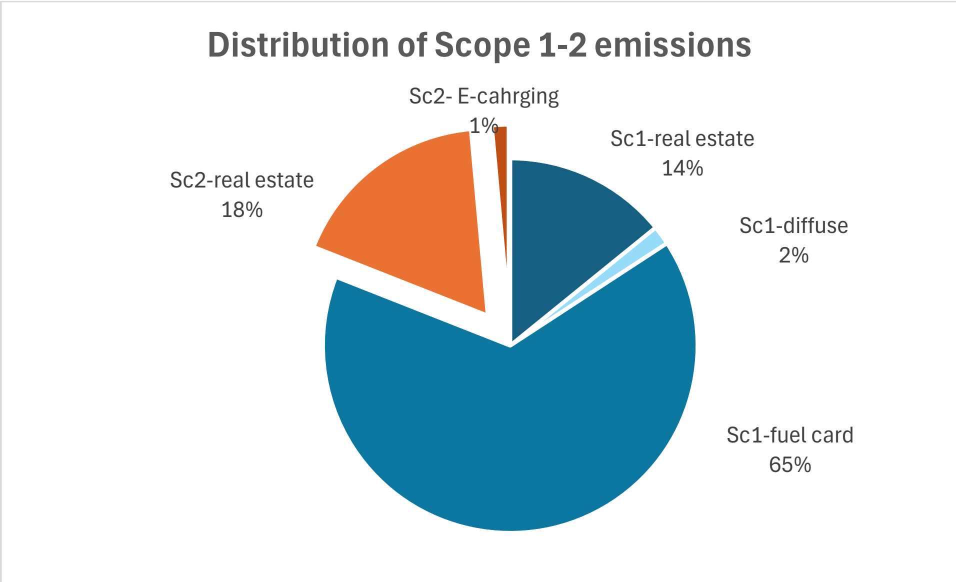
	2024
Gross Scope 1 GHG emissions (tCO_2e)	6,342
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0
Gross location-based Scope 2 GHG emissions (tCO_2e)	1,490
Gross market-based Scope 2 GHG emissions (tCO_2e)	1,480
Scope 3 emissions (tCO_2e)	
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	**1,757,565**
1. Purchased goods and services	268,940
2. Capital goods	0
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	1,693
4. Upstream transportation and distribution	60,317
5. Waste generated in operations	262
6. Business travel	166
7. Employee commuting	937
8. Upstream leased assets	0
9. Downstream transportation	2,087
10. Processing of sold products	0
11. Use of sold products	1,252,264
12. End-of-life treatment of sold products	134,053
13. Downstream leased assets	36,846
14. Franchises	0
15. Investments	0
Total GHG emissions (location-based) (tCO_2e)	**1,765,397**
Total GHG emissions (market-based) (tCO_2e)	**1,765,387**

1. The Group's total Scope 1 and Scope 2 GHG emissions for properties were based on the natural gas, district heating and electricity consumption of its 35 subsidiaries across a total of 44 sites. In calculating emissions from the energy consumption of the properties used by the Group, no distinction was made between the Group's own and leased properties; instead, in line with the operational control approach under the GHG Protocol, data for the company's total energy consumption and GHG emissions were collected for 2024 without geographical restrictions. The analysis covered not only the offices serving as coordination centres, but also the properties where the operations of the companies are carried out (parking lots, warehouses, repair shops and showrooms). Due to varying payment terms and unique characteristics, a supplementary statement was prepared with data broken down by site and company, which incorporates metered, estimated and calculated values alongside billed quantities. The table presents aggregate figures by company and energy source.

2. Another component of Scope 1 and Scope 2 emissions is emissions from the fuel consumption of the vehicle fleet. The calculation was based on energy consumption data for 2024 from fuel cards used for both the Group's own and leased vehicles. In aggregating consumption data, no distinction was made in terms of the nature of the activity, which means that they include emissions related to employee commuting, business travel required for the provision of services, and the consumption of rented vehicles linked to mobility services, provided that these were fuel card-based.

3. The third category of direct emissions consists of fugitive emissions, i.e. GHG emissions resulting from refrigerant refills and replacements in the cooling systems of properties, resulting in total GHG emissions of 129 tCO2eq at three sites in 2024.

4. As part of the Scope 2 emissions category, data for the electricity consumption of EV chargers were also collected, which were accounted for separately from the electricity use of the properties in order to avoid double counting.



AutoWallis Group's GHG intensity based on net revenue

	Unit of measurement	2024
Net revenue	HUF million	398,460
Net revenue used to calculate GHG intensity	HUF million	398,460
GHG intensity (location-based)	CO_2e/HUF million	4.43
GHG intensity (market-based)	CO_2e/HUF million	4.43

Changes within AutoWallis Group and the value chain

AutoWallis aims to collect GHG emissions data using a standardised and comparable methodology. In the course of data collection for 2024, a large volume of data was gathered across Scope 3 emission areas, allowing the company to assess emissions data for new areas and activities. This enables a more accurate assessment of how each area and the value chain contribute to GHG emissions and helps identify areas for future action.

In 2024, AutoWallis Group implemented significant changes that affected the comparability of the GHG emissions data with prior years. Due to changes in the data collection methodology and corporate structure, the GHG emissions data for 2024 are not comparable with data collected in prior years and previously published emissions data. Additionally, the number of companies within the Group increased from 31 to 35, and the number of sites rose to 44. At the same time, sales volumes also increased, and this was the first year in which Scope 3 data collection for vehicle sales included data for the sale of both new and used vehicles.

This change in methodology resulted in a significant increase in Scope 3 emissions in 2024, due in part to improved data collection and in part to the increase in the number of vehicles sold.

The changes in data collection included refining transportation data by applying load factor adjustments.

GHG emissions calculation methodology

AutoWallis Group's GHG inventory is based on the methodology outlined in the GHG Protocol Corporate Standard. Emissions were aggregated by category across all 35 companies. The number of datapoints covered by data collection increased significantly compared to prior years in all three categories. The Group has been collecting energy consumption data and annual emissions information for several years, and the accuracy and effectiveness of supplier data collection have improved each year. In applying the methodology, calculations and estimates were made in line with the methodology set out in the GHG Protocol. However, cost-based estimates were not used in any of the categories.
For Global Warming Potential (GWP) values, the Group applied the figures from the IPCC's Sixth Assessment Report (AR6), as recommended by the GHG Protocol.

Emission factors used for GHG calculations

The GHG emission factors used in the calculations are documented in detail and are reviewed annually.

Scope 1

AutoWallis Group's direct emissions include refrigerant refills and replacements in the cooling systems of properties, the natural gas consumption of properties and the fuel consumption of vehicles used by the Group.
For natural gas, we used the emission factor specified in Schedule No. 7 to Government Decree No. 9/2023 ÉKM for our calculations. For the fuel consumption of vehicles, we used the GHG emission factors published by the U.S. Environmental Protection Agency **(**EPA). For refrigerant refills and replacements, the guidance on Adipic Acid Production of the GHG Protocol was used to calculate GHG emissions.

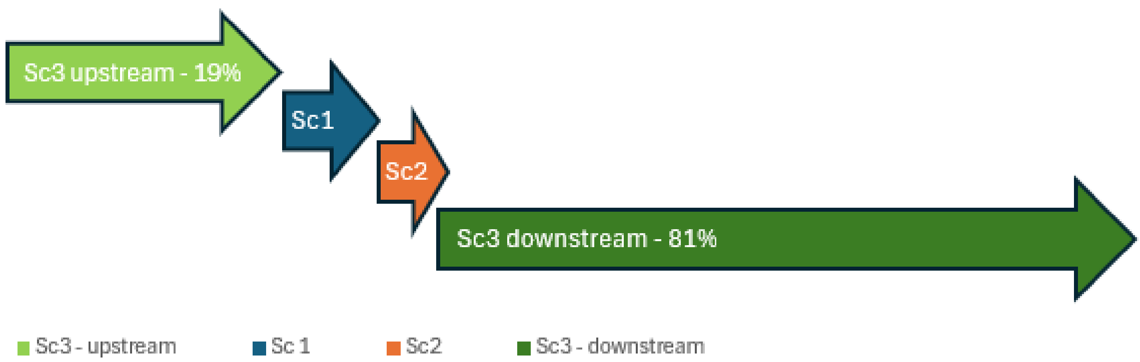
Scope 2

For calculations involving electricity-related emissions, both location-based and market-based methods were used to calculate Scope 2 GHG emissions, following the GHG Protocol Scope 2 Guidance. For location-based emissions, we used country-specific annual average emission intensity values from https://app.electricitymaps.com. For market-based emissions calculations, the emission factor published by the energy supplier MVM Next in its report "2023 Energy Mix MVM Next Energiakereskedelmi Zrt. – Business Clients" was used for Hungarian sites, as MVM Next accounts for the majority of electricity purchased by the Group, while for sites in Slovenia and the Czech Republic, the European Residual Mix emission factors provided by AIB were used due to the lack of detailed supplier data.

Scope 3

The methodology and emission factors applied are detailed in the next chapter.

GHG emissions profile of AutoWallis Group



Having regard to the company's operational structure, AutoWallis Group used the operational control approach for calculating Scope 1 and Scope 2 emissions under the control-based approach. As at the end of 2024, the Group used 44 properties, including both its own and leased properties and offices. Energy use is regularly monitored and controlled as part of the Group's energy management system, which currently covers 26 major sites.

In 2024, the Group successfully expanded its data collection to include quantitative data on refrigerant refills in air conditioning systems at its sites and properties. In addition, Scope 1 and Scope 2 data were collected for fuel purchases and electricity used for charging vehicles in the company fleet. In the Mobility Services Business Unit, fuel purchases and electricity use recorded using fuel cards were also included in Scope 1 and Scope 2 emissions, whether for company cars, carsharing services or rental vehicles.

The breakdown of GHG emissions by business unit for the three emission scopes is presented below:

For location-based emissions	Scope1 tCO2eq	Scope2 tCO2eq	Scope3 tCO2eq
Distribution	906	188	1,340,782
Retail	1,777	1,139	368,097
Mobility services	3,659	163	48,686
Total	6,342	1,490	1,757,565

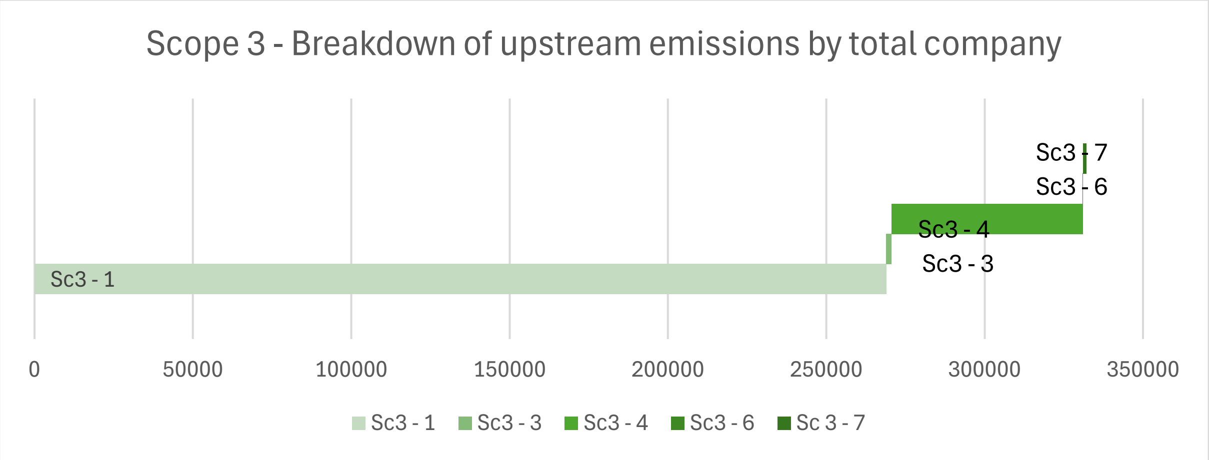
For market-based emissions	Scope1 tCO2eq	Scope2 tCO2eq	Scope3 tCO2eq
Distribution	906	192	1,340,782
Retail	1,777	1,115	368,097
Mobility services	3,659	173	48,686
Total	6,342	1,480	1,757,565

AutoWallis does not report any biogenic CO_2 emissions or contract assets.

Scope 3 emissions

Scope 3 emissions dominate the Group's total emissions portfolio, accounting for 99.55% of the total.

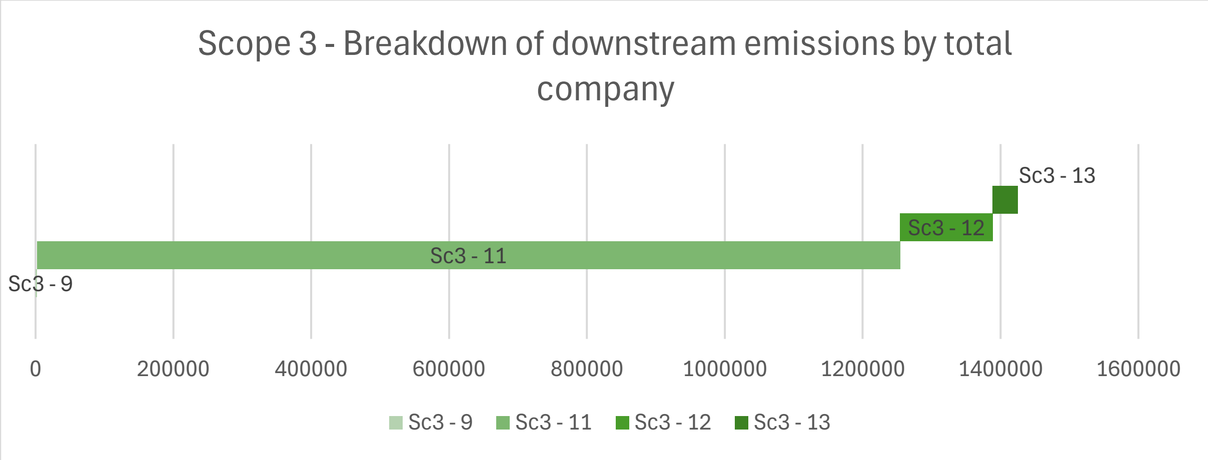
Within this category, the most significant contributions come from emissions generated during the use phase of vehicles sold, emissions related to their production and disposal, and GHG emissions linked to the transportation of vehicles and spare parts distributed by the Distribution Business Unit, collectively accounting for 94.2% of all GHG emissions.



1. Scope 3 Upstream GHG emissions

Scope 3 emission categories	AutoWallis	tCO2eq
scope3.1 Purchased goods and services	Emissions from the production of vehicles sold – calculated based on industry studies per vehicle type (based on ACEA's "Vehicles on European Roads" report of January 2025).	268,940
scope3.2 Capital goods	Emissions from purchased properties, vehicles and equipment – annual data for GHG emissions from operation are included in Scopes 1 and 2.	0
scope3.3 Fuel and energy-related activities	Emissions generated during the production and transportation of the fuels and natural gas used. Calculated using the WTW->TTW and TTW->WTT conversion factors and the share of power plant self-consumption and grid loss within total production, based on 2023 data by the Hungarian Central Statistical Office.	1,693
scope3.4 Upstream transportation and distribution	Emissions related to the transportation of vehicles and parts distributed under import agreements in the Distribution Business Unit, based on CO2 emissions data provided by the service providers DSV, Hellmann, Milsped Balkan, Milsped Albania and Lagermax. For the transportation of the vehicles distributed, emissions were calculated based on the type of the transportation vehicle, estimated fuel consumption (Safety4Sea study), distance travelled in km and load factors.	60,317
scope3.5 Waste generated in operations	Emissions associated with landfill waste and incinerated waste, calculated using the quantities of waste generated based on IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories.	261
scope3.6 Business travel	Emissions from business air travel by employees, calculated using distance data in km based on the ICCT_CO2-commercl-aviation-2018 study. Emissions from business travel using company cars are included in fuel consumption in Scope 1.	166
scope3.7 Employee commuting	Emissions from commuting based on a questionnaire survey of employees with 397 respondents, calculated using emission factors provided by the Centre for Budapest Transport (BKK).	937
scope3.8 Upstream leased assets	This category is not considered material for the Group, as its annual emissions data calculated based on the energy consumption of leased assets (properties, vehicles and equipment) are already included in the inventory.	0

Scope 3 Downstream GHG emissions



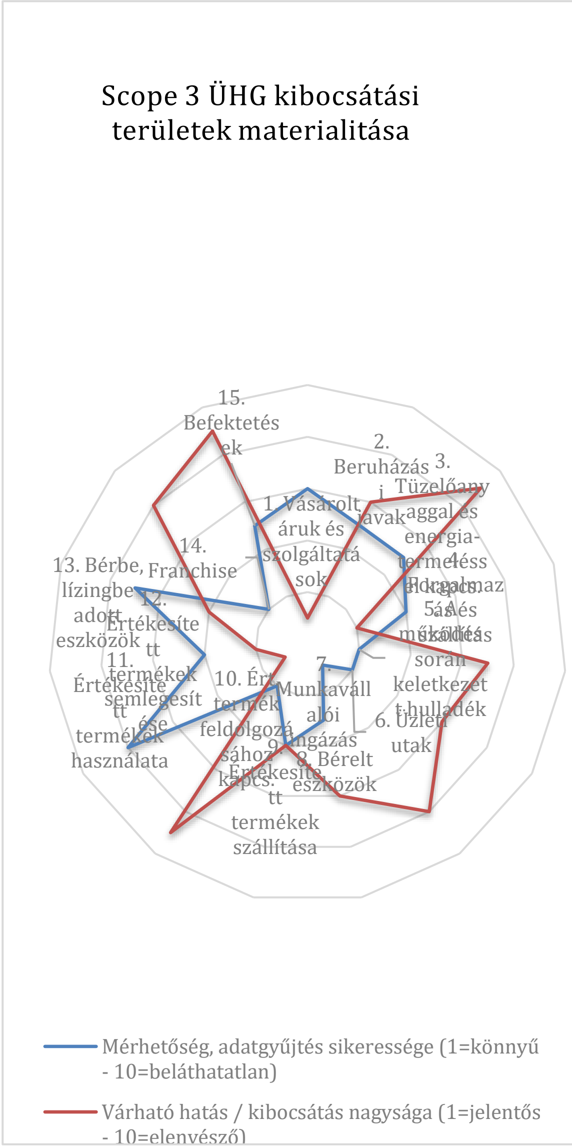
Scope 3 emission categories	AutoWallis	tCO2eq
scope3.9 Downstream transportation	Emissions from delivering parts distributed by the Group to resellers, repair shops and users, based on GHG emissions data provided by the transportation companies (Hellman, Lagermax).	2,087
scope3.11 Use of sold products	GHG emissions during the operation[1] of vehicles sold by the Group, calculated using the emissions data of manufacturers by vehicle type, based on ACEA's "Vehicles on European Roads" report of January 2025.	1,252,264
scope3.12 End-of-life treatment of sold products	GHG emissions at the time of disposal of vehicles sold by the Group, calculated based on an industry study (ACEA's "Vehicles on European Roads" report of January 2025).	134,053
scope3.13 Downstream leased assets	For vehicles leased without a fuel card in the Mobility Business Unit (the former Nelson fleet), calculated based on annual mileage and powertrain/model data, using studies by the U.S. Environmental Protection Agency (EPA) and Comcar.	36,846
scope3.14 Franchises	Fuel consumption data for vehicles rented out under the Sixt franchise rights are included in Scope 1.	0

1 Calculated using a life cycle of 14.6 years and an annual average mileage of 12,000 km/year for vehicles sold.

During the analysis of Scope 3 emission categories, the company assessed business processes based on two key criteria. First, interviews and discussions were conducted with the Group's employees between October 2024 and 15 January 2025, and second, the information compiled in the data sheets of the emissions inventory was presented in detail based on the data already collected. During the analysis, we identified the Group's CO_2-emitting activities and processes within the Scope 3 categories. We examined how significant or measurable the CO_2 emission impact of a given category is, and whether the missing data could be reliably estimated.

Results of the Scope 3 GHG emissions category relevance assessment

Scope 3 emission categories	Measurability and success of data collection (1 = easy, 10 = incalculable)	Expected impact / magnitude of emissions (1 = significant, 10 = negligible)
1. Purchased goods and services	6	1
2. Capital goods	5	6
3. Fuel and energy-related activities	5	9
4. Upstream transportation and distribution	4	2
5. Waste generated in operations	2	7
6. Business travel	2	6
7. Employee commuting	1	8
8. Upstream leased assets	3	6
9. Downstream transportation	4	4
10. Processing of sold products	2	9
11. Use of sold products	8	1
12. End-of-life treatment of sold products	4	2
13. Downstream leased assets	7	4
14. Franchises	2	8
15. Investments	5	9



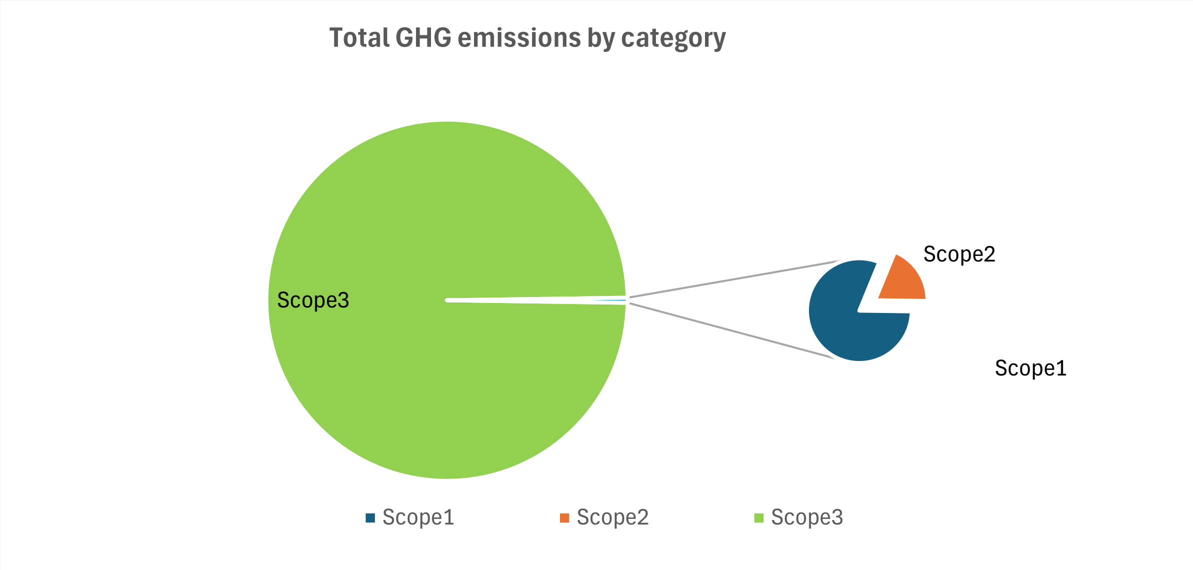
Scope 3 assessment boundaries were defined based on the analysis of the activities of subsidiaries and the industry-specific assessment of emission categories. As part of the relevance assessment, we identified emission areas which are not relevant and those that are not yet fully reported. For the three business units of AutoWallis Group, for scores above 6, no significant impact is expected in the given emission category for any of the business units based on the analysis and industry information. However, categories with a score below 5 are considered to have significant or very significant impact; therefore, in these categories, data were collected and emissions were calculated or at least estimated based on industry studies.

The most significant Scope 3 emission sources include the indirect emissions generated in the value chain, particularly emissions from the supply chain and those occurring during the life cycle of products. Data collection and analysis focused primarily on these areas. For the remaining Scope 3 categories, the goal was to gradually expand data collection in the coming years based on the results of the relevance assessment, by implementing new measurement and reporting tools if necessary.

For emission areas that are currently not assessed or not fully assessed, the Group has made commitments to collect and include the following in the 2025 carbon inventory:

1. Scope 3/1 Purchased goods and services – Assessment of significant goods and services purchased in this category and calculation of emissions

2. Scope 3/2 Capital goods – Calculation of emissions based on a full life cycle analysis of properties, vehicles and equipment recorded as capital goods
3. Scope 3/4 Upstream transportation and distribution – Emissions of the Retail Business Unit related to transportation activities for car brands not distributed under import agreements
4. Scope 3/5 Waste generated in operations – Full assessment of waste generated in operations and collection of waste streams to be reused
5. Scope 3/14 Franchises – Full assessment of emissions related to Sixt rent-a-car, along with the collection of emissions data related to fuel purchases and charging by customers



Reporting boundaries

Defining reporting boundaries is essential for accurately compiling the Group's carbon inventory. These were reviewed and extended to include the emissions of the companies acquired in 2024 (except for Milan Kral Group). For Global Warming Potential (GWP) values, the Group applied the figures from the IPCC's Sixth Assessment Report (AR6), as recommended by the GHG Protocol.

We considered two key criteria when defining the boundaries of data collection and calculation.

1. Organisational boundaries: Boundaries were determined using the operational control approach. This includes assets, vehicles and properties owned and leased, as well as assets used by joint ventures. When determining boundaries, the company's ability to influence various types of consumption was taken into account. Based on the operational control approach, the company is considered to have impact if it generates revenue from the given activity, e.g. in the case of car rental. In the case of properties and vehicles, we did not make a distinction between assets owned and leased.

2. Operational boundaries: In 2024, the company's 35 subsidiaries operated sites and offices across a total of five countries (Hungary, Slovenia, the Czech Republic, Croatia, Romania). In total, 44 sites and their activities were included within the boundaries, taking into account the distribution, retail, mobility and support activities.

2.2.9 GHG removals and GHG mitigation projects financed through carbon credits

[E1-7]

AutoWallis Group does not currently employ greenhouse gas (GHG) removals in its operations and does not run GHG mitigation projects financed through carbon credits. Accordingly, disclosures related to these are not material for the company at this moment.

2.2.10 Internal carbon pricing

[E1-8]

AutoWallis Group does not apply internal carbon pricing in its operations.

2.2.11 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

[E1-9]

Pursuant to Appendix C of ESRS 1, AutoWallis Group may refrain from reporting on the datapoints in disclosure requirement ESRS E1-9 in the first year of preparation of its sustainability statement. As a result, AutoWallis Group will first report on this topic in 2026 for the year 2025.

2.3 Resource use and circular economy

2.3.1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

[IRO-1 – E5]

In 2024, AutoWallis Group conducted a DIRO assessment to identify the actual and potential impacts, risks and opportunities arising from its own operations as well as from its upstream and downstream value chain.[14] During this process, we identified such impacts, risks and opportunities through stakeholder mapping, media screening and value chain assessment. Due to the nature of the activities of AutoWallis Group, impacts related to the circular economy were primarily identified during the assessment along the downstream value chain.

From a waste generation perspective, the most concerning impacts are mainly associated with the end-of-life phase of vehicles. AutoWallis does not have influence over vehicle manufacturing; however, our partners and indirect suppliers (vehicle manufacturers) must comply with stringent legal requirements in connection with their products. These legal requirements also address aspects of the circular economy, which include increasing reuse and recycling rates in the automotive industry.

The process of assessing the impacts, risks and opportunities identified was the same as the one described in chapter 1.4.1 of this report. No consultations were conducted with affected communities in relation to this topic.

2.3.2 Policies related to resource use and circular economy

[E5-1]

Due to the nature of its business model, AutoWallis Group does not have a significant influence over the increased use of secondary resources. This is because our core activity is the retail and wholesale distribution of motor vehicles, in which we manage the import and retail processes of the vehicles distributed. None of our subsidiaries are engaged in manufacturing. Over the past three years, we have implemented a number of investments in energy efficiency and installed solar panel systems. Where technically feasible, we equipped nearly all of our properties with solar panels. We work exclusively with brands that are committed to meeting the recycling rates prescribed by EU legislation. We are permitted to handle concession waste only in accordance with contracts concluded with MOHU, while other types of waste are collected separately according to the internal policies of our subsidiaries and sites and are transported and recycled by our contracted partners. The recycling rate is 95%, though it varies by brand and vehicle type, having regard to the regulatory requirements and the fact that our fleet does not include vehicles older than five years. Car manufacturers and their contracted partners are required to meet strict recycling, recovery and disposal targets, with vehicles being subject to a recycling requirement of 85% by weight after 1

[14] The DIRO assessment is part of the ESRS double materiality assessment and identifies a company's sustainability impacts, risks, opportunities and dependencies. The "D" (dependencies) refers to those ecosystem services and natural resources that are essential for a company's operations, such as rare earth elements for battery production, water for automotive manufacturing processes, or fossil fuels for the functioning of the supply chain.

January 2006 and 95% after 2015. The wholesale distributors of brands must ensure the free take-back of end-of-life vehicles for the brands distributed.
In its own operations, AutoWallis strives to increase the share of renewables wherever this is technically feasible at a given location. However, it has no influence over these factors in terms of product manufacturing.
All of our retail subsidiaries operate in compliance with the applicable regulations and maintain documents and process descriptions governing waste management, particularly for hazardous waste. We place special emphasis on the separate collection and storage of batteries. Each type of waste is collected and stored separately and is then handed over for recycling either to MOHU or to our contracted partners. As a first distributor, our distribution company is required to pay a fee under the Energy Efficiency Obligation Scheme (EKR) that covers the costs of recycling the products we distribute (vehicles and parts).
As part of our sustainability strategy, we are committed to maximising the recycling rate of the waste generated by the Group. We are required to hand over concession waste to MOHU, while non-concession waste is collected separately and then handed over to our contracted partners for recycling. Since part of the waste generated by AutoWallis' own operations is made up of concession waste, the rate and method of recycling depends partly on MOHU. As a result, due to the Hungarian regulatory environment, we only have limited and indirect influence over increasing the recycling rate.
Our waste hierarchy is as follows:

I. Prevention: We organise our workflows in a way that minimises waste generation.
II. Preparation for reuse: According to our internal policies, all waste fractions (except for municipal waste) are collected separately by waste type and handed over to our contracted partners.
III. Recycling: MOHU and our partners maximise the rate of recycling.
IV. Other recovery, e.g. waste-to-energy: The vast majority of the waste generated consists of waste oil and other substances for which incineration is prohibited. As a result, there is no waste available that can legally be used for energy production.
V. Disposal: Hazardous waste is managed in compliance with legal requirements and is handed over for transportation, disposal or destruction.

We arrange for the recycling of our waste in accordance with the principles set out in AutoWallis Group's sustainability report. At sites where services are provided (e.g. Wallis Pest and Wallis Duna), where employees handle materials required for car maintenance (e.g. brake fluid, waste oil), our staff are required to collect waste separately in line with the applicable operating procedures. Each type of waste is then transported for recycling by MOHU or our contracted partners.
At the moment, only limited information on the value chain is available. Therefore, the most important plan of AutoWallis in this regard is to carry out a detailed risk assessment of the value chain over the next two years. As a result, we will identify the partners to be assessed in terms of material impacts, risks and opportunities, and we will develop processes for collecting data from suppliers and partners. This will mark the beginning of the systematic collection and analysis of value chain data to support effective decision-making. Following this process, AutoWallis will place significant emphasis on developing policies that cover the entire value chain.
AutoWallis has internal policies addressing sustainability issues related to the circular economy. However, the company does not have a dedicated policy for circular economy in place and, for the reasons outlined above, does not plan to develop one at this time.

2.3.3 Actions and resources related to resource use and circular economy

[E5-2]

AutoWallis Group has implemented numerous resource efficiency measures to support water conservation. At our Vecsés site, for instance, the vehicles of our Sixt rent-a-car division are cleaned using water-saving technologies. Although we do not have any direct influence over the manufacturing of the vehicles we distribute due to the nature of our business model, we work with partners that guarantee the required recycling rates. This means that the manufacturers of the distributed vehicles must achieve a recycling rate of at least 95%.
AutoWallis Group also focuses strongly on increasing the use of secondary raw materials (recycled materials). This is achieved by working with partners that guarantee high recycling rates. The distribution of second-hand vehicles plays a key role in applying circular design principles, since high-quality and well-maintained used cars contribute to the efficiency of the circular economy. Circular design enhances product durability, optimises product usage and promotes reuse, repair and refurbishment and the reuse and recycling of parts.
The proper maintenance of vehicles using factory parts is a priority in both our repair shops and dealerships as this increases their useful life and reduces harmful emissions while improving road traffic safety. To prevent waste

generation, we focus strongly on training our technicians to minimise the waste generated in repair shops during the course of their work.
In order to optimise waste management, AutoWallis Group selects its partners carefully, particularly for waste that is not handled by MOHU. While we currently do not operate a smart waste collection system, we are constantly examining the option of implementing such solutions across our business units and activities.
As outlined above, due to the nature of its business model, AutoWallis Group has no influence over the materials used or products manufactured, and this can only be influenced by the Group through the selection of car manufacturers as its partners. As a result, the Group does not currently have appropriate measures in place to manage value chain risks and does not plan to develop such measures for the time being. However, as described under disclosure BP-1, AutoWallis focuses strongly on defining appropriate measures that extend to the value chain.

2.3.4 Targets related to resource use and circular economy

[E5-3]

AutoWallis Group's overall objectives are closely linked to various aspects of the circular economy; however, due to our business model, we do not have any direct influence over the design and manufacturing of the vehicles we distribute. Manufacturers are legally required to implement appropriate measures in areas such as durability, dismantling, reparability and recyclability.
Likewise, we have no direct influence over the circular material use rate, but we continuously monitor the activities of our partners to ensure that they comply with their legal obligations and achieve their targets. This includes keeping track of announcements related to specific car manufacturers and partners, reviewing their ESG strategies and monitoring their reports. Similarly, our targets involving the minimisation of the use of primary raw materials are also affected by the actions of these partners. In its own operations, AutoWallis strives to increase the share of renewables wherever this is technically feasible at a given location. However, it has no influence over these factors in terms of product manufacturing.
In terms of waste management practices, we strive to minimise the environmental impact of waste generated by our operations, to recycle as much of it as possible, and to manage waste in accordance with the waste hierarchy. AutoWallis' waste management strategy and the related targets are currently being developed and will be published in 2025 as part of the updated ESG strategy. The detailed rules are still being developed, and ecological thresholds were not taken into consideration in the process. The targets set by the Group can be either voluntary or mandatory (e.g. required by legislation).

2.3.5 Resource outflows

[E5-5]

The activities of AutoWallis Group include the retail and distribution of motor vehicles, servicing, parts distribution and the provision of mobility services. As the Group is not involved in manufacturing, there are no significant resource outflows at any stage. For the same reason, the durability and reparability of the products we distribute and the recyclability of materials are determined by our automotive manufacturing partners and the applicable legal environment, and the company can only influence these aspects through its choice of partners. Car manufacturers and their contracted partners are required to meet strict recycling, recovery and disposal targets, with vehicles being subject to a recycling requirement of 85% by weight after 1 January 2006 and 95% after 2015.
The waste streams generated by our operations are listed below:

- HAK 080111* paint
- HAK 130205* waste oil
- HAK 130502* sludges from oil/water separators (from car washes)
- HAK 130508* mixtures of wastes from grit chambers and oil/water separators (from car washes)
- HAK 140603* solvents
- HAK 150101 paper and cardboard
- HAK 150106 mixed packaging
- HAK 150110* packaging containing hazardous substances
- HAK 150111* empty pressure containers
- HAK 150202* absorbents contaminated by hazardous substances

- HAK 150203 cabin air filters and pollen filters
- HAK 160103 tyres
- HAK 160107* oil filters
- HAK 160114* antifreeze fluids
- HAK 160117 metal
- HAK 160119 plastic
- HAK 160120 glass
- HAK 160601* lead batteries

Our waste streams include various metals, non-metallic minerals, plastics, textiles and hazardous materials.

Table 4: Total amount of waste generated by the operations of AutoWallis Group [t]

	2024
Total amount of waste generated	912

Table 5: Hazardous waste generated by the operations of AutoWallis Group [t]

	2024
Preparation for reuse	0
Recycling	0
Other recovery operations	0
Incineration	0
Landfill	0
Other disposal operations	187

Table 6: Non-hazardous waste generated by the operations of AutoWallis Group [t]

	2024
Preparation for reuse	0
Recycling	63
Other recovery operations	0
Incineration	231
Landfill	229
Other disposal operations	202

The total amount of non-recycled waste is 849 tonnes, representing 93.1% at Group level.
Some of the data presented in chapter E5 are based on actual figures measured by waste management companies, while estimates were used for the amount of municipal and non-hazardous waste, as well as for the disposal of non-hazardous waste through incineration and landfill, as outlined in chapter BP-2.

2.3.6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

[E5-6]

Pursuant to Appendix C of ESRS 1, AutoWallis Group may refrain from reporting on the datapoints in disclosure requirement ESRS E5-6 "Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities" in the first year of preparation of its sustainability statement. As a result, AutoWallis Group will first report on this topic in 2026 for the year 2025.

3. Society

3.1 Own workforce

3.1.1 Interests and views of stakeholders

Information pertaining to the disclosure requirement is presented under disclosure SBM-2 in this report.

3.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

[SBM-3 – S1]

Impacts identified by AutoWallis Group in connection with its own workforce include, amongst others, creating a safe working environment and preventing accidents. In certain subsidiaries where the nature of the activity requires, this is ensured through the implementation of occupational health and safety management systems in compliance with the relevant laws. In addition, relevant employee training and safety-related workshops and exams all contribute to creating a secure working environment and a work culture of safety.

Transparent working conditions are guaranteed by a dedicated timesheet management system, and working hours are communicated to employees in advance. Compliance with local regulations ensures the limitation of working time. Impacts for AutoWallis also include competitive compensation and employee satisfaction, which are supported by wages that exceed the guaranteed wage minimum and are aligned with prevailing market conditions.

We promote employee stability through clear career paths and continuously available training opportunities. These also include mandatory training programmes that all employees are required to complete, such as our ethics policy training. Such programmes are designed to promote an inclusive and discrimination-free workplace. This effort is further supported by our Code of Ethics available on our intranet platform, which all employees are required to adhere to. The Group also operates an anonymous whistleblowing line through which employees can submit feedback.

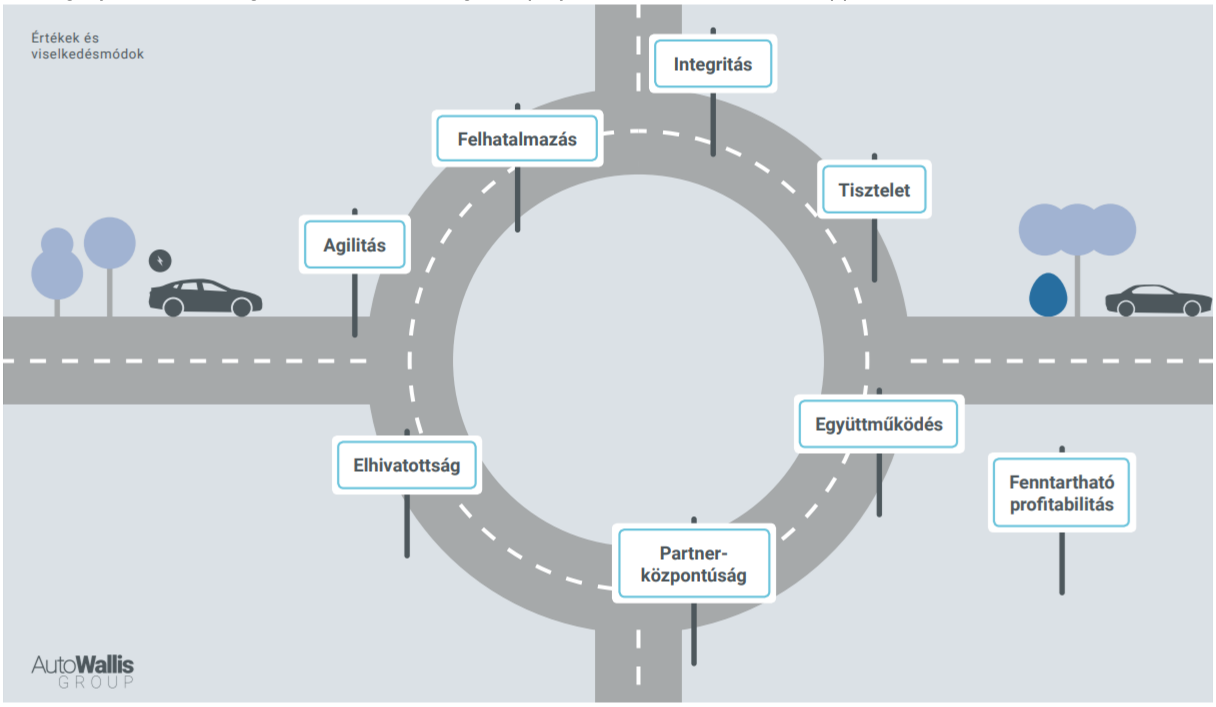
The risks identified by the Group in relation to its own workforce include employee turnover and labour shortage, which are influenced mainly by economic fluctuations and shifting market demands. We only have limited control in this regard. The risks identified also include overwork and burnout, and to mitigate these potential risks, we strive to maintain open communication regarding work schedules. Another workplace safety risk arises in the absence of an occupational health and safety management system, as failure to comply with safety requirements and regulations increases the likelihood of accidents and, as a result, the risk of legal consequences, litigation and fines. Lastly, the lack of pay adjustment may also pose a risk. The Group can mitigate this through pay transparency initiatives and pay reviews, and by promoting equal opportunities for career advancement.

The opportunities identified include attracting talents, which we achieve by offering long-term career development pathways. Ensuring open communication and transparency, i.e. regular communication and dialogue, fosters employee satisfaction and creates a balanced relationship between AutoWallis and its stakeholders. Another opportunity lies in promoting workforce diversity, which is accomplished by the Group through acceptance and inclusion. An aspect of this is ensuring workplace accessibility for our workforce, which we aim to achieve in the future by selecting appropriate office buildings. Through training programmes available within AutoWallis Group, including training on health protection and prevention, and by continuously monitoring and updating development

opportunities, we enhance our employees' resilience to industry challenges, reduce the number of workplace accidents and provide adequate safety for our workers while reducing employee turnover. We plan to conduct a detailed qualitative resilience assessment of our strategy and business model in terms of how we manage the impacts and risks identified and our material opportunities.
Information on the company's material impacts, risks and opportunities and how these interact with the strategy and business model can be found under disclosure SBM-3 of this report.

3.1.3 Policies related to own workforce

[S1-1]
The policies and guidelines issued by AutoWallis Nyrt. and approved by its Board of Directors incorporate the requirements for respecting human rights, including the rights of individuals within our own workforce, such as labour rights. These policies apply to all of our employees. In our workplaces, we require our staff to observe and comply with the principles of workplace ethics and corporate values. Such ethical values include integrity, respect and agility, values that guide how we manage employment-related risks and opportunities.



We ensure that all labour rights are protected, and we operate an anonymous whistleblowing system to report any potential labour or human rights violations and issues or any other complaints, and to facilitate the remediation of any human rights impacts. Through this whistleblowing system, our own employees are able to anonymously report any perceived ethical or legal misconduct. Reports are investigated by an independent organisation.
AutoWallis Nyrt.'s internal regulations, which include its Code of Ethics, privacy policy and insider trading policy, are aligned with the UN Guiding Principles on Business and Human Rights and internationally recognised standards. Our Code of Ethics sets out principles related to the protection of human rights, the prohibition of discrimination, fair business practices and respect for the dignity and rights of workers. Our internal regulations also address the processing of information, thereby ensuring the protection of the privacy of data subjects, in compliance with the requirements under the GDPR and the UN Guidelines.
Currently, the internal regulations of AutoWallis Nyrt. do not cover topics such as human trafficking, forced labour, child labour or the inclusion of own workforce vulnerable to exploitation. However, it is important to note that the Code of Ethics is currently under review, which is expected to be completed by 2025.
Similarly, our Group currently does not have procedures or policies in place regarding training and career advancement, as well as the responsibility of senior management in relation to equal treatment and equal opportunities.
To prevent workplace accidents, we operate specific occupational health and safety management systems or adhere to occupational safety regulations in subsidiaries where the nature of activities requires and where occupational safety regulations apply in accordance with the Occupational Health and Safety Act. These

subsidiaries are AW SLO Distribution d.o.o., AW CRO Distribution d.o.o., AW RO Distribution d.o.o., Wallis Adria d.o.o., Wallis British Motors Kft., Wallis Autókölcsönző Kereskedelmi és Szolgáltató Kft., ICL Autó, Wallis Motor Pest, Wallis Motor Duna, Wallis Kerepesi, Iniciál, RN Hungary, AW Distribution Kft. and AW OPL Distribution Kft. In the case of these subsidiaries, such regulations apply to all employees. Fire safety regulations, personal protective equipment distribution policies and job suitability policies are all in force at these locations. However, AutoWallis does not operate a common occupational health and safety management system covering the entire Group as a significant part of the Group performs office work.

To prevent discrimination, eliminate harassment and promote equality and diversity, AutoWallis Nyrt. and all of its subsidiaries act in accordance with the Charter of Fundamental Rights of the European Union and the Labour Code. The Group firmly rejects all forms of discrimination, including prejudice and stereotyping based on gender, skin colour, racial or ethnic origin, language, religion or other belief, political opinion, difference of opinion, national minority status, financial situation, birth, disability, age or sexual orientation. These core values are integrated into the principles of our Code of Ethics updated in 2022.

We communicate our policies, procedures and guidelines to our employees via our intranet platform, which is available to all of our staff, providing access to all relevant documents and the regulations and requirements applicable to employees at all times. Our subsidiaries use local communication channels to deliver these policies to our employees. In 2024, AutoWallis Nyrt. held training sessions on anti-discrimination policies and practices for all employees and for the entire Board of Directors.

AutoWallis Nyrt. does not currently have procedures or policies in place for providing a physical environment for employees, clients or other visitors with disabilities. The steps taken in order to create an accessible working environment are described in disclosure SBM-3 – S in this report.

At Group level, AutoWallis has an internal mobility policy in place, ensuring that development opportunities, training courses and promotions for employees are properly regulated.

Employee skill development also plays a key role, and we are working across the Group to ensure that employees have access to relevant training opportunities to develop themselves and their skills. In the long term, this contributes to making AutoWallis more flexible and adaptable to constant and rapid changes in the business environment.

3.1.4 Processes for engaging with own workers and workers' representatives about impacts

[S1-2]

Responsibility for maintaining engagement with employees on identified impacts lies with the HR department, which is formalised through all-staff meetings. Responsibility for AutoSpoiler and internal communication is shared between the group-level marketing and HR departments.

AutoWallis Nyrt. has an internal communications policy in place that outlines the methods and principles of informing employees. The human rights of stakeholders involved in this cooperative framework, including their rights to the freedom of expression, peaceful assembly and protest, are guaranteed by our corporate values and our Code of Ethics in which these values are enshrined. All-staff meetings are held at specific intervals for various organisational levels to support open dialogue and communication between employees and management. These meetings are held at three levels:

- at subsidiary level: every six months to ensure the flow of information and proper communication with staff,
- at business unit level: also every six months,
- at group level: once per year.

All members of every subsidiary are present at our annual group-level all-staff meetings, where time is allocated for employees to ask questions or start discussions, encouraging employees to be actively involved. Any concerns or suggestions raised by them are addressed. Additionally, local employee engagement and communication are supported through each subsidiary's own communication channels.

In addition to all-staff meetings, employees may also share their feedback or express their opinions via a dedicated email address set up for this purpose. Ethical concerns or feedback can be reported directly to their superiors or can even be submitted anonymously through our whistleblowing system.

A cornerstone of AutoWallis' collaboration with its employees is the engagement survey conducted every two years, which also includes an assessment of employee satisfaction. The results of this survey are used by the Group HR Director, working with both group-level and local management, in shaping the HR strategy for the coming years.

The measures taken are communicated to employees by HR via the intranet and by email. In the subsequent year, the survey is repeated in areas where action was taken in order to assess the effectiveness of those measures. All employees across the Group are invited to share their experiences and feedback on a regional basis. Participation in the survey is required at subsidiary level and also ensures legal compliance.
AutoSpoiler is AutoWallis' group-level intranet platform, which serves as the primary tool for internal communication. It is partly used to share key announcements and news relevant to the Group, and employees can find out about changes and developments on this platform.
AutoWallis Group has not entered into cooperation with employee representatives, including national or international trade unions and works councils. Furthermore, the Group currently does not collaborate with employees on the following topics: impacts from reducing carbon emissions, impacts from transitioning to greener and climate-neutral operations, impacts from job losses, impacts from training, further training or retraining, impacts from gender equality and social justice, and impacts from health and safety.
At present, AutoWallis is taking steps to consider the interests of marginalised groups within its workforce. To this end, process improvements are underway with the support of the Group's BI system, which will enable the preparation of analyses on specific employee groups, including the disadvantaged. This measure will be implemented in 2025 across the Group's sites in Hungary, with plans to later expand the initiative to international subsidiaries as well. Employee collaboration can be monitored using statistics available on the Group's intranet platform, which include data such as the number of views and active users. Follow-up surveys are conducted to gather feedback after major events, such as the all-staff meeting and event held to celebrate the 5th anniversary of the Group being listed on the stock exchange, and after other management conferences.

3.1.5 Processes to remediate negative impacts and channels for own workers to raise concerns

[S1-3]

In 2023, AutoWallis Nyrt. established a group-level whistleblowing system. This platform allows not only employees, but also customers and business partners to report concerns related to ethical business conduct or any violations involving compliance issues, ethical practices or human rights. Ensuring ethical behavior and preventing anti-competitive practices are priorities for the Group, for which the designated Compliance Manager is responsible. The rules governing the whistleblowing system are set out in an internal policy that applies across the entirety of AutoWallis Group.
Reports of misconduct are made and investigated at the subsidiary level, in line with the principle of subsidiarity. Reports can be filed by all employees of AutoWallis Group, including those whose employment has ended and those who are still in the process of being hired. Filing a report is open to anyone with an ownership interest in AutoWallis Group, as well as its subcontractors, contractors, suppliers, business partners and agents, and those in the process of entering into a contract with the Group. The option is likewise available to interns and volunteers, and reports can also be submitted by anyone other than these individuals. Reports can be made through multiple channels, both in writing and orally:

- via a dedicated phone line available during certain hours,
- in writing via a software platform provided by a contracted third party, which can be accessed through the intranet platform (AutoSpoiler), the website of AutoWallis Nyrt. and the websites of all subsidiaries.

These reporting channels are provided by AutoWallis Nyrt. through its contracted partner and the relevant internal policy. AutoWallis contributes to the availability of the whistleblowing system by providing the intranet platform and its website, while the Group's subsidiaries maintain their own whistleblowing interfaces on their part. Where permitted by national legislation, investigations are conducted by a third party, with AutoWallis Group providing the necessary resources for such investigations. Exceptions include Bulgaria, Croatia, Slovenia and Slovakia (if the number of employees were to exceed 250), where investigations are carried out by designated whistleblowing officers for reasons of cost-effectiveness.
Whistleblowers have the option to submit reports anonymously; in such cases, they must specifically indicate the need for anonymity. The complaints reporting mechanism follows these steps:

1. Reporting: the whistleblower reports their concern via one of the designated channels.
2. Acknowledgement: within 7 days of submission, the investigator handling the case sends an acknowledgment confirming receipt of the report.
3. Investigation: the investigator initiates the investigation process, stays in contact with the whistleblower and collects evidence.

4. Result: the result of the investigation is shared with the whistleblower as soon as possible, but no later than 30 calendar days. If an extension of the investigation is necessary, then its duration may not exceed three months.
5. Action: based on the investigator's recommendations and the outcome of the investigation process, the company concerned decides on the necessary measures and actions to be implemented.

Information on the reporting process and on accessing and using the platform is provided partly through an internal policy available to all employees. In addition, all employees have the opportunity to raise any operational questions regarding the whistleblowing system. Training is also available to all employees, which is provided by AutoWallis Nyrt. Such training includes guidance on how to use the system and on the procedure followed after a report is filed. Participation in this training is mandatory for all new hires, and the training is repeated whenever there are changes to the system or the procedure. Participation in the training is documented in the form of attendance sheets and declarations of understanding.

To prevent retaliation against the person filing the report, anonymity can be requested by the whistleblower, in which case the identity of the whistleblower will not be revealed during the investigation. This procedure is governed by our internal policy. We also ensure that the close relatives of the whistleblower (or, in the case of a legal entity, organisations in which the whistleblower has direct or indirect ownership or control) are protected from retaliation. In addition to anonymity, a procedure that we follow for this purpose is that investigations are handled by independent individuals who are free from the influence of AutoWallis Group.

Statistics related to the whistleblowing system are kept by our internal auditor. The effectiveness of the reporting channels and the follow-up on the issues raised and resolved are monitored by analysing these statistics.

Currently, AutoWallis Group does not have a process in place to measure employee trust in the whistleblowing system, but our goal is to develop such a process by 2026.

3.1.6 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

[S1-4]

To minimise the occurrence of workplace accidents and illnesses, we have introduced safety training and health promotion initiatives. We pay particular attention to employees working in our repair shops as they are more exposed to health risks such as extreme temperature, chemical substances and physical strain. We regularly carry out assessments to monitor the effectiveness of the measures we implement, which help us refine our processes and identify new opportunities. The results of these assessments are shared with the relevant stakeholders. We operate specific occupational health and safety management systems in subsidiaries where the work processes, the environment and compliance with the Occupational Health and Safety Act demand special measures, including Wallis Motor Pest, Wallis Motor Duna, Iniciál, RN Hungary, AW Distribution Kft. and AW OPL Distribution Kft. In these subsidiaries, accident investigations are followed by various repeat training sessions in order to prevent similar incidents in the future. Within AutoWallis Group, each subsidiary follows its own unique predefined protocols for managing workplace accidents. These include thorough investigations of the accidents and the integration of findings into operational procedures. Such investigations are typically conducted by external occupational safety experts who guarantee the transparency and objectivity of the process in accordance with applicable regulations.

Employees receive occupational safety and fire safety training upon joining the company, and then annually or whenever there is a change in their job or work equipment. Such training is often delivered by external occupational safety professionals. In addition, some subsidiaries also provide job-specific training, including, for example, the training for occupational safety representatives provided by Wallis Motor Pest and Wallis Motor Duna or the training on the use of lifting equipment and freight elevators for the service technicians at Iniciál. Our training programs for specific groups also include driver safety training, which is available to the employees of RN Hungary. Most of our training and further training programs end with an exam.

The subsidiaries of AutoWallis Group support the health of employees at the workplace in a variety of ways, ranging from various screening examinations to personalised health programs. For example, several companies provide access to the packages of the private healthcare provider Medicover.

Our subsidiaries manage their own efforts independently in terms of eliminating workplace-related risks. These processes include executive health screening, mandatory medical screening for new hires, workplace ergonomics, noise level control and occupational safety training. In the case of Wallis Motor Pest, Wallis Motor Duna, Iniciál, AW

Distribution Kft. and AW OPL, potential risks are assessed using matrix methods, which are supported by on-site visits and consultations with employees and company doctors. These risk assessments are conducted by certified occupational safety experts and are supported by procedures such as annual medical screening. Subsidiaries provide personal protective equipment and safety gear to manage and prevent identified workplace hazards. Employees may suspend work at any time in hazardous situations and may report such incidents to the designated occupational safety officer.

Promotions and the process of hiring new employees are strictly based on professional qualities, where performance, soft skills, professional experience and responsibilities are taken into account. AutoWallis Group is committed to promoting diversity and inclusion across all of its activities, including internal and external communications, with a strong focus on increasing the representation of women in leadership roles to prepare for upcoming changes in EU law. In 2024, several female employees were appointed to leadership positions, including HR and marketing leaders and the Group's M&A leader, thereby increasing the number of female executives at AutoWallis Nyrt. The company publishes its Corporate Governance Report every year, providing detailed information on its governance practices, transparent operations, financial planning, control processes, and corporate social responsibility policies and procedures, thereby ensuring that shareholders and other interested parties are fully informed.

To address impacts, the Group maintains a whistleblowing platform, as presented in chapter S1-3. AutoWallis pays special attention to risks and negative impacts associated with the absence of a centralised occupational safety management system. Currently, occupational safety management systems are implemented at the subsidiary level in accordance with the legal requirements. However, the Group aims to centralise these systems and introduce group-wide control. The Group takes into account the actual and potential impacts on its own workforce when terminating business relationships.

To support the satisfaction, motivation and retention of the employees of AutoWallis Group and to address impacts identified as part of the double materiality assessment, the Group has implemented a training and education management system. Our training programs are continuously developed, and investment in training is a core element of our corporate strategy. Although the attraction of talent was identified as a material sub-topic in the Group's materiality assessment and represents a potential opportunity, the Group does not currently have a policy in place in this area.

The Group employs several tools in order to ensure transparent working hours for its employees and reduce the risk of overtime. All employees of AutoWallis receive their work schedules in advance, ensuring that they are well-informed. Additionally, the Group is implementing the Nexon employee platform, which helps with administration related to scheduling and provides online access to rules and regulations concerning working time.

To maintain competitive compensation, the Group introduced a grade system in 2023 and early 2024, which aligns wages with market benchmarks. This helps AutoWallis in both retaining talent and maintaining employee satisfaction. A key positive impact for the Group is the professional development and training of employees. We offer leadership training and development opportunities to enhance employee competencies, and mandatory job-specific training courses (first aid, technical onboarding and further training for chartered accountants) are also included in our training portfolio. Among our training programmes, mandatory sales and servicing courses are of particular importance. Wallis Motor Pest and Wallis Motor Duna organise leadership skills development training for middle management. AW Distributions Kft. and AutoWallis Nyrt. provide coaching and mentoring programmes based on an assessment of the training needs of employees. Nelson Flottalízing Kft. offers Excel courses to its employees. Any additional training beyond mandatory training is provided independently by each subsidiary. However, going forward, we aim to develop a comprehensive group-level training plan. We regularly review the effectiveness of our training programmes to enable us to employ mechanisms for improving effectiveness later on. Stakeholders and employees are actively involved in this process. The effectiveness of these measures is demonstrated by the the low rate of workplace accidents.

One of the Group's employee engagement approaches is internal rotation within the company group, aimed at improving employee retention. Others include our continuity of employment initiative at Wallis Motor Pest and Wallis Motor Duna, which offers employees who have reached retirement age the opportunity to continue working. Flexible working arrangements are also available here for parents with small children. At AW Distribution Kft. and AutoWallis Nyrt., employees have access to flexible working hours, home office options, personalised career plans, volunteer and health programs, as well as part-time employment opportunities.

The process of implementing the necessary measures is based on our employee engagement survey. The Group's HR Director, in collaboration with both group-level and local management, uses the results of the survey to identify the actions needed to be taken to address actual or potential negative impacts regarding employees, prioritises the measures based on the results of the survey, and incorporates the measures into the Group's HR strategy for the

coming years. The effectiveness of the measures is monitored through the following year's survey. No measures aimed at reducing risks or exploiting opportunities related to our own workforce were implemented during the reporting year.
The company does not use target metrics to monitor measures as they are evaluated on a qualitative basis.
To address material impacts, separate and dedicated resources are allocated at both subsidiary and Group levels for the whistleblowing system and employee retention.

3.1.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[S1-5]

As this is AutoWallis Group's first year of reporting under the ESRS framework, the Group will define outcome-oriented targets in 2025 based on the results of the employee engagement survey conducted on 24 July 2024, focusing on managing material negative impacts, promoting positive impacts, and addressing material risks and opportunities. To this end, the Group's Code of Ethics is currently under review and will be finalised in 2025. Further information on the engagement survey related to the target-setting and monitoring process is provided under disclosure S1-2.

3.1.8 Characteristics of the undertaking's employees

[S1-6]

AutoWallis Group had a total of 1,336 employees in 2024, including 962 male and 374 female employees. Note VII.6 of the consolidated financial statements contains further information on personnel expenses incurred in 2024. The discrepancy between the total headcount data presented here and in the consolidated financial statements is explained by the difference in calculation methodology.

Table 7: Total employee headcount and gender distribution [persons]

	2024
Total headcount	1,336
Male	962
Female	374

The subsidiaries of the Group included in this report operate in a total of six countries. Of these subsidiaries, the ones operating in Hungary, the Czech Republic and Slovenia report more than 50 employees per country. 923 workers are employed by our subsidiaries operating in Hungary, with 154 and 211 employees working in the Czech Republic and Slovenia, respectively.

Table 8: Breakdown of total employee headcount by country, for countries where the company employs at least 50 people and those employees represent at least 10% of the total employee headcount [persons]

	2024
Total headcount	1,336
Hungary	923
Slovenia	211
Czech Republic	154
Countries with less than 50 employees each	48

Table 9 shows the total employee headcount for our permanent staff and its breakdown by gender. Based on this, we can conclude that 71.6% of our permanent workforce are male, while female employees represent 28.4% with 372 employees. One of the reasons behind this is the fact that AutoWallis Group operates in the automotive sector, where the number of male employees is typically higher.

Table 9: Total employee headcount for permanent staff and breakdown by gender [persons]

	2024
Total headcount	1298
Male	929
Female	369

In 2024, AutoWallis also employed temporary workers, though only in small numbers. A total of 33 men and 5 women were employed under this type of working arrangement during the reporting period.

Table 10: Total employee headcount for temporary staff and breakdown by gender [persons]

	2024
Total headcount	38
Male	33
Female	5

No employees with on-call contracts were employed by Autowallis in 2024.
A total of 192 employees left the Group in 2024. Employee turnover in proportion to the total headcount was 14%.

Table 11: Total number of employees leaving the company [persons] and employee turnover [%] during the reporting period

	2024
Total number of employees leaving the company [persons]	192
Employee turnover [%]	14%

Employee-related figures are presented in terms of headcount based on data for the end of the reporting period.[15] Such data are not used for any other external reporting purposes, and the metrics have not been validated by any external body.

3.1.9 Characteristics of non-employee workers in the undertaking's own workforce

[S1-7]

Pursuant to Appendix C of ESRS 1, AutoWallis Group may refrain from reporting on the datapoints in disclosure requirement ESRS S1 "S1-7 Characteristics of non-employee workers in the undertaking's own workforce" in the first year of preparation of its sustainability statement. As a result, AutoWallis Group will first report on this topic in 2026 for the year 2025.

3.1.10 Collective bargaining coverage and social dialogue

[S1-8]

In 2024, aside from Wallis Motor Ljubljana d.o.o. and Avto Aktiv Slo d.o.o., no other subsidiaries of the Group employed workers who were covered by collective bargaining agreements. In the case of these two companies, a total of 198 employees were covered by collective agreements, representing 14.8% of the Group's total headcount (this percentage is in line with the average collective bargaining coverage rate in EEA member states).

With the exception of the two companies mentioned above, AutoWallis does not employ collective agreements and, therefore, its employees are not covered by them. Working conditions are defined in accordance with the applicable

[15] Except for two companies, which reported the average number of employees for the reporting period. These entities were AVTO AKTIV SLO d.o.o. and Net Mobilitás Zrt.

laws in all cases. We engage in dialogue on other matters involving our own workforce, including through employee engagement surveys.

3.1.11 Diversity metrics

[S1-9]

AutoWallis Nyrt. is continuously working on achieving gender balance within senior management. In the reporting year covered by the sustainability report, we employed a total of 70 senior executives, of whom 59 were men and 11 were women. In terms of gender distribution, 84% of senior executives were men, while 16% were women.

Table 12: Total headcount of senior executives, along with a breakdown by gender in terms of headcount [persons] and percentage [%]

	2024
Total headcount [persons]	70
Male	59
Female	11
Proportion [%]	
Male	84
Female	16

Table 13: Age composition of the Group's employees by age group

	2024
<30	307
30-50	780
50<	249
Proportion (%)	
<30	23%
30-50	458%
50<	19%

3.1.12 Adequate wages

[S1-10]

All employees of the subsidiaries of AutoWallis Group receive appropriate remuneration in accordance with the statutory regulations of their respective countries of employment. In line with the applicable laws, all employees of the Group's subsidiaries operating in Hungary, the Czech Republic, Croatia, Romania, and Slovenia receive wages equal to or higher than the minimum wage for the given country.

3.1.13 Health and safety metrics

[S1-14]

The subsidiaries of AutoWallis Group that employ workforce[16] have occupational health and safety management systems in place. 87% of AutoWallis' employees and 10 out of the 13 non-employees (so 77% of all workers) were covered by a health and safety management system.

Table 14: Percentage of individuals covered by AutoWallis' occupational health and safety management system among employees and non-employees [%]

	2024
Proportion (employees)	87%
Proportion (non-employees)	77%

The effectiveness of the health and safety management systems is demonstrated by the fact that there were no fatalities in 2024 in the entire Group due to either work-related injuries or illnesses.
In 2024, the number of recordable work-related accidents among employees was 9. No such accidents occurred among non-employees.
The number of accidents per one million hours worked across the Group was less than five, which is negligible. The occupational health and safety management systems operate at the subsidiary level in accordance with the statutory requirements, and the implementation of group-level control has not been deemed necessary.

Table 15: Number [cases] and proportion [%] of recordable work-related accidents

	2024
Number of recordable work-related accidents [cases]	
Employees	9
Proportion of recordable work-related accidents [-]	
Employees	<5

3.1.14 Compensation metrics (pay gap and total compensation)

[S1-16]

In the process of collecting data for compensation metrics (targeted at the gender pay gap and total compensation), estimates were used for the figures presented below, further information on which is provided under disclosure BP-2 of this report.
In 2024, the gender pay gap within AutoWallis Group, expressed as a percentage of the average wage level of male employees, was 39%.

Table 16: Gender pay gap, i.e. the difference between the average wages of female and male employees, expressed as a percentage of the average wage level of male employees [%]

	2024
Percentage	39%

The ratio between the annual total remuneration of the highest paid individual and the median annual total remuneration of all employees was 10.88. The annual total remuneration of the highest paid individual was not included in the calculation of the annual total remuneration of all employees.

Table 17: The ratio between the annual total remuneration of the highest paid individual and the median annual total remuneration of all employees (excluding the highest paid individual)

	2024

[16] With the exception of WAE Hun Kft., AAI PROPERTIES d.o.o., C182 LJUBLJANA d.o.o., Logic Car Kft., VCT78 Kft., DALP Kft., K85 Kft., AW Property Kft., AW Csoportszolgáltató Kft. and AutoWallis Caetano Holding Zrt.

Ratio	12,51

3.1.15 Incidents, complaints and severe human rights impacts

[S1-17]

In 2024, the Group was free from any form of discrimination. The number of cases of discrimination reported during the reporting period (including harassment and serious human rights incidents) was zero. No complaints were submitted via the designated channels for reporting concerns provided to AutoWallis' own workforce.

The whistleblowing system is provided by Whisly, an online software solution developed specifically for receiving and handling whistleblower reports. The system enables the confidential submission of reports, the automatic tracking of the investigation process and the automatic generation of the necessary document templates, thereby ensuring legal compliance and the effective handling of cases. For the reasons mentioned above, no fines, sanctions or compensation orders were imposed on any subsidiary of AutoWallis Group in connection with reported harassment or serious human rights incidents during the reporting period.

3.2 Workers in the value chain

3.2.1 Interests and views of stakeholders

[SBM-2 – S2]

Information pertaining to the disclosure requirement is presented under disclosure SBM-2 in this report.

3.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model

[SBM-3 – S2]

The processes through which we identify and assess material impacts, risks and opportunities related to workers in the value chain were presented in detail in chapter IRO-1, along with their outcomes.

The purpose of these processes is to identify the actual and potential impacts related to our strategy and business model and how these impacts influence the development of our strategy and the adjustment of our business model. The relevant details on the material impacts, risks and opportunities will be published in our next report, and we will continue to expand and refine these processes in the meantime.

AutoWallis Group is committed to continuously monitoring impacts on workers in the value chain and integrating the resulting risks and opportunities into its strategy and operations. To this end, we will disclose detailed information on responses to the identified impacts, risks and opportunities in our report for FY2025.

3.2.3 Policies related to value chain workers

[S2-1]

At AutoWallis Group, general labour rights and obligations are defined by the company's internal policies and employee contracts, which apply to the entire workforce. We aim to indirectly enforce these throughout our value chain as well.

The Group has made a commitment for 2025 to develop a group-level policy to identify, assess and manage material impacts, risks and opportunities related to workers in the value chain. While such a policy is not yet in place, the planned regulation will be aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, in line with ESRS requirements. In addition to taking these considerations into account, the policy will be developed in accordance with the company's ESG strategy and Code of Ethics. AutoWallis is currently working on the implementation of processes necessary for the reporting of concerns and other considerations related to the value chain. This includes the translation of the online whistleblowing system into the languages of our foreign

subsidiaries, which has already been approved by the Board of Directors. Further information on the development of data collection processes related to our value chain is provided under disclosure BP-1.
The new policy will ensure that employees' rights are respected, strengthen collaboration with actors in the value chain, and establish mechanisms for addressing human rights impacts. The policy will specifically deal with combating human trafficking, forced labour and child labour, and will also include the introduction of a supplier code of conduct to promote responsible business conduct.

3.2.4 Processes for engaging with value chain workers about impacts

[S2-2]

AutoWallis does not currently have a general group-level procedure in place for engaging with workers in the value chain. The Group plans to develop these processes by 2028 at the latest.

3.2.5 Processes to remediate negative impacts and channels for value chain workers to raise concerns

[S2-3]

AutoWallis Group is committed to identifying and managing ESG risks arising in its value chain, in line with Hungarian regulatory requirements.[17] Accordingly, a detailed examination of potential ESG risks and negative impacts affecting its value chain will be conducted by the Group in 2025, which will be presented in the ESG report for that year.During the current year, we reviewed our whistleblowing system to ensure that it is also suitable for reporting sustainability concerns and that all stakeholders, including workers in the value chain, have easy access to it. The whistleblowing channel enables stakeholders to report their concerns and needs directly to our company and receive responses. The system is operated by an independent third party who is responsible for the impartial and thorough investigation of reports.
This channel is accessible via the websites of all subsidiaries, ensuring that all actors in the value chain have access to the complaints handling mechanism. In addition to being easily accessible, the system provides a transparent and secure way to report concerns, thereby increasing trust and efficiency among stakeholders.
Incoming complaints and the measures taken to address them are regularly collected and analysed. For whistleblowing reports, our internal auditor monitors each case. Additionally, we also rely on the follow-up capabilities of the Whisly system. Each report can be tracked by the whistleblower using a unique identifier, even anonymously. We use the data to identify the root causes of issues and to continuously improve the effectiveness of the mechanism. Feedback from stakeholders is incorporated into the development of the system to ensure that the channel truly becomes a reliable tool that is tailored to the needs of stakeholders.
As indicated in chapter BP-2, the value chain will not be covered in detail in the sustainability report during the first three years. AutoWallis Group is currently working on a detailed presentation of the topic, but a high-level assessment of the value chain has been carried out as part of the double materiality assessment. During the course of our analysis, we identified our potential stakeholders in the value chain. A significant percentage of our stakeholders are in the upstream value chain, including workers involved in raw material production. This includes, for example, workers in mining and raw material extraction, employees of component and raw material manufacturing plants, workers in electronics component manufacturing, and automotive assembly line workers.
This ensures that the channel not only meets sustainability requirements, but also contributes to protecting the interests and addressing the needs of workers in our value chain in a meaningful manner.
Our organisation has a policy in place against retaliation toward whistleblowers, which is available on the Whistleblowing page on the autowallis.hu website. The websites of our subsidiaries contain links to the whistleblowing tool found on the Group's main website. Our policy and operations fully comply with the effective statutory regulations, and this is true for the entire Group.
In order to protect personal data, the Group has developed a comprehensive policy to ensure GDPR compliance, which we are continuously improving. This covers the data processing practices of our subsidiaries and partners as well. Ongoing control ensures adherence to data protection regulations.
AutoWallis Group does not measure the level of trust that workers in the value chain have in the channel.

[17] The Hungarian ESG Act, which entered into force on 1 January 2024, aims to ensure that companies identify and manage ESG risks arising in their value chains. The law requires affected businesses to prepare an annual ESG report on the value chain due diligence carried out during the previous year and its results. The reporting obligation initially applies to listed companies, which must submit a preliminary audit for the 2024 financial year by 30 June 2025.

3.2.6 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

[S2-4]

In the reporting year, AutoWallis Group did not have specific measures in place for managing material impacts, risks and opportunities related to workers in the value chain. However, the Group focuses strongly on this area and will develop appropriate measures during 2025.
No serious human rights issues, incidents or risks related to the upstream or downstream value chain were reported during the current year.
At the moment, only limited information on the value chain is available. Therefore, the most important plan of AutoWallis in this regard is to carry out a detailed risk assessment of the value chain over the next two years. As a result, we will identify the partners to be assessed in terms of material impacts, risks and opportunities, which will yield a diverse group. We will also develop processes for collecting data from suppliers and partners. We will then begin the systematic collection and analysis of value chain data to support effective decision-making.

3.2.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[S2-5]

In the reporting year, AutoWallis Group did not have any specific targets concerning workers in the value chain as it had not yet begun an in-depth analysis of its value chain. The Group is committed to defining and achieving such targets going forward in order to ensure sustainable development and employee satisfaction. An action plan for setting these targets is currently being developed.

3.3 Consumers and end-users

3.3.1 Interests and views of stakeholders

[SBM-2 – S4]

Information pertaining to the disclosure requirement is presented under disclosure SBM-2 in this report.

3.3.2 Material impacts, risks and opportunities and their interaction with strategy and business model

[SBM-3 – S4]

The processes through which we identify and assess material impacts, risks and opportunities related to consumers and end-users were presented in detail in chapter IRO-1, along with their outcomes.
The purpose of these processes is to identify the actual and potential impacts related to our strategy and business model and how these impacts influence the development of our strategy and the adjustment of our business model. Although the processes related to the value chain are currently being developed, the double materiality analysis revealed that the customers of AutoWallis' retail and mobility services (both individuals and corporate clients) are exposed to positive impacts, risks and opportunities as consumers and end-users. These specific positive impacts include the secure handling of customer data, the protection of confidential information, enhanced data protection measures and the availability of information related to the services of AutoWallis. Providing information on sold vehicles in a transparent and honest manner provides clear and straightforward guidance to end-users. Additionally, providing customer service that is constantly available and clearly structured is the foundation for a great user experience, which has a positive impact on consumers and end-users.
One opportunity we identified is the regular maintenance of the fleet used in our carsharing service, which consists of modern motor vehicles. Regular maintenance directly contributes to user safety and helps reduce the number of serious accidents. Continuous maintenance ensures that our cars are always in excellent condition, allowing users to travel safely and reliably every time. This preventive approach not only increases personal safety, but also improves road traffic safety statistics in general.

A risk we identified is that both the vehicles we sell and the fleet used in our carsharing service contribute to environmental pollution. This pollution stems, amongst other things, from tire wear and greenhouse gas emissions. These factors influence end-users and local communities by increasing air pollution and contributing to global warming. In order to manage and minimise these risks, it is essential that we focus on adopting environmentally friendly technologies and sustainable practices.

Our analysis did not identify any negative impacts or material risks that would apply specifically to particular groups of consumers or end-users and would not affect all consumers or end-users. Likewise, we did not find any opportunities that would only be relevant to certain groups.

AutoWallis does not offer products or services that are inherently harmful to people directly or increase the risk of chronic illness, and we have not identified any consumer groups for whom accurate and accessible information about the product or service would be especially critical in order to avoid the potentially harmful use of the product or service. Also, we have not identified any consumers or end-users who are particularly vulnerable to health or privacy impacts or to the impacts of marketing and sales strategies.

Detailed information on the material impacts, risks and opportunities will be published in our next report, and we will continue to expand and refine these processes in the meantime.

The company is committed to continuously monitoring impacts on consumers and end-users and integrating the resulting risks and opportunities into its strategy and operations. To this end, we will disclose detailed information on responses to the identified impacts, risks and opportunities in our next report.

3.3.2 Policies related to consumers and end-users

[S4-1]

The safety, satisfaction and protection of the rights of our consumers and end-users are of particular importance to our company.

We already employ a number of mechanisms and processes focusing on customers (such as improving the availability of electric chargers) to achieve positive impact through our products and services and to address potential risks and opportunities, on which further information is provided in our report. These principles and practices will soon be consolidated into a comprehensive corporate policy that will provide even greater transparency and consistency in this area.

The aim of the policy being prepared is to provide a structured framework for our existing commitments and to ensure that material impacts on consumers and end-users are identified, assessed, managed and corrected. It will also set out common guidelines for managing risks and opportunities related to consumers and end-users. As a first-time reporter under the ESRS, AutoWallis has not yet had the opportunity to develop a policy regarding consumers and end-users that is aligned with the requirements of the standard. The development and implementation of these policies are scheduled for 2025.

We are committed to continuous improvement and transparency so that our customers can turn to us with confidence, knowing that their interests and safety are among our top priorities.

3.3.3 Processes for engaging with consumers and end-users about impacts

[S4-2]

Customer communication is separate from investor communication. At Group level, our current external communication is mainly conducted through marketing and PR activities. These efforts are relatively fragmented due to the diversity of the Group's business activities, the requirements of automotive brands (OEMs) and geographical dispersion. In addition to the customer communication function of marketing activities, sales processes and procedures governing direct interactions with customers (which are maintained at subsidiary level) also play a role in informing consumers.

We do not currently have formal procedures in place for engaging with consumers, end-users and their representatives about the actual and potential impacts of our products and services. However, we are committed to developing such procedures and will introduce general processes during the next reporting year which will foster effective engagement with consumers, end-users and their representatives.

The aim of the proposed procedure is to ensure that the company cooperates with consumers, end-users and their legal representatives or authorised agents in connection with the actual and potential impacts, risks and opportunities of the products and services. We intend to consider the perspectives of these stakeholder groups in our decision-making processes to ensure that such perspectives are addressed and integrated with all relevant factors taken into account.

Our planned procedure will define in detail how direct engagement and communication with these stakeholders will be conducted.
In the Mobility Services Business Unit, the Group pays special attention to client-focused operations. In our carsharing service, we are in regular and close contact with nearly 150,000 registered customers, which allows us to gain an in-depth understanding of their needs, feedback and expectations.
The data and insights gathered through customer communication play a key role in our decision-making processes. The relevant subsidiaries use this set of data to improve services and shape business strategies. This ensures that decisions reflect not only business considerations, but also closely align with the expectations of end-users.

3.3.4 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

[S4-3]

The Group has a channel in place that allows consumers and end-users to raise concerns, the detailed description of which can be found in chapter 3.2.4 of this report.
Customer service complaints are handled directly by the subsidiaries.

3.3.5 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

[S4-4]

In the reporting year, AutoWallis Group did not have specific measures in place for managing material impacts, risks and opportunities related to consumers and end-users. However, the Group focuses strongly on this area and is committed to developing and implementing appropriate measures in connection with its services during 2025.
No serious human rights issues or incidents related to consumers and end-users were reported during the current year.

3.3.6 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[S4-5]

As a first-time reporter under ESRS, AutoWallis has not yet had the opportunity to develop targets regarding consumers and end-users that are aligned with the requirements of the standard. These will be defined in 2025.
In developing our targets for consumers and end-users, we pay special attention to the relevant international standards and guidelines. To this end, we define our targets based on the principles of the UN Global Compact to ensure sustainable and responsible business operations, with particular focus on consumer rights and ethical business practices. We also take into account the UN Guiding Principles on Business and Human Rights to ensure that the rights of consumers and end-users are respected, as well as the OECD Guidelines for Multinational Enterprises, which support transparent, ethical and socially responsible operations. The OECD Guidelines on Consumer Protection also provide guidance for defining our targets, especially in the context of digital services and e-commerce. To ensure compliance with EU regulations, we are also incorporating the EU's consumer protection strategy and directives into our framework, thereby ensuring that our company meets the highest standards of consumer protection and sustainability.

4. Governance

4.1 Business conduct

4.1.1 The role of the administrative, management and supervisory bodies

[GOV-1 – G1]

In 2024, the Board of Directors established the Risk Management Committee, which is responsible for compiling the risk matrix and examining issues and risks related to business conduct. A detailed description of this process is provided under disclosure GOV-5. The Board of Directors defines the work schedule of the Risk Management Committee based on the risk matrix, which also includes ESG-related risks. The work of the Risk Management Committee involves regularly preparing reports for both the Supervisory Board and the Board of Directors. Policies and regulations related to business conduct are approved by either the CEO or the Board of Directors.

The members of the Board of Directors, the Supervisory Board, the Audit Committee and the management all have considerable professional experience in managing listed companies. Transparent operation and making ethical professional and business decisions are fundamental requirements (see chapter 1.2.1).

4.1.2 Corporate culture and business conduct policies and corporate culture

[G1-1]

The company complies with both EU and domestic laws, particularly those concerning anti-competitive behaviour and the prevention of corruption. In addition, we have internal regulations in place such as the Code of Ethics, Guidelines on Insider Trading and Market Manipulation, and the Internal Rules of Procedure for Related-party Transactions. Furthermore, our annually published Corporate Governance Report provides detailed information about our operational control mechanisms, business ethics procedures and transparent operations, along with related practices. Monitoring our insights and performance allows our corporate culture to keep up with best practices, whether through the adoption of new rules, procedures or objectives.

Our employees are required to report any illegal behavior, such as corruption or bribery, or any suspicion thereof. The Code of Ethics of AutoWallis Group is available to all employees via the AutoWallis intranet interface, and we provide comprehensive training with information on the Code of Ethics for both the Group's employees and members of the management.

To facilitate reporting, we established a central whistleblowing system in 2023 that covers the entire Group and complies with both the relevant EU directive and domestic statutory regulations. The system is accessible to our employees, clients, partners and other stakeholders and may be used to report any concerns related to business conduct. Employees can access the whistleblowing system via the websites of our subsidiaries and the intranet, and the reports received are investigated by our independent compliance partner later on. More complex cases are investigated by an independent member of the Supervisory Board assigned to this task. The system also guarantees anonymity for whistleblowers, thereby fully eliminating any risk of retaliation. Every incident that is related to human rights violations, bribery or potential corruption is monitored and investigated by our independent internal auditor. Further details about our complaints reporting system is provided in chapter 3.2.4 of this report.

In 2024, AutoWallis Group published its ESG strategy, which outlines its objectives regarding corporate culture and business conduct. However, the specific action plans are still being developed at the time of issue of this report.

In 2024, AutoWallis developed its Anti-bribery and Anti-corruption Policy, its guidelines on corporate culture and business conduct, with the aim of preventing and addressing corruption and bribery within the Group. The policy provides safeguards and guidance to employees in order to help them avoid and manage acts of corruption. It contains rules on gifts and business entertainment, the required documentation and monitoring processes, and requires that regular training be provided and that responsibilities be clearly identified. The policy entered into force in 2025 for an indefinite period. The policy applies to AutoWallis Nyrt. and all of its subsidiaries that are under its majority ownership or control at any given time. The Group's Compliance Officer is responsible for the implementation of and compliance with the policy and regularly reports to the Board of Directors of AutoWallis on actions taken and any violations.

The standards applied include two laws: Act I of 2012 on the Labour Code and Act C of 2012 on the Criminal Code. Stakeholder input was also taken into account during the development and implementation of the policy, as

AutoWallis Group regularly conducts surveys involving the relevant roles to identify any risks of corruption. The results are shared with the person responsible for compliance, who uses them to compile a list of responsibilities for the given roles.

AutoWallis Group has mechanisms in place for reporting, investigating and addressing any behavior that is unlawful or contrary to the Group's regulations. Concerns can be reported by both internal and external stakeholders, for example through the whistleblowing platform. AutoWallis Group implements preventive actions and carries out regular risk assessments to identify and manage corruption cases. Reports are investigated by the competent Group Compliance Officer, legal counsel and internal auditor, and disciplinary actions are taken if necessary. We have also designed training courses for our employees on the topics of anti-money laundering, compliance and insider trading. These training courses are relevant for all employees working at the headquarters and are organised once a year by the designated internal auditor. For new employees in positions with potential exposure to corruption risks, the potential corruption risks relevant to their roles are explained to them by the ESG Director during a face-to-face meeting as part of the onboarding process, emphasising the importance of prevention and the company's ethical requirements. Certain functions within our company are subject to heightened corruption and bribery risks, particularly those that involve interaction with external partners, suppliers, authorities and customers. Procurement management is one such area, where the selection of suppliers, contract negotiations and pricing agreements entail risks of undue advantage or conflicts of interest. Similarly high-risk areas are sales and distribution, with risks involving unjustified discounts, commissions or anti-competitive agreements.

In the area of government and regulatory relationships, attempts to influence the decisions of authorities in connection with permits, certifications and compliance procedures can pose corruption risks. Logistics and customs clearance are also sensitive areas, where undue advantages may be provided during the clearance of imported and exported vehicles, parts and raw materials. Furthermore, in collaborations involving research and development or innovation, there is a risk of unauthorised information sharing or circumventing internal regulations.

Corruption risks may also arise in the field of human resource management, particularly in terms of the selection, promotion and remuneration of employees, where nepotism or other forms of undue influence may occur. To minimise these risks, the company applies strict ethical and control mechanisms and continuously develops its internal control systems to ensure full transparency and compliance.

4.1.3 Management of relationships with suppliers

[G1-2]

AutoWallis adopts a comprehensive approach to managing its supplier relationships and considers the impact of shared brands, suppliers and regional relationships in its decision-making processes. These factors are regularly evaluated, and we consider ESG (Environmental, Social, Governance) aspects when making business decisions, especially during acquisitions.

Our Procurement Policy and supplier contracts set out the delivery terms, and we make payment once these terms have been fulfilled.

Our brand representatives report to their superiors and the business unit leader, who then forward the information to the Board of Directors. This communication process ensures proper information flow and well-informed strategic decisions, thereby contributing to the efficiency and sustainability of the supply chain.

Under our procurement policy, those authorised to deal with suppliers have clear competencies regarding representation, including requesting quotes, negotiations, evaluations and decision-making processes. Group-level procurement tasks are carried out by a procurement coordinator under the direct supervision of the Group CFO of AutoWallis Group.

As part of the supplier selection process, we assess service and delivery capabilities based on publicly available data in each case. Where relevant, we check the validity of the supplier's relevant licenses and authorisations required for the provision of the service. The Group does not maintain any supplier relationships where there is a risk of violations of fundamental human rights or non-compliance with the effective environmental regulations during the provision of the service.

AutoWallis did not maintain corporate processes during the current year for supplier due diligence or a policy for preventing late payments to SMEs. However, these will be developed in 2025, further strengthening the transparency and reliability of our supplier relationships.

4.1.4 Payment practices

[G1-6]

Table 18: The average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated, in number of days, broken down by subsidiary [days]

AutoWallis Nyrt.	21
AW Distribution Kft.	39
AW OPL Distribution Kft.	53
AW FRZ Distribution Kft.	26
WAE Hun Kft.	13
AW SLO Distribution d.o.o.	15
AW CRO Distribution d.o.o.	19
AW RO Distribution S.r.l.	17
Wallis Adria d.o.o.	9
Wallis British Motors Kft.	17
Wallis Motor Duna Autókereskedelmi Kft.	24
Wallis Motor Pest Autókereskedelmi Kft.	29
Wallis Autókölcsönző Kereskedelmi és Szolgáltató Kft.	17
Iniciál Autóház Kft.	14
ICL Autó Kft.	17
Wallis Kerepesi Kft.	14
K85 Kft.	19
Wallis Motor Ljubljana d.o.o.	16
VCT78 Ingatlanhasznosító Kft.	16
AW Csoport Szolgáltató Kft.	21
DALP Kft.	11
AW Property Kft.	19
AVTO AKTIV SLO d.o.o.	14
AutoWallis Nyrt.	21
AAI PROPERTIES d.o.o.	39
C182 LJUBLJANA d.o.o.	14
Net Mobilitás Zrt.	9
Logic Car Kft.	18
Nelson Flottalízing Kft.	10
AutoWallis R RO s.r.l.	23
AW FRZ Hungary Kft.	26
NC Auto s.r.o	20
AW CZ Distribution s.r.o.	28
AWSC Retail Kft.	15
AW Marketing és IT szolgáltató Kft.	16
AutoWallis Caetano Zrt.	36
RN Hungary Kft.	39

According to our company's Procurement Policy, the recommended payment terms are 30 days from the receipt of the invoice. However, the actual payment terms may vary depending on the supplier's area of service and the conditions stipulated in the supplier contract, typically between 8 and 45 days. Invoices are paid within this period, provided that they meet the statutory requirements and delivery terms have been fulfilled.

Percentage of payments made by AutoWallis in line with its standard payment terms:	66%

There were no ongoing legal proceedings in AutoWallis Group in 2024 with regard to late payments.

Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

[IRO-2]

Disclosure Requirements under ESRS in the undertaking's sustainability statements

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18 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation)

19 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Text with EEA relevance) (OJ L 176, 27.6.2013, p. 1)

20 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016., p. 1)

21 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (OJ L 243, 9.7.2021., p. 1)

		information on Social risk			
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Indicator number 9 in Table #2 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Indicator number 14 in Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-
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ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 in Table #1 of Annex I, Indicator number 2 in Table #2 of Annex I, Indicator number 1 in Table #2 of Annex I, Indicator number 3 in Table #2 of Annex I				-
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ESRS 2 – IRO 1 – E4 paragraph 16 (c)	Indicator number 14 in Table #2 of Annex I				-
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ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Indicator number 10 in Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		-
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Consolidated Financial Statements

The abbreviations used in the financial statements have the following meanings:

AC	Audit Committee
BSE	Budapest Stock Exchange
BUBOR	Budapest Interbank Offered Rate
CGU	Cash-generating unit
EBITDA	Earnings before interest, taxes, depreciation and amortisation
mHUF	million forints
EPS	Earnings per share
EUR	euro
SB	Supervisory Board
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
HUF	forint
IFRIC/SIC	Interpretations of the International Financial Reporting Standards
IFRS/IAS	International Financial Reporting Standards
BoD	Board of Directors
ROU	Right-of-use asset
ESOP	Employee Stock Ownership Program

Figures in parentheses in the financial statements denote negative numbers.
In certain cases, the notes to the financial statements may contain insignificant rounding errors.
The information in these financial statements is displayed in million forints, except where otherwise indicated.

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I. Consolidated Financial Statements

1. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Item	Note	2024 million HUF	2023 million HUF
Revenue	VII. 1)	398,460	366,267
Interest income from lease receivables	VII. 1)	1,932	1,703
Own performance capitalised	VII. 2)	118	253
Material expenses	VII. 3)	(10,071)	(7,874)
Services	VII. 4)	(22,832)	(17,902)
Cost of goods sold	VII. 5)	(327,079)	(305,318)
Personnel expenses	VII. 6)	(19,541)	(14,911)
Depreciation and amortisation	VII. 7)	(5,678)	(4,452)
Profit of sales		**15,309**	**17,766**
Other income	VII. 8)	2,956	2,767
Other expenses	VII. 8)	(3,966)	(2,802)
Impairment losses on non-financial assets	VII. 9)	169	(2,295)
Expected credit losses on financial instruments	VII. 10)	(98)	(187)
Operating profit		**14,370**	**15,249**
Interest income – using the effective interest rate method	VII. 11)	1,114	1,617
Interest expense – *less interest expense of lease liabilities*	VII. 11)	(4,062)	(5,087)
Interest expense of lease liabilities	VII. 11)	(1,212)	(1,176)
Foreign exchange gains or losses, net	VII. 12)	(1,577)	(89)
Other financial gains or losses, net	VII. 13)	3	7
Fair value gains or losses on derivatives	VII. 14)	23	338
Financial gains or losses		**(5,711)**	**(4,390)**
Share of profit of associates and joint ventures	VIII.6)	438	1,070
Profit before tax		**9,097**	**11,929**
Income tax expense	VII. 15)	(2,121)	(2,086)
Net profit or loss		**6,976**	**9,843**
Net profit attributable to owners of the parent		6,827	9,731
Net profit attributable to non-controlling interests		149	112
Other comprehensive income which may be recognised in profit or loss in subsequent periods:			
Retranslation of subsidiaries	VII. 16)	504	(282)
Other comprehensive income, net of tax		**504**	**(282)**
Total comprehensive income		**7,480**	**9,561**
Total comprehensive income attributable to owners of the parent		7,331	9,449
Total comprehensive income attributable to non-controlling interests		149	112
Basic EPS (HUF/share)	VII. 17)	**12.81**	**21.32**
Diluted EPS (HUF/share)	VII. 17)	**12.81**	**21.32**
EBITDA	VII. 18)	**20,175**	**19,705**

2. Consolidated Statement of Financial Position

Item	Note	31/12/2024 million HUF	31/12/2023 million HUF
Assets			
Non-current assets			
Property, plant and equipment	VIII. 1)	37,437	21,885
Leased vehicles	VIII. 2)	2,988	2,696
Right-of-use assets	VIII. 3)	8,363	6,106
Goodwill	VIII. 4)	8,681	5,460
Intangible assets	VIII. 5)	2,937	3,037
Investments in associates and joint ventures	VIII. 6)	2,975	2,888
Deferred tax assets	VIII. 7)	123	111
Net investment in leases (long-term part)	VIII. 11)	9,601	8,307
Loan receivables (long-term)	VIII. 8)	10	5
Investments in equity instruments	VIII. 8)	2	2
Total non-current assets		**73,117**	**50,497**
Current assets			
Goods	VIII. 9)	69,693	58,385
Other inventories	VIII. 9)	207	139
Trade receivables	VIII. 10)	18,345	15,851
Factoring receivables	VIII. 10)	-	87
Income tax assets	VIII.19)	460	98
Net investment in leases (short-term part)	VIII. 11)	4,498	3,836
Loan receivables (short-term part)	VIII. 8)	1	2
Prepayments	VIII. 11)	9,173	7,289
Other receivables	VIII. 11)	4,330	2,531
Other financial assets	VIII. 11)	320	136
Cash and cash equivalents	VIII. 12)	24,422	13,097
Total current assets		**131,449**	**101,451**
Total assets		**204,566**	**151,948**

Item	Note	31/12/2024 million HUF	31/12/2023 million HUF
Equity and liabilities			
Share capital (of the Parent)	VIII. 13)	6,743	6,163
Share premium	VIII. 13)	25,412	20,293
Share-based payments reserve	VIII. 13)	383	285
Treasury shares	VIII. 13)	(598)	(244)
Cumulative translation difference	VIII. 13)	744	239
Retained earnings	VIII. 13)	29,219	22,377
Equity attributable to owners of the parent		**61,903**	**49,113**
Non-controlling interest	VIII. 14)	992	995
Total equity		**62,895**	**50,108**
Interest-bearing non-current liabilities			
Long-term debentures	VIII. 15)	17,839	9,522
Long-term loans and borrowings	VIII. 15)	10,324	5,660
Non-current lease liabilities	VIII. 15)	10,420	9,036
Deferred purchase price-related non-current liabilities	VIII. 15)	-	187
Non-current liabilities from reverse factoring - interest-bearing	VIII. 17)	4,364	-
Non-interest-bearing non-current liabilities			
Deferred tax liabilities	VIII. 7)	1,628	352
Provisions	VIII. 16)	133	112
Other non-interest-bearing non-current liabilities	VIII. 20)	1,214	345
Total non-current liabilities		**45,922**	**25,214**
Interest-bearing current liabilities			
Short-term loans and borrowings	VIII. 15)	3,812	3,284
Inventory financing loans	VIII. 15)	10,365	8,207
Current lease liabilities	VIII. 15)	7,352	4,540
Liabilities from reverse factoring - interest-bearing	VIII. 17)	22,827	11,674
Other interest-bearing current liabilities	VIII. 15)	160	476
Non-interest-bearing current liabilities			
Advance payments received from customers	VIII. 18)	4,691	3,394
Trade payables	VIII. 18)	23,627	25,033
Liabilities from reverse factoring - non-interest-bearing	VIII. 17)	9,278	6,134
Income tax expense	VIII. 19)	286	780
Other tax and contribution liabilities	VIII. 20)	3,358	2,037
Provisions	VIII. 16)	406	375
Accruals	VIII. 20)	7,309	8,447
Other non-interest-bearing current liabilities	VIII. 20)	2,278	2,245
Total current liabilities		**95,749**	**76,626**
Total liabilities		**141,671**	**101,840**
Total equity and liabilities		**204,566**	**151,948**

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3. Consolidated Statement of Changes in Equity

data in million HUF		Equity attributable to owners of the parent							Non-controlling interest	Total equity
Item	Note	Share capital (of the Parent)	Share premium	Share-based payments reserve	Historical cost of treasury shares	Cumulative translation difference	Retained earnings	Total		
At 1 January 2023		**5,529**	**16,027**	**109**	**(524)**	**521**	**12,619**	**34,281**	**1,184**	**35,465**
Profit or loss for the current year		-	-	-	-	-	9,731	9,731	112	9,843
Other comprehensive income		-	-	-	-	(282)	-	(282)	-	(282)
Share-based payments	VIII. 13)	-	-	246	-	-	-	246	-	246
Cancellation of share-based payments	VIII. 13)	-	-	(70)	63	-	5	(2)	-	(2)
Repurchase of treasury shares	VIII. 13)	-	-	-	(81)	-	-	(81)	-	(81)
Capital increase	VIII. 13)	634	4,266	-	-	-	-	4,900	-	4,900
Acquisition of subsidiaries	X.3.4)	-	-	-	298	-	22	320	-	320
Distribution to non-controlling interests	VIII. 14)	-	-	-	-	-	-	-	(301)	(301)
At 31 December 2023		**6,163**	**20,293**	**285**	**(244)**	**239**	**22,377**	**49,113**	**995**	**50,108**
Profit or loss for the current year		-	-	-	-	-	6,827	6,827	149	6,976
Other comprehensive income		-	-	-	-	504	-	504	-	504
Distribution to non-controlling interests	VIII. 14)	-	-	-	-	-	-	-	(152)	(152)
Capital increase	VIII. 13)	580	5,119	-	-	-	-	5,699	-	5,699
Repurchase of treasury shares	VIII. 13)	-	-	-	(504)	-	-	(504)	-	(504)
Share-based payments in the current year	VIII. 13)	-	-	264	-	-	-	264	-	264
Cancellation of share-based payments	VIII. 13)	-	-	(166)	150	-	15	(1)	-	(1)
Other		-	-	-	-	1	-	1	-	1
At 31 December 2024		**6,743**	**25,412**	**383**	**(598)**	**744**	**29,219**	**61,903**	**992**	**62,895**

Items recognised in other comprehensive income will affect net profit or loss in the future.

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4. Consolidated Statement of Cash Flows

Item	Note	2024 million HUF	2023 million HUF
Profit before tax		**9,097**	**11,929**
Interest income	VII. 11)	(3,046)	(3,320)
Interest expense	VII. 11)	5,275	6,263
Foreign exchange difference of cash and cash equivalents	VII. 12)	31	24
Depreciation and amortisation	VII. 7)	5,678	4,452
Impact of impairment losses and expected credit losses	VII. 9), VII. 10)	(71)	2,482
Provisions made, reversed and cancelled	VIII. 16)	32	(147)
Share of profit of associates and joint ventures	VIII. 6)	(438)	(1,070)
Other non-cash items	VII. 16)	32	(556)
Gain or loss on disposal of non-current assets	VII. 8)	(1,044)	314
Effect of share-based payments	VIII. 13)	396	246
Operating cash flows before movements in working capital		**15,942**	**20,617**
Changes in inventories	VIII. 9)	(1,665)	(5,546)
Adjustment due to reverse factoring	VIII. 17)	228,598	192,031
Changes in trade receivables	VIII. 10)	(1,649)	(7,203)
Changes in other receivables	VIII. 11)	3,960	12,923
Changes in other financial assets	VIII. 11)	10	180
Changes in advance payments received from customers	VIII. 18)	431	(5,015)
Changes in trade payables	VIII. 18)	(3,387)	3,465
Changes in other current liabilities	VIII. 20)	(1,032)	324
Changes in net working capital		**225,266**	**191,159**
Cash inflows from interest received		3,046	3,320
Cash outflows from interest paid		(5,076)	(5,945)
Income taxes paid		(2,983)	(2,317)
Net cash from operating activities		**236,195**	**206,834**
Purchases of property, plant and equipment and intangible assets	VIII. 1)	(8,436)	(8,891)
Cash inflows from disposal of property, plant and equipment and intangible assets	VIII. 1)	6,067	6,928
Acquisition of subsidiaries, net of cash acquired	X.3)	(12,637)	(2,154)
Dividend received from joint ventures	VIII.6)	350	350
Net cash used in investing activities		**(14,656)**	**(3,767)**
Proceeds from capital increase	VIII. 13)	5,700	-
Repurchase of treasury shares	VIII. 13)	(504)	(81)
Distribution to non-controlling interests	VIII. 14)	(152)	(301)
Changes in short-term loans and borrowings and inventory financing loans	VIII. 15)	1,362	3,431
Settlement of liabilities from reverse factoring	VIII. 17)	(219,029)	(204,460)
Proceeds from loans and borrowings	VIII. 15)	23,916	4,342
Repayment of loans and borrowings	VIII. 15)	(13,984)	(5,202)
Repayment of lease liabilities	VIII. 15)	(7,488)	(4,563)
Net cash from/(used in) financing activities		**(210,179)**	**(206,834)**
Expected impairment losses on cash and cash equivalents		(4)	1
Foreign exchange difference of cash and cash equivalents		(31)	(24)
(Decrease)/increase in cash and cash equivalents		**11,325**	**(3,790)**
Opening balance of cash and cash equivalents	VIII.12)	13,097	16,887
Closing balance of cash and cash equivalents		**24,422**	**13,097**

Notes to the consolidated financial statements

II. The Group

Brief presentation of the Group's activity

AutoWallis Nyilvánosan Működő Részvénytársaság (formerly known as ALTERA Nyrt. until 17 December 2018; hereinafter: "Parent") is a public company limited by shares registered in Hungary by the Registry Court of the Budapest-Capital Regional Court, which manages the subsidiaries it controls as a holding company (the Parent and its subsidiaries are, in a general sense, hereinafter collectively referred to as "the Group").

There was a significant change in the ownership structure of the Parent in 2018. The previous shareholders left and, at the same time, the Group was taken over by a new controlling shareholder which carried out a capital increase and thus established a new group of companies by way of a reverse acquisition as defined under IFRS.

AutoWallis Group operates in 16 countries in the Central and Eastern European region (Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia) and is engaged in the retail and distribution of motor vehicles and parts, servicing activities and short-term and long-term car rental. The brands represented by the Group's Distribution Business Unit include Alpine, BYD, Dacia, Isuzu, Farizon, Jaguar, Land Rover, MG, Saab parts, Renault, SsangYong and Opel, while the brands represented by the Retail Business Unit include BMW passenger cars and motorcycles, BYD, Dacia, Ford, Isuzu, Jaguar, KIA, Land Rover, Maserati, Mercedes, Mercedes-Benz Truck, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, Toyota, JóAutók.hu and AUTO-LICIT.HU. The Mobility Business Unit represents the brands wigo carsharing, wigo fleet and Sixt rent-a-car in the Hungarian market.

General information about the Group and the Parent

The Parent is incorporated under the laws of Hungary (governing law). The registered office and centre of operation of the Parent is at 1055 Budapest, Honvéd utca 20. The Group publishes its consolidated financial statements on the website **www.autowallis.com** as well.

Persons authorised to sign the consolidated financial statements:

Gábor Ormosy (place of residence: Budapest)

Zsolt Müllner (place of residence: Budapest)

Similarly to the end of the comparative period, the Group's ultimate parent as at 31 December 2024 is WALLIS PORTFOLIÓ Korlátolt Felelősségű Társaság (1055 Budapest, Honvéd utca 20.). This entity has no ultimate parent and all of its shareholders are individuals.

Ownership structure of the Parent as at 31 December:

Shareholders of the entity	**Ownership share 31/12/2024**	**Ownership share 31/12/2023**
Wallis Asset Management Zrt.	7.55%	8.12%
Wallis Tőkeholding Zrt.	58.29%	53.74%
Széchenyi Alapok Kockázati Tőkealap (previously: Kárpát-medencei Vállalkozásfejlesztési Kockázati Tőkealap)	7.59%	8.28%
Free float	26.57%	29.86%
	100.00%	100.00%

AutoWallis GROUP

Subsidiaries and joint ventures of the Group

The Parent has the following controlled companies. The following tables show the method of acquiring ownership, the percentage of shares held and the main activity for each subsidiary and joint venture.
List of subsidiaries that are members of the Group:

Entity	Method of acquiring ownership	Ownership share 2024	Ownership share 2023	Main activity	Country of registration	Currency
AutoWallis Nyrt.	-	-	-	Asset management	HU	HUF
AW Distribution Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
AW OPL Distribution Kft.	Foundation	100%	100%	Sale of cars	HU	HUF
WALLIS AUTÓKÖLCSÖNZŐ Kereskedelmi és Szolgáltató Kft.	In-kind contribution	100%	100%	Renting and leasing of cars	HU	HUF
WALLIS MOTOR DUNA Autókereskedelmi Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
WALLIS MOTOR PEST Autókereskedelmi Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
Wallis British Motors Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
Wallis Kerepesi Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
Wallis Motor Ljubljana d.o.o.	Foundation	100%	100%	Sale of cars	SLO	EUR
ICL Autók Kft.	Foundation	60%	60%	Sale of cars	HU	HUF
Iniciál Autóház Kft.	In-kind contribution	60%	60%	Sale of cars	HU	HUF
AVTO AKTIV SLO d.o.o.	Foundation	100%	100%	Sale of cars	SLO	EUR
VCT 78 Kft.	Acquisition	100%	100%	Real estate management	HU	HUF
K85 Kft.	In-kind contribution	100%	100%	Real estate management	HU	HUF
AW Csoport Szolgáltató Kft.	Foundation	100%	100%	Financing	HU	HUF
DALP Kft.	In-kind contribution	100%	100%	Real estate management	HU	HUF
AW Property Kft.	Foundation	100%	100%	Real estate management	HU	HUF
AAI PROPERTIES d.o.o	Foundation	100%	100%	Real estate management	SLO	EUR
Wallis Adria d.o.o	In-kind contribution	100%	100%	Sale of cars	HR	EUR
WAE Hun Kft.	Acquisition	100%	100%	Sale of cars	HU	HUF
AW CRO Distribution d.o.o	Acquisition	100%	100%	Sale of cars	HR	EUR
AW SLO Distribution d.o.o.	Acquisition	100%	100%	Sale of cars	SLO	EUR
AutoWallis R RO S.r.l.*	Foundation	100%	100%	Sale of cars	RO	RON
C182 Razvoj Nepremičnin Ljubljana d.o.o.	In-kind contribution	100%	100%	Real estate management	SLO	EUR
Wallis Autómegosztó Zrt.**	In-kind contribution	0%	100%	Renting and leasing of cars	HU	HUF
Nelson Flottalízing Kft.	Acquisition	100%	100%	Fleet management, renting and leasing of cars	HU	HUF
Nelson Sales Kft.**	Acquisition	0%	100%	Supply of services	HU	HUF
Nelson Assistance Kft.**	Acquisition	0%	100%	Supply of services	HU	HUF
Net Mobilitás Zrt.	Acquisition	100%	100%	Supply of services	HU	HUF
Logic Car Kft.	Acquisition	100%	100%	Sale of cars	HU	HUF
AW Marketing és IT szolgáltató Kft.	Foundation	100%	100%	Supply of services	HU	HUF
AW RO Distribution S.r.l.	Foundation	100%	0%	Sale of cars	RO	RON
AW CZ Distribution s.r.o.	Foundation	100%	0%	Sale of cars	CZ	CZK

AW FRZ Disribution Kft.	Foundation	100%	0%	Sale of trucks	HU	HUF
NC Auto s.r.o	Acquisition	80%	0%	Sale of cars	CZ	CZK
Milan Král Holding a.s.	Acquisition	100%	0%	Asset management	CZ	CZK
Milán Král a.s.	Acquisition	100%	0%	Sale of cars and trucks	CZ	CZK
ACR Auto a.s.	Acquisition	100%	0%	Sale of cars	CZ	CZK
MNC Auto a.s.	Acquisition	100%	0%	Sale of cars	CZ	CZK
MK KAR-LAK s.r.o	Acquisition	100%	0%	Sale of cars	CZ	CZK
MK správni spolecnost s.r.o	Acquisition	100%	0%	Sale of cars	CZ	CZK

*AW RO Distribution s.r.l. in 2023 (see Note III. Changes in the Group's structure)

**Merged into Nelson Flottalízing Kft. on 1 October 2024 (see Note III. Changes in the Group's structure)

List of joint ventures that are members of the Group:

Entity	Method of acquiring ownership	Ownership share 2024	Ownership share 2023	Main activity	Country of registration	Currency
AutoWallis Caetano Holding Zrt.	Foundation	50%	50%	Asset management	HU	HUF
RN Hungary Kft.	Acquisition	50%	50%	Sale of cars	HU	HUF
AWSC Retail Kft.	Foundation	50%	0%	Sale of cars	HU	HUF

III. Changes in the Group's structure

In 2024, the following changes took place in the Group's structure in order to support the Group's business activities and the accomplishment of its strategic and business objectives:

- On 10 May 2024, AutoWallis Caetano Holding Zrt., the joint venture of AutoWallis Nyrt., founded AWSC Retail Kft. for the retail of the Renault and Dacia brands.
- On 12 May 2024, AutoWallis Nyrt. founded its second Romanian subsidiary AW RO Distribution S.r.l. The retail subsidiary, which had previously operated under the same name, changed its name to AutoWallis R RO s.r.l.
- On 3 June 2024, AutoWallis Nyrt. founded the subsidiary AW FRZ Distribution Kft. for the distribution of Farizon trucks.
- On 1 July 2024, the acquisition of NC Auto S.r.o. of the Czech Republic was completed, through which AutoWallis Nyrt. acquired an 80% share in the entity. As a result of the transaction, the Group entered the Czech automotive retail market through three BMW dealerships.
- On 3 July 2024, AW Distribution Kft. founded its Czech distribution subsidiary AW CZ Distribution s.r.o.
- On 30 September 2024, Wallis Autómegosztó Zrt., Nelson Sales Kft. and Nelson Assistance Kft. merged into Nelson Flottalízing Kft.
- On 18 December 2024, the acquisition of Milan Král Group of the Czech Republic was completed, as a result of which Autowallis Nyrt. acquired a 100% share in Milan Král Holding a.s. and thus its subsidiaries, ACR Auto, a.s., Milán Král a.s., MK KAR-LAK s.r.o., MK správni spolecnost s.r.o. and MNC Auto a.s. Through this acquisition, the Group further strengthened its position in the Czech automotive retail market by adding new brands and new activities to its portfolio.

IV. Material accounting policies and changes in accounting policies

1. Basis for the preparation of the financial statements and the going concern principle

1.1. Statement of IFRS compliance

The management declares that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU). IFRSs consist of the standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC). The notes to the consolidated financial statements also contain the disclosures required under the Hungarian Accounting Act of 2000.

1.2. Basis for the preparation of the financial statements and the going concern principle

The Group's Parent has been preparing its separate financial statements in accordance with IFRSs since 2017, whereas the subsidiaries have been preparing and issuing their financial statements in accordance with the Hungarian accounting rules (or, in the case of foreign entities, the Slovenian, Croatian, Czech and Romanian accounting rules).

The Group's management has determined that the Group will be able to continue as a going concern, which means that there are no signs that would imply that the Group intends to terminate or significantly reduce its operations in the foreseeable future (at least within one year).

The Group's management is responsible for issuing the consolidated financial statements in accordance with the applicable regulations (laws and stock exchange policies).

1.3. Basis of consolidation

The consolidated financial statements present the assets, liabilities, equity, income, expenses and cash flows of AutoWallis Nyrt. and its subsidiaries as if they were the financial statements of a single economic entity. The Group's financial statements are prepared and approved by the management.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated statement of profit or loss and other comprehensive income until the date of obtaining or losing control, as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated entirely on consolidation. The Group consolidates its joint ventures using the equity method. The profit of entities consolidated using the equity method is presented by the Group in the line item "Share of profit of associates and joint ventures".

The Group controls the AutoWallis Employee Stock Ownership Program (ESOP) Organisation and consolidates the organisation as a special purpose entity in the Group's financial statements.

2. Effects of changes in foreign exchange rates

2.1. Presentation currency

The Group's financial statements are prepared in Hungarian forints (HUF), which is also the Group's presentation currency. Unless otherwise indicated, all amounts are in million forints (million HUF), in accordance with rounding rules.

2.2. Functional currency

When preparing the financial statements, each entity must determine its functional currency, considering the fact that the primary economic environment of an entity is typically the one in which it primarily generates and expends cash.
All entities within the Group use the forint as their functional currency, with the following exceptions:
EUR: Wallis Motor Ljubljana d.o.o, AW SLO Distribution d.o.o., Avto Aktiv SLO d.o.o., AAI Properties d.o.o, C182 d.o.o., Wallis Adria d.o.o., AW CRO Distribution d.o.o.
RON: AutoWallis R RO s.r.l., AW RO Distribution Srl

CZK: NC Auto S.r.o., AW CZ Distribution s.r.o., Milan Král Holding a.s., ACR Auto, a.s., Milán Král a.s., MK KAR-LAK s.r.o., MK správni spolecnost s.r.o., MNC Auto a.s.

Foreign currency translation

The exchange rate selected and used by the Group is the official mid-market rate published by the National Bank of Hungary.
For consolidation purposes, the profit or loss and financial position of each company whose functional currency is different from the Group's presentation currency (HUF) will be translated to the currency of the financial statements as follows:

- assets and liabilities for each presented statement of financial position are translated at the closing exchange rates prevailing at the end of the relevant reporting period;
- income and expenses in each statement of profit or loss are translated using the average exchange rate of the National Bank of Hungary for the relevant period; equity components are translated using historical exchange rates, and any resulting exchange differences are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

Because of the operations of its subsidiaries, the foreign currencies relevant to the Group include the euro and the Czech koruna. The exchange rates of these currencies in the reporting period were as follows (one currency unit per HUF):

	31/12/2024	31/12/2023	2024 average	2023 average
EUR/HUF	410.09	382.78	395.20	381.95
CZK/HUF	16.3	15.48	15.73	15.91

3. Elements of the financial statements

The Group's financial statements comprise the following parts:

- Consolidated statement of profit or loss and other comprehensive income;
- Consolidated statement of financial position (balance sheet);
- Consolidated statement of changes in equity;
- Consolidated statement of cash flows;
- Notes to the consolidated financial statements.

The Group has decided to present the consolidated statement of profit or loss and other comprehensive income in a single statement in such a way that items relating to other comprehensive income are presented by function in the same statement following the presentation of net profit or loss for the period.

Other comprehensive income includes items which increase or decrease net assets (i.e. the difference between assets and liabilities) and such decrease may not be recognised against any asset, any liability or profit or loss, but instead these items modify an element of equity directly in respect of the broadly defined performance of the Group.

4. Material accounting policies relating to the statement of profit or loss and other comprehensive income

4.1. Revenue

The Group had the following types of revenue in the current year:

Revenue from contracts with customers, *which is recognised in accordance with* IFRS 15 Revenue from Contracts with Customers.
The Group was engaged in the following supplies of goods and services in the current year:

- Revenue from the sale of cars in both the Hungarian market and foreign (export) markets
- Revenue from servicing activities and services.

Revenue from leases, which is recognised in accordance with *IFRS 16 Leases*. This includes:

- Revenue from car rental:
  - Renting out owned assets in the form of an operating or finance lease
  - Renting out leased assets in the form of a sublease, which is likewise classified as an operating or finance lease, depending on the terms of the customer contract.

4.1.1. Revenue from contracts with customers

The Group recognises revenue in accordance with the provisions of IFRS 15.
Revenue from contracts with customers is recognised when control of the goods or services is transferred by the Group to the customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Sale of goods – wholesale

Revenue from the sale of cars is recognised at the time when the goods are transferred by the Group to customers. Goods are not deemed to have been transferred until they are delivered by the Group to the specified location and the risks of damage and loss are transferred to the customer.

The Group considers whether its contracts with customers include other promises that may be regarded as separate performance obligations to which a portion of the transaction price must be allocated (such as warranty obligations or customer loyalty programs). The Group reviewed its sales contracts and did not identify any contracts which contain multiple performance obligations.

When determining the transaction price for the sale of cars, the Group considers the effects of variable consideration and significant financing components (if any). In many cases, the Group sells cars at a discount based on the volume resold by the customer, where sales are recorded in the books at the time of sale at the prices specified in the sale and purchase agreements after estimated discounts are applied. Volume discounts are determined based on the volume of expected annual purchases and the fulfilment of other qualitative criteria.

When accounting for revenue, the time value of money is ignored by the Group as sales are made in line with market practices. For certain contracts, the Group requires advance payment when the order is placed, with the remaining amount paid when the goods ordered are delivered.

Sale of goods – retail

The Group operates a retail network for the sale of cars and the provision of services. Sales of goods are recognised at the time when the cars are transferred by the Group to customers.

The Group considers whether its contracts with customers include other promises that may be regarded as separate performance obligations to which a portion of the transaction price must be allocated (such as warranty obligations). The Group reviewed its sales contracts and did not identify any contracts which contain multiple performance obligations.

In some cases, the Group sells cars with a repurchase obligation at a fixed repurchase price, where the repurchase obligation is triggered either automatically or at the customer's discretion. Sales that result in an automatic repurchase are recognised and presented in the Group's financial statements as a lease rather than as a sale of goods, and a liability is recognised in connection with the repurchase. For transactions where repurchase is optional, the Group examines whether there is a significant economic interest or incentive for the customer to exercise his repurchase right. If yes, the transaction is recognised and presented as a lease. If not, the transaction is treated by the Group as a sale of goods with a right of return.

The Group considers the effects of variable consideration, significant financing components and non-monetary consideration when determining the transaction price. The Group sells cars at a fixed price and does not consider the time value of money, since in retail sales, customers make an advance payment when placing their orders and then settle the remaining part of the purchase price upon receipt of the car, and the time interval between the two points in time is not enough for the time value of money to be material.

Services – retail

The Group also derives revenue from servicing activities, where OEM components used in the provision of services are incorporated into the price of the service. The transaction price is allocated to each performance obligation separately. Revenue from services is recognised when the Group has performed the services ordered and control of the services has been transferred to the customer. In the case of services, payment is made after the service has been provided, and so the Group does not consider the time value of money. Services are performed at a point in time, and there are no contracts where revenue should be accounted for over time.

4.1.2. Rental income

The Group has lease contracts in which the Group acts as a lessor and earns income from them. These include, for example, income from the lease of owned and leased assets. The Group classifies leases based on whether or not all the risks and rewards incidental to ownership of the underlying asset are transferred to the lessee. Accordingly, leases are classified as follows:

- Operating leases
- Finance leases

In deciding whether a lease is classified as an operating lease or a finance lease, the Group considers the actual substance of the transaction and not the form of the contract.

a) Income from the lease of owned assets

Income from operating leases

Rental income is recognised on a straight-line basis over the lease term and is disclosed in revenue.

Income from finance leases

Income from the net investment in finance leases is recognised by the Group separately within interest income from lease receivables over the lease term. The difference recognised upon the derecognition of leased assets is recognised in the line item Revenue.

Initial costs recognised by the Group include sales commissions paid to its employees for each contract involving a short-term lease (typically for periods shorter than one year) or a long-term lease (typically for periods longer than one year). The Group has decided not to capitalise the value of sales commissions for leases; instead, these are recognised as expenses in profit or loss when incurred.

b) Income from subleasing leased assets

A sublease is a transaction involving three parties: a head lessor who owns the underlying asset, an intermediary or intermediate lessor (the Group) who leases the asset from the head lessor, and a sub-lessee who re-leases the asset from the intermediate lessor.

According to IFRS 16, the accounting requirements for the head lease remain the same for the intermediary (the Group). The recognition of the right-of-use asset depends on the classification of the sublease:

- if the sublease is a finance lease, the intermediary derecognises the relevant right-of-use asset and recognises a lease receivable; The difference arising upon the initial recognition of the right-of-use-asset and the lease receivable is presented in revenue.
- if the sublease is an operating lease, the intermediary continues to recognise a right-of-use asset in the books. Income from a sublease is recognised over the term of such sublease.

4.2. Impairment losses on non-financial instruments

Impairment losses on non-financial instruments recognised by the Group include the impairment of inventories and property, plant and equipment, which includes the effect of damage claims during the year on profit or loss.

4.3. Expected credit losses on financial instruments

Expected credit losses on financial instruments are recognised by the Group in financial gains or losses in accordance with IFRS 9 for the following financial assets:

- trade receivables and contract assets;
- lease receivables under IFRS 16;
- other receivables measured at amortised cost or at fair value through other comprehensive income (FVTOCI), such as other financial assets;
- loan commitments and financial guarantees not measured at fair value;
- cash and cash equivalents

The Group does not recognise ECL (expected credit loss) on receivables that do not qualify as financial assets (e.g. advance payments).

IFRS 9 introduced the expected credit loss model, which is based on the calculation of expected impairment.

The Group applies the simplified approach, which allows the Group to account for lifetime credit losses in respect of financial instruments (trade receivables and lease receivables). In this case, monitoring changes in credit risk is not required.

In applying the simplified approach, the Group uses a provision matrix to determine lifetime ECL.

The Group uses the following ECL ranges when applying the simplified approach:

Days past due	ECL %
Less than 90 days	0.1 – 0.6%
Between 91 and 180 days	5%
Between 180 and 360 days	20%
Over 360 days	100% or arbitrary

In addition to the number of days past due, macroeconomic factors are also taken into account by the Group in the case of trade receivables, and the loss rates used are revised as required.

4.4. Financial gains or losses

Interest income and interest expenses

Interest income is presented in financial income and is recognised using the EIR method. This is where the Group recognises interest income from loans and credits granted.
Interest expenses are calculated using the effective interest rate (EIR) method (except for interest on lease liabilities) and are presented in financial expenses. This is where the Group recognises interest expenses on loans and borrowings received and bonds issued for the current period, calculated using the effective interest rate method.

Interest on lease liabilities

This is where the Group presents interest expenses under IFRS 16 recognised on lease liabilities as a lessee. When discounting lease payments, the Group uses the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

Foreign exchange gains or losses

Exchange differences on foreign currency items (if not a part of other comprehensive income under IAS 21 The Effects of Changes in Foreign Exchange Rates) are recognised by the Group in financial gains or losses. This is where the Group recognises the following items:

- gain/loss on the settlement of receivables and liabilities;
- foreign exchange gain/loss on translation at the balance sheet date:
    - translation of foreign currency loans granted;
    - translation of trade receivables and trade payables;
    - translation of foreign currency and foreign exchange reserves;
    - other receivables and liabilities denominated in foreign currency.

Financial gains or losses are presented by the Group on a net basis in the statement of profit or loss and other comprehensive income.

Fair value gains or losses on derivatives

The Group measures its derivatives at fair value through profit or loss in accordance with IFRS 9. Fair value gains or losses on derivatives open at the balance sheet date are recognised in this line item. The Group entered into FX forward contracts during the current year to hedge foreign exchange risk, and does not apply hedge accounting.

4.5. Income taxes

Items that represent a tax on a certain level of profit are classified by the Group as income taxes. The following items are presented as income taxes:

- corporate income tax,
- local business tax, and
- innovation contribution

Taxes other than income taxes are recognised by the Group in other expenses and are presented in the line item "Other tax and contribution liabilities" in the statement of financial position.

4.6. Retranslation of subsidiaries

The Group only recognises exchange differences arising on the retranslation of foreign subsidiaries in this line, which are accumulated in equity in the line item "Cumulative translation difference".

In preparing its consolidated financial statements, the Group examines at the reporting date whether any of the intra-group loans qualify as a net investment in a foreign operation and examines the ability of borrowers to repay the loans based on the business plans. If repayment is not planned or expected, any unrealised foreign exchange gains/losses are recognised by the Group as part of other comprehensive income in its consolidated financial statements, in the line item "Retranslation of subsidiaries".

4.7. Application and definition of EBITDA

Although the concept of EBITDA is not recognised by IFRS, the Group decided to present this commonly used indicator as well, given its widespread use in industry practice. Also, the Group is convinced that disclosing this figure provides useful information to users of the financial statements.

To facilitate understanding, the method of calculation is presented below:

+/-	Profit before tax	X/(X)
-/+	Share of profit of associates and joint ventures	(X)/X
-/+	Elimination of financial gains or losses	(X)/X
-/+	Elimination of depreciation and amortisation	(X)/X
-/+	EBITDA impact of items which never generate any net outflow of assets	(X)/X
	EBITDA	**X/(X)**

The Group adjusts its profit before tax for the following items:

- *Financial gains or losses:* profit before tax is adjusted by the Group for all items in financial gains or losses (effective interest, exchange differences, etc.), which means that the effect of financial gains or losses is eliminated by the Group in its entirety when calculating this indicator.
- *Share of profit of associates and joint ventures:* profit before tax is adjusted by the Group for the Group's share of profit of associates and joint ventures, which means that the effect of such profit is eliminated by the Group when calculating this indicator.
- *Depreciation and amortisation:* depreciation and amortisation on assets within the scope of IAS 16, IAS 38 and IFRS 16 and assets leased under operating leases which are recognised by the Group as assets are eliminated when calculating this indicator (these items are "returned").
- *Items which never generate any net outflow of assets:* This line item shows the profit impact of ESO programs presented in the financial statements in which there is no outflow of cash for the Group in connection with the acquisition of shares.

4.8. Earnings per share (EPS)

The Group presents its basic and diluted earnings per share (EPS) in its consolidated financial statements. The Group recognises earnings per share in accordance with the provisions of IAS 33.

5. Accounting policies relating to the statement of financial position

5.1. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss.

The depreciable amount is the value on initial recognition reduced by the residual value. The Group determines residual value if its amount is significant (at least 10% of the value of the asset, but no less than HUF 2 million). Residual value is equal to the amount recoverable after the asset is decommissioned, less costs to sell.

Depreciation is calculated on the basis of the depreciable value for each component. The Group recognises depreciation using the straight-line method. The following depreciation rates are used for assets:

Asset group	Depreciation rate
Land	not depreciated
Buildings	2 – 5%
Technical and other equipment	14 – 33%
Leased vehicles	20 – 33 %

The Group reviews the useful lives of assets for each component at the reporting date and assesses whether a given asset can be used over its remaining useful life and whether its residual value is reasonable. If not, then the depreciable amount and the residual value are adjusted by the Group going forward.

At each reporting date, the Group examines whether there is an indication of impairment in the case of property, plant and equipment. If the recognition of impairment is justified, the impairment recognised is presented in the line item "Impairment losses on non-financial instruments".

Proceeds on disposal of property, plant and equipment are presented by the Group in other income, reduced by the remaining carrying amount of the assets. Expenses arising on the scrapping of items of property, plant and equipment are recognised in other expenses.

Property, plant and equipment (vehicles) rented out under an operating lease are presented separately by the Group in its statement of financial position as Leased vehicles. Leased vehicles are measured at cost less accumulated depreciation and impairment loss. Depreciation is typically recognised over a period between 2 and 5 years.

The accounting policy for recognising operating leases is presented in section 5.2.2 of this chapter.

5.2. Leases

5.2.1. The Group as lessee

The Group uses the exemptions for low-value leases (that are not short-term) and short-term leases:

- Leases where the value of the underlying asset (in new condition) does not exceed thHUF 1,500 are classified by the Group as low-value leases. The Group has low-value leases in the current year (such as printer lease).
- A lease is short-term if the original lease term does not exceed 12 months, provided that the lease does not contain a purchase option. Amounts paid for short-term leases are recognised in profit or loss using the straight-line method.

Measurement

After the commencement date, right-of-use assets are measured by the Group at cost less accumulated depreciation and impairment loss. The Group determines the depreciation rates based on the lease term of each underlying lease contract, and if the lease contract has an indefinite term or includes an option for extension, useful life is determined by way of estimation.

5.2.2. The Group as lessor

The Group as lessor classifies leases as either operating or finance leases.

Finance lease

The Group has leases identified as finance leases (typically long-term rental). For these leases, assets held under the finance lease are derecognised by the Group in its balance sheet at the commencement date and the Group recognises a lease receivable (net investment in the lease) in the same amount as the present value of the cash flows arising from the lease. The Group uses the interest rate implicit in the lease to calculate present value.

Expected credit losses on lease receivables are determined by the Group by using the simplified approach (lifetime ECL).

Operating lease

The Group has leases identified as operating leases (typically short-term rental and cases where a rental transaction does not meet the criteria for a finance lease). The Group presents lease payments under operating leases in the statement of profit or loss and other comprehensive income using the straight-line method. The Group continues to recognise these assets in its statement of financial position in the line item "Leased vehicles".

Sale and leaseback transactions

The Group is involved in sale and leaseback transactions, in which an asset is sold and subsequently re-leased by the Group (acting as a seller-lessee). For each transaction, the Group examines whether or not the transfer of the asset qualifies as a sale under IFRS 15.

5.3. Business combinations

Recognition of business combinations

Acquisitions of businesses are accounted for using the acquisition method based on the fair value of assets and liabilities at the date of acquisition, i.e. the date of obtaining control. With regard to business combinations, the share of non-controlling shareholders is measured either at fair value or in the amount of the fair value of the acquiree's net assets attributable to non-controlling shareholders, at the Group's discretion. Entities acquired or disposed of during the year are presented in the financial statements from the date of obtaining control and until the date of losing control, respectively.

Subsequent to the acquisition, the equity interest of non-controlling shareholders is the initially recorded amount adjusted by changes in the acquiree's equity attributable to non-controlling shareholders.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions in retained earnings.

5.4. Intangible assets

The value of intangible assets at initial recognition is determined using the method described in the case of property, plant and equipment.

Intangible assets recognised by the Group contain rights of pecuniary value, which mostly include acquired import rights, as well as other intangible assets identified upon acquisition (e.g. customer relationships). When determining the depreciation period, the Group considers whether there are any contractual periods which restrict the use of such assets. In such cases, the depreciation period may not be longer (though it may be shorter) than this period. By default, the Group considers the contractual period to be the useful life.

The Group accounts for amortisation on software and similar intangible assets using the straight-line method. The amortisation rates applied range from 20% to 33%. Subsequent to initial recognition, intangible assets are measured at cost. The residual value of intangible assets is deemed by the Group to be zero, unless there is evidence to the contrary**.**

5.5. Investments in associates and joint ventures

Such investments are recognised by the Group using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is recognised by the Group initially at cost and the carrying amount is adjusted thereafter to recognise the Group's share of its profit or loss since the acquisition.

5.6. Inventories

Inventories are presented by the Group in the financial statements at the lower of cost and net realisable value.

Goods recognised by the Group include new and used vehicles as well as parts, whereas other inventories include materials used in the course of servicing activities.

5.7. Financial assets and financial liabilities

Initial recognition and measurement of financial instruments

At initial recognition, financial instruments are measured at fair value plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

5.7.1. Financial assets – Classification

IFRS 9 classifies financial assets into the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); or
- Amortised cost (AC).

Financial assets and liabilities held for trading and for profit and derivative instruments are financial instruments measured at fair value through profit or loss (FVTPL).

The Group measures its derivatives (FX forward contracts) at fair value.

Debt instruments which meet the SPPI test (i.e. they give rise to cash flows that are solely payments of principal and interest) and are held to collect contractual cash flows (business model test) are measured at amortised cost (AC). This category includes trade receivables and other receivables, interbank loans, and cash and cash equivalents.

The Group measures its financial assets at amortised cost (with the exception of derivatives).

The methodology for determining expected credit losses on financial instruments is presented in Note III. 5.9 Expected credit losses on financial instruments.

5.7.2. Financial liabilities – Classification

Subsequent to initial recognition, financial liabilities within the scope of IFRS 9 are classified into two measurement categories:

- Measured at amortised cost (AC)
- Measured at fair value through profit or loss (FVTPL)

Interest expense is recognised in profit or loss as a financial expense.

The Group measures its financial liabilities at cost, with the exception of the contingent part of purchase prices in acquisitions, which is measured at fair value.

5.7.3. Other special items

Liabilities from reverse factoring and liabilities from inventory financing

Transactions where the consideration payable for the cars purchased is received by the supplier through reverse factoring represent a significant part of the Group's operation. The essence of the transaction is that the supplier receives the consideration for the purchase not from the Group directly, but instead from an intermediary financial institution, and this financial institution will collect the purchase price from the Group at a later date. Due to the large number and magnitude of these transactions, the Group decided to recognise liabilities from such transactions separately within current liabilities in the balance sheet (liabilities from reverse factoring) and not as loans or trade payables. Of the above liability, balances that already bear interest under the contract and those that do not yet bear contractual interest (as these have not yet aged enough for the financing company to charge interest on) are presented separately by the Group in the balance sheet.

If a fee or interest is involved in the transaction, it is recognised by the Group as interest expense in financial expenses.

The Group applies the following accounting policy for the purpose of presenting inventories financed through reverse factoring in the statement of cash flows, taking into account the considerations of the IFRIC: cash flows from the purchase of inventories and payments to suppliers are presented in operating cash flows if the conditions applicable to the liability from reverse factoring are substantially the same as those that would be imposed by the supplier. If this requirement is not met, the amount paid to the intermediary financial institution as part of the reverse factoring arrangement is presented by the Group in financing cash flows, while the purchase of inventories is presented in operating cash flows as a non-cash transaction. This adjustment for non-cash items is presented in the line item "Adjustment due to reverse factoring" within operating cash flows in the consolidated statement of cash flows.

Items where the supplier is paid not by the financing company directly but instead by the Group are not classified by the Group as liabilities from reverse factoring. These items are recognised by the Group separately as liabilities from inventory financing.

Sale and leaseback transactions

The Group records amounts received under sale and leaseback transactions as financial liabilities if the transaction in question is not classified as a sale. The relevant criteria and details are presented in Note IV.5.2.2.

5.8. Equity components

The Group presents the following items as part of its equity in the financial statements:

Equity component	Description of equity component
Share capital (Parent)	Contains the share capital of the Parent.
Share premium	The sum of amounts paid for issued shares in excess of their nominal value.
Share-based payments reserve	Fair value of the shares granted in the ESO program at the grant date, which is distributed over the vesting period. The expense incurred in doing so is recognised in profit or loss as an item of personnel expenses against a separate reserve in equity.
Treasury shares	The consideration paid for the repurchase of treasury shares, which is deducted from equity (nominal value is also included in this line, which is not deducted from equity).
Cumulative translation difference	This reserve includes the cumulative amount of differences arising on the retranslation of subsidiaries, which is recognised in other comprehensive income.
Retained earnings	The amount of cumulative profit not paid out as dividends (i.e. accumulated profit).

Payment of dividends

Dividends payable to the Group's shareholders are recognised as a liability against equity for the period in which the payment of dividends was approved by the shareholders.

5.9. Non-controlling interest

The Group as acquirer measures its non-controlling interest in the acquiree for each of its business combinations at the date of acquisition, either at fair value or at the non-controlling interest's share of the recognised amount of the acquiree's identifiable net assets. The Group has chosen to apply the latter approach when measuring non-controlling interests. Losses are allocated to non-controlling interests even if their value turns negative as a result.

5.10. Current and deferred income taxes

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity.

Current income tax is calculated based on the tax laws enacted at the reporting date. Current income tax expense for the year is presented by the Group in current liabilities or current receivables. The Group classifies corporate income tax, local business tax and innovation contribution as current income tax.

Deferred income tax is presented in order to measure the effects of temporary differences between the tax base of assets and liabilities and their carrying amounts as presented in these consolidated financial statements. Deferred tax is calculated using the balance sheet method, with the effects of subsequent changes in tax rates taken into account.

Deferred tax assets and deferred tax liabilities can only be offset if the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

The Group calculates the average effective tax rate in the notes to the financial statements and presents the numerical reconciliation between the effective tax rate and the applicable tax rate, disclosing the basis on which the applicable tax rate(s) is (are) computed.

5.11. Provisions

The Group only records provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
Provisions are reviewed by the Group at the end of each reporting period and are adjusted to reflect the best estimate at the time. When it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

5.12. Share-based payments

Specific employees of the Group receive remuneration as part of a share-based benefit scheme under an ESO program. As part of the program, employees become entitled to equity-settled and cash-settled share-based payments.

The program is initially recognised by the Group at the grant date. The Group considers the grant date to be the date on which the parties have agreed on the material terms and conditions and the notice is accepted by the employees. The Group measures the cost of equity-settled share-based payments at the fair value of the shares to be delivered to the Group's employees, based on the quoted share price. The fair value of the benefit is expensed by the Group over the vesting period on a straight-line basis.

Expenses are recognised against a separate component of equity (Share-based payments reserve). This accumulated reserve is reclassified when
• the program ends and the shares are distributed;
• the program ends and it is determined that the conditions have not been satisfied.
The Group measures liabilities related to cash-settled share-based payments at fair value at the end of the reporting period and recognises changes in fair value in personnel expenses.

5.13. Advance payments received from customers

Where a customer pays consideration before the Group transfers goods or services to the customer, the Group recognises a contract liability when the payment is made (or when the payment is due, whichever is earlier). A contract liability is the Group's obligation to transfer goods or services for which the Group has received consideration from the customer.

The Group recognises advance payments for cars as a contract obligation, presented in the line item "Advance payments received from customers".

5.14. Employee benefits

The Group provides predominantly short-term employee benefits to its employees. These are recognised by the Group in profit or loss after they have vested.

Employee bonuses and other items of a similar nature are presented by the Group in its statement of financial position if they give rise to a liability.

6. Other accounting policies

6.1. Segment reporting

The Group distinguishes between the following segments in its segment report:

- distribution segment;
- retail segment;
- mobility services segment.

Segment profit is calculated and presented by the Group down to the level of profit before tax. The Group discloses a breakdown of assets and liabilities by segment.

6.2. General accounting policy relating to the statement of cash flows

The Group's statement of cash flows is based on the indirect method in the case of operating cash flows. Investing cash flows and financing cash flows are calculated using the direct method.

6.3. Changes in accounting policies

The Group did not amend its accounting policies from 2023 to 2024. Exceptions include the application of accounting policies related to the adoption of new standards and to activities that had not existed previously.

6.3.1 Effects of the adoption of new and revised IFRSs effective from 1 January 2024 on the financial statements

- **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 1 January 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, and that options by the counterparty that could result in settlement by the transfer of the entity’s own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability’s classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure – Supplier Finance Arrangements (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of the reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

  The amendments did not have any impact on the Group's financial statements.

Standards issued but not yet effective and not early adopted

Standards/amendments that are not yet effective but have been endorsed by the European Union

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

  The amendment is not expected to have any impact on the Group's financial statements.

Standards/amendments that are not yet effective and have not yet been endorsed by the European Union

- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)**

  The amendments are effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted for classification-related amendments, with an option for the later application of other amendments. The amendments clarify that a financial liability is derecognised on the "settlement date" when the obligation is discharged, cancelled, expires, or otherwise qualifies for derecognition. The amendments introduce an accounting policy choice to allow derecognition of liabilities settled using an electronic payment system before the settlement date, subject to specific conditions. The amendments provide guidance on assessing the contractual cash flow characteristics of financial instruments with ESG-linked or other similar features. The amendments clarify the treatment of assets with non-recourse features and contractually linked instruments and introduce additional IFRS 7 disclosure requirements related to financial assets and liabilities linked to contingent events (including ESG-linked features) and equity instruments measured at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU.

- **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The amendments clarify the application of the "own-use" requirements, permit hedge accounting when contracts within the scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to help investors understand the impact of these contracts on an entity's financial performance and cash flows. The clarifications regarding the "own-use" requirements must be applied retrospectively, whereas hedge accounting may only be applied to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

  IFRS 18 introduces new requirements for the presentation of the statement of profit or loss. Under IFRS 18, entities are required to classify all income and expense items in the statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations. These categories are complemented by requirements for presenting subtotals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
  IFRS 18 also requires the disclosure of Management-defined Performance Measures, which represent subtotals of income and expenses, and introduces new requirements for aggregating and disaggregating financial information based on the identified "roles" of the Primary Financial Statements and the accompanying notes. In addition, other standards have been amended as a consequence of the introduction of IFRS 18.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 must be applied retrospectively. The amendments have not yet been endorsed by the EU.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

  IFRS 19 allows subsidiaries without public accountability to apply reduced disclosure requirements if they have a parent (ultimate or intermediate parent) that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. These subsidiaries must continue to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards. Unless otherwise specified, entities eligible to apply IFRS 19 are not required to comply with the disclosure requirements of other IFRS Accounting Standards if they choose to apply IFRS 19. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments have not yet been endorsed by the EU.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

  The IASB's annual improvements process addresses non-urgent but necessary clarifications and amendments to IFRSs. The IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11 in July 2024. Entities are required to apply these amendments for annual reporting periods beginning on or after 1 January 2026. Annual Improvements to IFRS Accounting Standards – Volume 11 contains amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments aim to clarify wording or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the Standards. The amendments have not yet been endorsed by the EU.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures)**

  The amendments resolve a recognised 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 recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised 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 amendment has not yet been endorsed by the EU.

The Group's management is currently assessing the impact of the amendments as at the reporting date.

V. Significant accounting estimates and judgments

The Group evaluated the estimates made in preparing its consolidated financial statements. The estimates used are presented in the relevant notes. The critical accounting estimates and judgments for the current year are presented in the section below.

Significant accounting estimates and judgments relating to vehicles damaged during transportation

In 2023, a fire broke out on a ship transporting motor vehicles for the Group from the Far East, as a result of which a significant portion of the 668 motor vehicles being transported (with a total cost of HUF 4.86 billion) suffered damage. The vehicles are covered by an insurance policy. A significant part of the damaged vehicles was sold during 2024 and before the date of this report; however, the claims handling process involving the insurer is still underway. In preparing the consolidated financial statements, the Group made the following significant estimates and judgments in connection with the event:

Impairment losses recognised on vehicles

Management determined the value of the impairment loss based on key assumptions using information available at the reporting date. In calculating impairment, the vehicles were classified into one of two categories: those that were economically viable to repair, and those that were not.

Based on the factors presented above, the Group recognised impairment losses of HUF 3.8 billion on the vehicles in the 2023 financial statements, presented in the line item "Impairment losses on non-financial instruments" in the statement of profit or loss and other comprehensive income. Given that the Group sold a significant percentage of the vehicles after the reporting date but before the date of this report, impairment losses of HUF 1.1 billion were reversed, which is presented in the line item "Impairment losses on non-financial instruments".

Insurance claim

Based on the insurance policy, the maximum coverage of the insurance event is 110% of the value of the vehicles. Considering the terms and conditions of the insurance policy and the fact that the insurance company has not indicated that circumstances exist which would cast doubt on the enforceability of the Group's claim against the insurer, in 2023 the Group recorded prepayments in the amount of HUF 2.4 billion (which is not the total amount of the damage, taking into account the uncertainty factors and the ongoing claims handling process with the insurer) within assets in the financial statements against impairment losses on non-financial instruments. Taking into account the events of 2024 (the sale of the vehicles), the Group reassessed the prepayments recorded against the insurer and reduced it by HUF 586 million, and this amount is presented in the line item "Impairment losses on non-financial instruments". Having regard to the ongoing insurance claims handling process, the Group did not modify the expected recoverable amount and continues to rely on a conservative estimate.

The effect of the above events on profit or loss in 2024 was a gain of HUF 488 million, of which an amount of HUF 368 million is presented in the line item "Impairment losses on non-financial instruments", with HUF 120 million being recorded in the line item "Foreign exchange gains and losses" (due to the exchange rate effect). (Impairment losses of HUF 1.4 billion were recognised due to the events presented in 2023.)

Significant estimates relating to a general average claim

Since the damage occurred during sea transport, the Group is also involved in the settlement of a so-called "general average" claim, which is covered by the insurance policy. The amount of the damage depends on the extent of the damage to the vessel carrying the motor vehicles, as well as the value of other motor vehicles on board the vessel which are not owned by the Group and the damage to such vehicles. If the damage to the vessel is such that the coverage provided by the insurance policy is no longer sufficient to cover the Group's share of the damage, the Group may incur a financial liability.

At the date of the financial statements, management did not possess any information that can be used to reliably estimate the potential liability arising from the general average claim and, therefore, the Group did not recognise a provision in accordance with IAS 37.26.

Significant estimates relating to the recovery of goodwill

In 2023 and 2024, the Group recognised significant goodwill in its books through acquisitions. The key assumptions used in the course of impairment testing are presented in Note VIII.4.

VI. Acquisitions

1. NC Auto S.r.o

On 1 July 2024, the Group completed the acquisition of the BMW business of Stratos Auto of the Czech Republic. AutoWallis Nyrt. acquired an 80% share in NC Auto S.r.o, with an option to acquire the remaining 20%. As a result of the transaction, the Group entered the Czech automotive retail market through three BMW dealerships.

2. Milan Král Group

On 18 December 2024, the Group completed the acquisition of Milan Král Group of the Czech Republic, as a result of which Autowallis Nyrt. acquired a 100% share in Milan Král Holding a.s. and thus its subsidiaries, ACR Auto, a.s., Milán Král a.s., MK KAR-LAK s.r.o., MK správni spolecnost s.r.o. and MNC Auto a.s. Through this acquisition, the Group further strengthened its position in the Czech automotive retail market by adding new brands and new activities to its portfolio.

The acquisitions qualify as business combinations, and the details of their method of recognition are presented in Note X.3.

VII. Notes to the statement of profit or loss and other comprehensive income

In the notes to the statement of profit or loss and other comprehensive income, the sign of each amount corresponds to the effect of that item on profit or loss.

1. Revenue

1.1. Revenue from contracts with customers

Breakdown of revenue

Revenue is presented by the Group broken down by segment for each type of product or service, along with a breakdown by country.

The breakdown of revenues from customers was as follows:

Segments	For the year ended 31 December 2024			
	Distribution	Retail	Mobility	Total
Type of goods or services				
Supply of cars and separate parts	217,192	148,983	1,106	367,281
Supply of services	1,730	22,130	7,319	31,179
Total	**218,922**	**171,113**	**8,425**	**398,460**
Breakdown by country				
Hungary	61,166	90,875	8,288	160,329
Slovenia	17,446	43,917	0	61,363
Croatia	47,284	851	0	48,135
Czech Republic	30,962	13,009	8	43,979
Romania	25,325	2,722	0	28,047
Other countries	36,739	19,739	129	56,607
Total	**218,922**	**171,113**	**8,425**	**398,460**

Comparative data:

Segments	For the year ended 31 December 2023			
	Distribution	Retail	Mobility	Total
Type of goods or services				
Supply of cars and separate parts	216,747	124,999	330	342,076
Supply of services	521	17,819	5,851	24,191
Total	**217,268**	**142,818**	**6,181**	**366,267**
Breakdown by country				
Hungary	58,785	86,478	6,055	151,318
Slovenia	23,094	33,817	-	56,911
Croatia	41,476	391	-	41,867
Czech Republic	35,567	1,014	4	36,585
Romania	25,603	2,286	-	27,889
Other countries	32,743	18,832	122	51,697
Total	**217,268**	**142,818**	**6,181**	**366,267**

The Group does not have any contracts in place where the performance obligation is part of a contract with an initial expected term of one year or more.

Contract balances and customer balances

The contract balances recognised by the Group include trade receivables, contract assets and contract liabilities.

	31/12/2024	31/12/2023
Trade receivables	18,345	15,851
Contract liabilities	4,691	3,394

The Group did not recognise any contract assets either in the current year or in the comparative period. The contract liabilities recognised by the Group include advance payments received from customers, for which the related performance obligations will be satisfied after the reporting date.

The change in the balance of contract liabilities is presented in Note VIII.18 (Trade payables and advance payments received from customers). Contract liabilities will be recognised in revenue in the next period.

1.2. Rental income

The Group leases cars under both operating and finance leases. For each individual contract, the Group assesses whether the given contract qualifies as a finance lease or an operating lease.

Operating leases – The Group as lessor

The Group derives rental income from leasing owned assets and leased assets to both individuals and legal entities, which is recognised in revenue. In the case of operating leases, the Group does not transfer substantially all the risks and rewards to the lessee.

data in million HUF	2024	2023
Operating lease payments	7,943	4,913

The maturity analysis of the Group's operating lease contracts maturing in more than one year which are in force at the reporting date is presented in the following table:

data in million HUF	31/12/2024	31/12/2023
Due within 1 year	436	732
Due between 1 year and 2 years	320	330
Due between 2 and 3 years	236	275
Due between 3 and 4 years	152	152
Due between 4 and 5 years	12	134
Due in more than 5 years	-	-
Undiscounted contractual cash flows	**1,156**	**1,623**

The lease term for the Group's operating leases is typically not longer than 12 months (typically carsharing and rent-a-car services).

Finance leases – The Group as lessor

The Group also leases cars under finance leases, where the lease term is typically over one year and the Group transfers all the risks and rewards of using the asset to the lessee. Profit or loss on leases (the difference between derecognition of the asset and the initial recognition of the lease receivable) and the results of contract amendments are recognised by the Group in revenue.
The following table contains a maturity analysis of lease receivables, presenting undiscounted lease payments due after the reporting date.

data in million HUF	31/12/2024	31/12/2023
Due within 1 year	6,111	5,419
Due between 1 year and 2 years	4,662	4,045
Due between 2 and 3 years	3,456	3,633
Due between 3 and 4 years	2,093	1,974
Due between 4 and 5 years	840	503
Due in more than 5 years	-	-
Undiscounted contractual cash flows	**17,162**	**15,574**
Unearned financial income	3,063	3,432
Net investment in leases	**14,099**	**12,142**

The following table presents income recognised on finance leases:

data in million HUF	2024	2023
Interest income on lease receivables	1,932	1,703
Profit or loss on finance leases	3,384	1,359

2. Own performance capitalised

The value of own performance capitalised was HUF 118 million in the current year and HUF 253 million in the comparative period. The reduction is explained by declining expenses capitalised on projects within the Group.

3. Material expenses

Material expenses recognised by the Group include the following expenses incurred in the course of operations:

Item	2024	2023
Material expenses of servicing activities	8,574	6,669
Fuel costs	717	485
Public utility charges (energy, water, gas)	555	499
Other	225	221
Total	**10,071**	**7,874**

The line item "Material expenses of servicing activities" contains the historical cost of parts used in the course of servicing activities. Additionally, the fuel costs of the vehicles used by the Group and overhead costs are also presented here.

4. Services

The following table presents the value of services used in the current year and the previous year:

	2024	2023
Sales, marketing, communication and PR services	7,088	5,797
- of which: marketing costs	5,711	5,133
Other miscellaneous services	8,837	6,752
- of which: other services relating to cars	1,750	1,480
- of which: advisory	1,346	765
- of which: real estate management costs	469	483
- of which: warehousing costs	692	451
- of which: training and education	433	317
- of which: maintenance	1,663	1,517
- of which: other	2,483	1,739
Shipping costs	2,626	2,288
Accounting, legal and capital market services	1,092	740
Bank charges and insurance	2,230	1,330
Rental fees	445	519
Administrative services	242	272
Telecommunications services	196	116
Authority fees	76	88
Total	**22,832**	**17,902**

5. Cost of goods sold

Cost of goods sold includes the value of inventories resold in unchanged form, as well as the value of services and subcontracted work directly transferred, which are broken down by the Group by segment, similarly to revenues. Parts installed are recognised in material expenses.

	2024	2023
Distribution	184,919	186,078
Retail	141,067	117,309
Mobility	1,093	1,931
Total	**327,079**	**305,318**

6. Personnel expenses

Personnel expenses include payroll items and items directly related to employment.

	2024	2023
Wages and salaries	14,510	11,205
Social security contributions	2,632	1,967
Company car, emoluments	325	264
Other staff costs	1,678	1,228
ESOP expenses	396	247
Total	**19,541**	**14,911**

Average headcount at the level of consolidated entities increased to 1,322 from the previous year's average of 983. The increase in wages and salaries is attributable to the rise in the Group's employee headcount caused by the employees of the entities acquired (NC Auto s.r.o) being transferred to the Group (for an additional 110 employees), as well as the pay rise during the current year and other organic growth in headcount. Also, the current year was the first full year in which the previous year's acquisitions (Nelson, Wallis Autómegosztó Zrt. and Net Mobilitás Zrt.) had an impact on profit or loss. (The Group's headcount increased by 184 as a result of the Milan Kral transaction; however, the effect of the increase in headcount on personnel expenses is negligible since the acquisition was completed in mid-December 2024.)

For ESOP expenses, the fair value of the transferred shares at the grant date was expensed over the vesting period on a straight-line basis. The expense incurred in doing so is recognised in profit or loss as an item of personnel expenses against a separate component of equity (Share-based payments reserve). An amount of HUF 396 million was recognised as share-based payments against profit or loss for this period (previous year: HUF 247 million) (see Note VIII.13.3).

7. Depreciation and amortisation

The line item "Depreciation and amortisation" includes depreciation and amortisation recognised by the Group on intangible assets and property, plant and equipment (including right-of-use assets). There was no depreciation to be presented as part of an asset in either the current year or the comparative period.

The Group recognises depreciation using the straight-line method:

	2024	2023
Depreciation of property, plant and equipment and leased vehicles	2,570	2,333
Depreciation of right-of-use assets	2,363	1,105
Amortisation of intangible assets	745	1,014
Total	**5,678**	**4,452**

The main reason behind the increase in depreciation is the additional depreciation resulting from acquisitions. (The fleet of Nelson Flottalízing Kft. and Wallis Autómegosztó Zrt. had an impact on a part of 2023 and the entirety of 2024. Significant right-of-use assets were recorded due to the acquisition of NC Auto s.r.o in 2024.) The most significant part of the amortisation of intangible assets is the amortisation of import rights recognised by the Group.

8. Other income and expenses

8.1. Other income

Other income and expenses recognised by the Group contain items that are not directly related to operations, including gains or losses on disposal of assets acquired for purposes other than sale, and gains or losses that are not directly related to business operations.

	2024	2023
Compensation received	1,225	1,015
Negative goodwill on acquisition (VI.2)	-	274
Subsidies received	68	94
Gain on disposal of property, plant and equipment	452	366
Other miscellaneous income	1,211	1,018
Other income	**2,956**	**2,767**

8.2. Other expenses

	2024	2023
Fines and damage claims	563	311
Provisions made	168	235
Tax expenses (other than income tax)	1,248	1,318
Non-business expenses	40	12
Loss on disposal of property, plant and equipment	199	52
Other miscellaneous expenses	1,748	874
Other expenses	**3,966**	**2,802**

Other miscellaneous expenses mainly include items relating to warranties.

The gain or loss on disposal of property, plant and equipment is recognised by the Group on a net basis, which means that the proceeds on disposal are offset against the carrying amount of the derecognised asset and other related expenses.

8.3. Recognition of government grants

The Group received government grants in the current year. The grants were recorded as deferred income, which is recognised in profit or loss over the useful lives of the relevant assets.

Deferred income:	2024	2023
At 1 January	**329**	**351**
Opening adjustment	5	-
Grants received in the current year	117	-
Other increase due to acquisitions	-	13
Recognised in net profit or loss	(72)	(35)
At 31 December	**379**	**329**
Amount recognised in deferred income:		
of which: long-term part	*337*	*293*
of which: short-term part	*42*	*36*

There are no unfulfilled or contingent conditions attached to the grants received.

9. Impairment losses on non-financial assets

Impairment losses on non-financial assets include impairment losses on inventories and property, plant and equipment:

	2024	2023
Impairment losses on inventories	(222)	2,211
Impairment losses on property, plant and equipment	53	84
Total	**(169)**	**2,295**

Current-year impairment losses were offset by the reversal of impairment losses on SsangYong vehicles damaged during transportation (see Note V). No other individual impairment losses of significant value were recognised in 2024.

10. Expected credit losses on financial instruments

The Group recognises expected credit losses on trade receivables, lease receivables and other financial assets.

	2024	2023
Impairment losses recognised		
On trade receivables	121	60
On lease receivables	13	117
On other receivables and bank deposits	6	1
Total	**140**	**178**
Reversals of impairment losses		
On trade receivables	20	5
On lease receivables	65	3
On other receivables and bank deposits	-	6
Total	**85**	**14**
Write-down of impaired instruments		
On trade receivables	43	23
On lease receivables	-	-
On other receivables and bank deposits	-	-
Total	**43**	**23**
Expected credit losses on financial instruments	**98**	**187**

The Group uses the ECL model to determine expected credit losses. Under the ECL model, expected credit losses must be calculated for receivables which are not due as well.

The Group applies the simplified approach for its trade receivables, lease receivables and other receivables, where it recognises lifetime ECL.

11. Interest income and expenses (net)

Interest income and interest expenses for the current year and the previous year were as follows:

	2024	2023
Interest income calculated using the effective interest rate method	**1,114**	**1,617**
Interest income from loans granted (deposits)	1,090	1,535
Other interest income	24	82
Interest received on securities	-	285
Total	**1,114**	**1,617**

	2024	2023
Interest expense calculated using the effective interest rate method	**4,062**	**5,087**
Interest expense of loans and borrowings received	2,868	3,599
Interest expense of debentures	295	276
Interest expense	900	1,212
Other interest expense	**1,212**	**1,176**
Interest expense of lease liabilities	1,212	1,176
Total	**5,274**	**6,263**

Net effect on profit	**(4,160)**	**(4,646)**

12. Foreign exchange gains and losses (net)

This line item contains realised and unrealised gains and losses from fluctuations in exchange rates recognised by the Group:

	2024	2023
Foreign exchange gain	4,420	7,767
Foreign exchange loss	(5,997)	(7,856)
Total	**(1,577)**	**(89)**

13. Other financial gains or losses (net)

Financial gains or losses on other accounting items are presented by the Group in this line item. The value of these items was HUF 3 million in the current year and HUF 7 million in the previous year.

14. Fair value gains or losses on derivatives

The Group enters into derivative transactions to mitigate foreign exchange risk and interest rate risk (IRS and foreign exchange hedges). The Group measures these transactions at fair value through profit or loss and does not apply hedge accounting. The gain or loss on closed derivative transactions for the current year, measured at the reporting date, was a gain of HUF 23 million (previous year: a gain of HUF 338 million).

15. Income tax expense

The Group classifies corporate income tax (including income tax paid abroad), local business tax and innovation contribution as income tax.

	2024	2023
Current income tax		
Corporate income tax for the year	883	1,125
Local business tax	1,071	997
Innovation contribution	176	57
Total	**2,130**	**2,179**
Deferred tax		
Increase/decrease in temporary differences	(9)	(93)
Total	**(9)**	**(93)**
Total income tax expense	**2,121**	**2,086**

a) Calculation of the effective corporate income tax rate, current income tax expense

The following table presents the calculation of the effective tax rate:

			2024		2023
	Profit before tax in the consolidated statement of profit or loss and other comprehensive income		**9,097**		**11,929**
Note	**Tax expense calculated based on the current tax rate (9%)**	**9.00%**	**819**	**9.00%**	**1,074**
1.	Other income tax expense (local business tax, innovation contribution)	13.71%	1,247	8.83%	1,054
2.	Other income tax expense deductible from the tax base	-1.23%	(112)	-0.80%	(95)
3.	Effect of different tax rates	0.96%	87	0.24%	29
4.	Tax effect of the profit of entities accounted for using the equity method	-0.43%	(39)	-0.81%	(96)
5.	Effect of non-deductible expenses	0.59%	54	0.19%	22
6.	Effect of deferred tax assets not utilised	0.63%	57	0.19%	23
7.	Other items individually not material	0.09%	8	0.63%	75
	Total income tax expense	**23.32%**	**2,121**	**17.49%**	**2,086**

1. Other income taxes include local and state taxes payable in Hungary which are imposed on the profits of the entities calculated based on a certain income using a tax base that is significantly higher than the corporate income tax base and a significantly lower tax rate (2% at most). The first line of the calculation only shows the amount of hypothetical tax calculated using the corporate income tax rate and, as a result, local business tax and innovation contribution give rise to additional income tax expenses for the Hungarian subsidiaries of the Group.
2. Local business tax and innovation contribution are deductible for corporate income tax purposes, the positive effect of which is presented in this line.
3. This line contains the tax effects arising from the application of different tax rates for subsidiaries, considering the fact that the Group operates in foreign countries as well. The corporate income tax rate for the years presented was 18% in Croatia, 22% in Slovenia, 19% in the Czech Republic and 16% in Romania. This line of the tax calculation contains the effect of the differences between the 9% hypothetical tax rate and the current tax rate.
4. The tax expense on the profit of joint ventures calculated using the current tax rate is presented by the Group in this line, since profit before tax already includes the profit after tax of entities accounted for using the equity method which is attributable to the Group.

b) Breakdown of deferred taxes

Items giving rise to deferred tax assets and liabilities are presented in the following table. Deferred tax is caused by differences between the carrying amount and the tax amount, tax losses carried forward, and other items (e.g. development reserve).

Current year:

	Opening balance (net) 01/01/2024	Recognised in profit or loss	Closing balance (net) 31/12/2024	Deferred tax asset 31/12/2024	Deferred tax liability 31/12/2024
Property, plant and equipment and leased vehicles	(130)	(1,250)	(1,380)	42	(1,422)
Leases	(16)	17	1	1	-
Intangible assets	(96)	21	(75)	1	(76)
Trade receivables and other receivables	(142)	(263)	(405)	33	(438)
Inventories	38	40	78	49	29
Cash and cash equivalents	1	-	1	1	-
Loans and borrowings	(5)	1	(4)	-	(4)
Other liabilities	(109)	(1)	(110)	5	(115)
Provisions	34	2	36	34	2
Tax losses carried forward	189	164	353	353	-
Other items	(5)	5	-	-	-
Total	**(241)**	**(1,264)**	**(1,505)**	**519**	**(2,024)**
Netting	-	-	-	(396)	396
Total net	**(241)**	**(1,264)**	**(1,505)**	**123**	**(1,628)**

Previous year:

	Opening balance (net) 01/01/2023	Recognised in profit or loss	Closing balance (net) 31/12/2023	Deferred tax asset 31/12/2023	Deferred tax liability 31/12/2023
Property, plant and equipment and leased vehicles	(148)	18	(130)	56	(186)
Leases	49	(65)	(16)	11	(27)
Intangible assets	6	(102)	(96)	3	(99)
Trade receivables and other receivables	(68)	(74)	(142)	19	(161)
Inventories	22	16	38	42	(4)
Cash and cash equivalents	1	-	1	1	-
Loans and borrowings	(4)	(1)	(5)	-	(5)
Other liabilities	6	(114)	(109)	14	(123)
Provisions	48	(14)	34	35	(1)
Tax losses carried forward	4	185	189	189	-
Other items	(45)	40	(5)	-	(5)
Total	**(129)**	**(112)**	**(241)**	**370**	**(611)**
Netting	-	-	-	(259)	259
Total net	**(129)**	**(112)**	**(241)**	**111**	**(352)**

Tax rates differ between countries. All differences are determined using the tax rate of the source country. The Group's tax losses carried forward and their expiry dates are presented in the following table:

data in million HUF	31/12/2024	31/12/2023
Corporate income tax losses carried forward	8,844	8,255

The expiries of the tax losses carried forward as at the end of 2024 are presented in the following table:

data in million HUF	31/12/2024
2025	1,521
2026	1,700
2027	1,122
2028	2,192
2029	1,839
2029+	470
Corporate income tax losses carried forward	**8,844**

As at the end of 2024, the Group had unused deferred tax assets in an amount of HUF 517 million from the tax losses carried forward.

c) Global minimum tax

The Group is part of a multinational group of companies whose revenue exceeds the revenue threshold of EUR 750 million. Act LXXXIV of 2023 on Top-Up Taxes to Ensure a Global Minimum Level of Taxation and on Amendments to Certain Tax Laws entered into force in Hungary on 1 January 2024. The Group qualifies as a group in the initial stage of its international operations and, as a result, it does not incur any additional tax liability with respect to Hungary. It is estimated that the Group will be able to invoke the temporary exemption rule based on Country-by-Country Reporting for the financial year ended 31 December 2024 for all of the remaining jurisdictions; therefore, the Group did not recognise any additional tax liability in connection with the global minimum tax regulation. In line with IAS 12, the Group applies the exemption for recognising and disclosing information on deferred tax assets and liabilities with respect to income taxes relating to the global minimum tax.

16. Retranslation of subsidiaries

The Group presents the difference arising on the retranslation of foreign subsidiaries in other comprehensive income, which is recognised separately in equity (in the line item "Cumulative translation difference"). This difference is caused by the fact that certain subsidiaries of the Group have different functional currencies. The difference amounted to a gain of HUF 504 million in the current year and a loss of HUF 282 million in the previous year.

17. Earnings per share (EPS)

As the Group's shares are publicly traded, the Group discloses information on EPS.

The following table presents the data used to calculate basic EPS and diluted EPS.

Event	FY2024	Event	FY2023
Number of shares at 1 January	493,039,908	Number of shares at 1 January	442,289,002
Effect of issue for the purpose of in-kind contribution	46,416,938	Effect of issue	16,963,317
Effect of repurchased treasury shares	-6,339,949		-2,930,659
Average number of shares (for basic EPS)	**533,116,897**		**456,321,660**
Average number of shares (for diluted EPS)	**533,116,897**		**456,321,660**

Basic EPS and diluted EPS are identical.

	2024	2023
Profit attributable to owners of the parent (for basic EPS)	6,827	9,731
Number of shares (for basic EPS)	533,116,897	456,321,660
EPS (basic, HUF/share)	**12.81**	**21.32**
Profit attributable to owners of the parent (for diluted EPS)	6,827	9,731
Number of shares (for diluted EPS)	533,116,897	456,321,660
EPS (diluted, HUF/share)	**12.81**	**21.32**

No other transactions involving ordinary shares or potential ordinary shares took place between the balance sheet date and the date when these financial statements were authorised for issue.

18. EBITDA

The Group also presents a profit category not defined under IFRS which provides useful information for decision-making. The calculation process is described in accounting policy IV.4.7.

EBITDA is calculated as follows:

	2024	2023
Profit before tax	9,097	11,929
(-) Elimination of the share of profit of joint ventures	(438)	(1,070)
Elimination of financial gains or losses	5,711	4,391
Elimination of depreciation and amortisation	5,678	4,452
EBITDA impact of items which never generate any net outflow of assets	127	3
EBITDA	**20,175**	**19,705**

VIII. Notes to the statement of financial position

1. Property, plant and equipment

Changes in items of property, plant and equipment for the financial year ended 31 December 2024:

	Property	Technical equipment and vehicles	Total
Gross opening value at 1 January	**19,940**	**7,709**	**27,649**
Increase	658	2,771	3,429
Assets obtained by acquisition	12,453	3,235	15,688
Decrease (disposal)	(5)	(3,222)	(3,227)
Decrease (scrapping)	-	(25)	(25)
Reclassification	-	482	482
Fair value gains or losses, other	385	(22)	363
Gross closing value at 31 December	**35,557**	**12,339**	**47,896**

Accumulated depreciation	Property	Technical equipment and vehicles	Total
Opening value at 1 January	**2,399**	**3,365**	**5,764**
Depreciation (VII.7)	568	1,296	1,864
Impairment losses (VII.9)	-	-	-
Reversal of impairment losses (VII.9)	-	-	-
Decrease (disposal)	-	(711)	(711)
Decrease (scrapping)	-	(40)	(40)
Reclassification, other	30	15	45
Closing value at 31 December	**2,997**	**3,925**	**10,459**

	Property	Technical equipment and vehicles	Total
Net closing value at 31 December	**30,434**	**7,003**	**37,437**

For the financial year ended 31 December 2023:

	Property	Technical equipment and vehicles	Total
Gross opening value at 1 January	19,545	5,987	25,532
Increase	647	2,204	2,851
Assets obtained by acquisition	5	417	422
Decrease (disposal)	-	(1,221)	(1,221)
Decrease (scrapping)	(3)	(61)	(64)
Reclassification	-	405	405
Fair value gains or losses, other	(254)	(22)	(276)
Gross closing value at 31 December	**19,940**	**7,709**	**27,649**

Accumulated depreciation	Property	Technical equipment and vehicles	Total
Opening value at 1 January	1,869	2,662	4,531
Depreciation (VII.7)	539	1,114	1,653
Assets obtained by acquisition	4	106	110
Impairment losses (VII.9)			-
Reversal of impairment losses (VII.9)	-	(3)	(3)
Decrease (disposal)	-	(304)	(304)
Decrease (scrapping)	(3)	(50)	(53)
Reclassification, other	(10)	(160)	(170)
Closing value at 31 December	**2,399**	**3,365**	**5,764**

	Property	Technical equipment and vehicles	Total
Net closing value at 31 December	**17,541**	**4,344**	**21,885**

In 2024, the significant increase was attributable to the properties, vehicles and technical equipment of the acquired Milan Král companies and NC Auto s.r.o. There was no significant growth in individual items of either property or technical equipment and vehicles in 2023. The Group did not identify any indications of impairment for properties.

Changes in interest capitalised in connection with assets under construction were as follows:

Change in borrowing costs:

	31/12/2024	31/12/2023
Interest expense of special purpose loans calculated using the EIR	-	-
Interest expense of general purpose loans calculated using the capitalisation rate	38	161
Total capitalised interest for the period	**38**	**161**

The Group does not have any significant commitment to acquire new property, plant and equipment.
All assets are measured by the Group using the cost model.

The Group's property financing loans are secured by the properties involved in the respective financing arrangements. Their carrying amount at the end of the period was as follows:

	Book value at 31/12/2024 (HUF million)		
2024	Gross carrying amount	Accumulated depreciation	Net carrying amount

Property, plant and equipment	14,138	(3,064)	11,074

	Book value at 31/12/2023 (HUF million)		
2023	Gross carrying amount	Accumulated depreciation	Net carrying amount
Property, plant and equipment	6,502	(894)	5,608

2. Leased vehicles

Assets leased under operating leases are presented separately by the Group, the balance of which was as follows:

Gross value	31/12/2024	31/12/2023
Opening value at 1 January	**3,172**	**3,203**
Increase	3,588	6,483
Assets obtained by acquisition	-	1,558
Decrease (disposal)	(7,484)	(6,037)
Decrease (scrapping)	-	(27)
Reclassification	4,272	(1,803)
Other	666	(205)
Closing value at 31 December	**4,214**	**3,172**
Accumulated depreciation		
Opening value at 1 January	**476**	**508**
Depreciation (VII.7)	706	680
Impairment losses (VII.9)	32	-
Reversal of impairment losses (VII.9)	(32)	-
Decrease (disposal)	(3,165)	(2,538)
Decrease (scrapping)	(32)	(19)
Reclassification	1,951	1,705
Other	1,290	140
Closing value at 31 December	**1,226**	**476**
Total		
Net closing value at 31 December	**2,988**	**2,696**

Leased assets include cars held by specialised members of the Group for the purpose of renting them out to customers in exchange for a rental fee. These cars were obtained by the Group through purchases. Considering the typical term of such leases, these assets qualify as operating leases on the lessor's part. The reasons for reclassifications included changes in financing arrangements or the use of vehicles. The Group did not identify any indications of impairment for leased vehicles.

3. Right-of-use assets (ROU)

Right-of-use assets relating to leases are presented by the Group separately from property, plant and equipment, the balance of which for the financial year ended 31 December 2024 was as follows:

	Vehicles	Property	Total
Gross opening value at 1 January	**4,582**	**3,782**	**8,364**
Increase due to acquisition	-	1,892	1,892
Lease	8,107	639	8,746

	Vehicles	Property	Total
Sublease	(4,616)	-	(4,616)
Derecognition of right-of-use assets	(66)	-	(66)
Effects of contract amendments and other reclassifications	(2,227)	139	(2,088)
Gross closing value at 31 December	**5,780**	**6,452**	**12,232**

Accumulated depreciation	Vehicles	Property	Total
Opening value at 1 January	**439**	**1,819**	**2,258**
Depreciation	1,170	1,198	2,368
Derecognition of right-of-use assets	(224)	-	(224)
Effects of contract amendments and other movements	(286)	(247)	(533)
Closing value at 31 December	**1,099**	**2,770**	**3,869**

	Vehicles	Property	Total
Net closing value at 31 December	**4,680**	**3,682**	**8,363**

For the financial year ended 31 December 2023:

	Vehicles	Property	Total
Gross opening value at 1 January	**425**	**3,009**	**3,434**
Increase due to acquisition	2,941	98	3,039
Lease	1,606	578	2,184
Sublease	(1,322)	-	(1,322)
Derecognition of right-of-use assets	(53)	-	(53)
Effects of contract amendments and other reclassifications	985	97	1,082
Gross closing value at 31 December	**4,582**	**3,782**	**8,364**

Accumulated depreciation	Vehicles	Property	Total
Opening value at 1 January	**70**	**1,194**	**1,264**
Depreciation	298	807	1,105
Derecognition of right-of-use assets	(53)	-	(53)
Effects of contract amendments and other movements	124	(182)	(58)
Closing value at 31 December	**439**	**1,819**	**2,258**

	Vehicles	Property	Total
Net closing value at 31 December	**4,143**	**1,963**	**6,106**

Right-of-use assets include:

- property held by the Group under rental arrangements where such rental fits the definition of a lease under IFRS 16, and
- cars to be rented out by the Group which are rented by the Group itself but meet the recognition criteria under IFRS 16 (e.g. held under a contract with a term longer than 12 months).

The most significant movement in 2023 was generated by the acquisition of Nelson's fleet management business and Wallis Autómegosztó. As these subsidiaries typically finance their fleet by leasing vehicles, current-year movements also relate to these two entities.

Items recognised in profit or loss in connection with leases are presented in the table below:

data in million HUF	2024	2023
Interest on lease liabilities	1,212	1,176
Income from the sublease of right-of-use assets	3,384	(1,365)
Expenses on short-term leases	54	63
Expenses on leases of assets of small value	227	330

4. Goodwill

The goodwill presented in the balance sheet was allocated to the following cash-generating units:

Cash-generating unit	31/12/2024	31/12/2023
Wallis Autómegosztó Zrt. transaction (carsharing services)	4,527	4,527
NC Auto S.r.o transaction	2,631	-
Goodwill allocated to cash-generating units not material on their own	1,523	933
Total (before impairment losses)	**8,681**	**5,460**

The Group tests goodwill for impairment at the end of each reporting period. The recoverable amount of cash-generating units is determined on the basis of estimated future cash flows supported by an approved business plan over their expected useful lives, by using a net present value calculation. The key assumptions relate to cash flows, discount rates and changes in growth rates.

No impairment was recognised by the Group on goodwill at the end of FY2023 and FY2024.

Impairment testing

The key assumptions generally used in impairment testing are presented in the following table.

	31/12/2024	31/12/2023
Discount rate	9.97%	12.84%
Terminal value growth rate	3%	3%

The discount rate is the weighted average cost of capital of AutoWallis, which includes the risks specific to the industry and the Group. The terminal value growth rate is set by management at 3% (2% for the CGU operating in the Czech market), which is in line with long-term inflation expectations.

The Group did not identify any indications of impairment based on the impairment test for goodwill allocated to cash-generating units that are not material on their own.

Carsharing service CGU

A 100% share in Wallis Autómegosztó Zrt., an entity providing carsharing services, was acquired by AutoWallis Group in 2023 by way of in-kind contribution (see Note VI.3), which is treated by the Group as a cash-generating unit that serves as the basis for the future development of innovative mobility services. After being acquired by the Group, the entity underwent significant reorganisation, which will result in considerable cost savings for the entity in the long term. One of the milestones of this reorganisation was that the entity merged into Nelson Flottalízing Kft. in 2024. The Company treats the carsharing activity as a separate CGU.

During planning, the Group anticipated an improvement in the macroeconomic environment and an increased popularity of carsharing services, and also considered the cost efficiency measures already implemented by management and the improvement in utilisation rates with fleet size remaining almost the same. The long-term growth rate (beyond 5 years) was set by management at the above-mentioned general rate of 3% (previous year: 2.1%). All of this taken into account, the recoverable amount of the CGU is HUF 5,322 million (previous year: HUF 7,447 million). The Group performed a sensitivity analysis of the key assumptions used in the calculation of impairment, which yielded the following results:

- a 1 percentage point increase in weighted average cost of capital would reduce net present value by HUF 1,119 million, while a 1 percentage point decrease would result in an increase of HUF 1,498 million in net present value
- a 10% improvement in EBITDA would increase net present value by HUF 1,248 million, while a 10% drop would result in a decline of HUF 1,248 million in net present value.

NC Auto s.r.o

The Group acquired the entity on 1 July 2024 and realised goodwill for HUF 2,631 million in this regard. The Group projected nearly identical profit or loss and EBITDA figures for the period covered by the business plan. In preparing the DCF model, the Group used a long-term growth rate of 2% (which is typical for the Czech market) and a discount rate of 7.5%. The recoverable amount of the CGU at the reporting date was HUF 9,975 million.
The Group performed a sensitivity analysis of the key assumptions used in the calculation of impairment, which yielded the following results:

- a 1 percentage point increase in weighted average cost of capital would reduce net present value by HUF 1,469 million, while a 1 percentage point decrease would result in an increase of HUF 2,231 million in net present value
- a 10% improvement in EBITDA would increase net present value by HUF 1,298 million, while a 10% drop would result in a decline of HUF 1,294 million in net present value.

5. Intangible assets

The following movements involving intangible assets took place in the current year:

Gross value	Total
Gross opening value at 1 January	**5,823**
Amortisation	617
Assets obtained by acquisition (V.1)	31
Decrease (disposal)	(6)
Decrease (scrapping)	(14)
Other increase	381
Gross closing value at 31 December	**6,832**

Accumulated depreciation	Total
Opening value at 1 January	**2,786**
Amortisation (VI.7)	745
Impairment losses (VI.9)	-
Reversal of impairment losses (VII.9)	(4)
Decrease (disposal)	(4)
Decrease (scrapping)	(7)
Other increase	379
Closing value at 31 December	**3,895**
Net closing value at 31 December	**2,937**

Data for the previous period:

Gross value	Total
Gross opening value at 1 January	**4,267**
Increase	241
Assets obtained by acquisition (V.1)	1,338
Decrease (disposal)	(1)
Decrease (scrapping)	(71)
Other increase	49
Gross closing value at 31 December	**5,823**

Accumulated depreciation	Total
Opening value at 1 January	**1,867**
Depreciation (VI.7)	1,015
Impairment losses (VI.9)	(9)
Decrease (disposal)	(1)
Decrease (scrapping)	(71)
Other increase	(15)
Closing value at 31 December	**2,786**
Net closing value at 31 December	**3,037**

There were no significant increases in intangible assets in the current year. The most significant items among the previous year's increases were the intangible assets recorded in connection with Net Mobilitás Zrt. (HUF 648 million) and Wallis Autómegosztó Zrt. (HUF 642 million) that were identified in the course of their acquisition.

6. Investments in associates and joint ventures

	31/12/2024	31/12/2023
Investments in joint ventures	2,975	2,888
Investments in associates	-	-
Closing value	**2,975**	**2,888**

Investments in joint ventures include the Group's interest in AutoWallis Caetano Holding Zrt., an entity in which it has a 50% share and control is exercised by the Group and the other investor on a parity basis (see Note III). The Group and the other investor have no obligations to the entity other than those required by law.
As AutoWallis Caetano Holding Zrt. qualifies as a parent company itself, the Group discloses aggregate information presented in the entity's consolidated financial statements, as shown in the following table.

	2024	2023
Ownership percentage of AutoWallis Group	**50%**	**50%**
Non-current assets	4,289	4,261
Current assets	27,388	19,885
- of which: cash and cash equivalents	4,667	*5,375*
Non-current liabilities	1,805	342
- of which: non-current financial liabilities (less trade receivables and provisions)	1,515	*14*
Current liabilities	23,839	17,700
- of which: current financial liabilities (less trade receivables and provisions)	22,932	*15,769*
Net assets (100%)	6,033	5,952
Net assets attributable to the Group (50%)	3,017	2,976
Elimination of unrealised profit or loss (accumulated)	(41)	(88)
Carrying amount of interests in joint ventures	1,850	1,850
Revenue	89,693	75,054
Depreciation and amortisation	(862)	(766)
Interest income	127	312
Interest expense	(629)	(52)
Income tax expense	(529)	(652)
Total comprehensive income (100%)	629	2,218
Total comprehensive income (50%)	315	1,109

Effect of the elimination of unrealised profit or loss on current-year profit or loss	48	(39)
Other adjustments	75	
Total comprehensive income attributable to the Group	438	1,070
Dividends received	350	350

The reconciliation of the net assets of AutoWallis Caetano Holding Zrt. attributable to the Group and the carrying amount is as follows:

Reconciliation of the carrying amount	2024	2023
Opening value of net assets	5,952	4,434
Adjustments to previous years	152	-
Net profit or loss for the current year*	629	2,218
Dividends paid	(700)	(700)
Closing value of net assets	**6,033**	**5,952**
Net assets attributable to the Group (%)	50%	50%
Net assets attributable to the Group	3,017	2,976
Elimination of interim profit or loss (accumulated)	(42)	(88)
Goodwill	-	-
Carrying amount	**2,975**	**2,888**

* Net profit or loss of AutoWallis Caetano Group

7. Deferred tax assets and liabilities

Temporary differences that will reverse in the future and may result in tax liabilities or tax assets later on are recorded by the Group if there is evidence that taxable profit will be available against which the deductible temporary differences can be utilised. In the current environment, only corporate income tax and, for foreign subsidiaries, local income tax can give rise to deferred tax.

Deferred tax assets and liabilities are presented in detail in **Note VII. 15 b)**.

8. Loan receivables and investments in equity instruments

Equity instruments include two shareholdings held by one of the subsidiaries (Wallis Kerepesi Kft.). No member of the Group has significant influence over these investments. The investments are carried at fair value in the financial statements, and both assets are measured at FVTOCI. The fair value of the investments was determined by the Group based on the investee's equity (2024: HUF 2 million; 2023: HUF 2 million).

Loan receivables primarily include loans to employees, which are measured at amortised cost (2024: HUF 10 million; 2023: HUF 5 million).

9. Goods and other inventories

	31/12/2024		31/12/2023	
	Cost	Net realisable value	Cost	Net realisable value
Motor vehicles	65,587	63,141	58,498	54,520
Parts	6,358	6,219	4,268	3,803
Other goods	12	12	9	9
Mediated services	321	321	53	53
Goods total	**72,278**	**69,693**	**62,828**	**58,385**
Other inventories total	**207**	**207**	**142**	**139**

Inventories are measured at the lower of cost and net realisable value.

A significant part of inventories has been pledged to secure the underlying financing loans. Impairment losses on inventories are presented in the line item "Impairment losses on non-financial instruments". Inventories recognised as expenses in the current year are presented in material expenses and cost of goods sold.

10. Trade receivables and factoring receivables

Trade receivables recognised by the Group include receivables arising from sales and operating leases. The value of trade receivables is broken down as follows:

	31/12/2024	31/12/2023
Receivables in foreign currencies	13,958	11,496
Receivables in HUF	4,725	4,537
Total trade receivables	**18,683**	**16,033**
Impairment losses on trade receivables	(338)	(182)
Trade receivables, net	**18,345**	**15,851**

Trade receivables are non-interest-bearing receivables with average payment terms between 8 and 90 days. Impairment losses on receivables were recognised using the expected credit loss model. The fair value of trade receivables is identical to their carrying amount. Advance payments received from customers are presented by the Group in a separate line item within liabilities (*Advance payments received from customers*).

Receivables factored by the Group under recourse factoring arrangements have been presented separately in the balance sheet since 2022. The following table shows the balance of these receivables at the reporting date:

	31/12/2024	31/12/2023
Factoring receivables	-	87

11. Prepayments, other receivables, other financial assets and net investment in leases

Prepayments, other receivables and other financial assets include receivables not classified into other categories:

	31/12/2024	31/12/2023
Prepayments	9,173	7,289
Accrued income	*5,179*	*3,729*
Prepaid expenses	*3,994*	*3,560*
Other receivables	4,330	2,531
Other tax assets	*1,606*	*1,379*
Advance payments made	*548*	*220*
Receivables from employees	*15*	*12*
Other miscellaneous receivables	*2,161*	*920*
Other financial assets	320	136
Total	**13,823**	**9,959**

The most significant items in accrued income and prepaid expenses include bonuses received from/given to manufacturers and/or importers. An additional item is the deferred insurance payout of HUF 1.8 billion (2023: HUF 2.4 billion) covering the damage event that occurred in 2023 (see Note V).

Other receivables presented by the Group include other tax assets, advance payments made, current receivables from employees, and other miscellaneous receivables. Other miscellaneous receivables primarily include receivables arising from commercial bonuses given to the Group by wholesalers and manufacturers. These are recognised by the Group in profit or loss as items deductible from the cost of goods sold.

Other receivables typically do not fit the definition of a financial instrument. No ECL was recognised by the Group on items which do not fit the definition of a financial instrument (such as accrued or prepaid items and tax assets). The fair value and carrying amount of the above items are nearly identical.

The most significant item in the line item "Other financial assets" was deposits related to loans in both the current year and the previous financial year.

Changes in receivables related to subleased assets for the current year were as follows:

data in million HUF	2024	2023
Opening balance	12,142	902
Acquisition	-	9,454
Sublease	6,743	6,321
Calculated interest	1,932	1,703
Repayment	(7,506)	(5,025)
Other change	788	(1,213)
Closing balance	14,099	12,142
Of which: long-term	9,601	*8,307*
Of which: short-term	4,498	*3,835*

The following table presents a breakdown of receivables related to subleased assets by maturity for the current year and the previous year. The Group did not recognise any impairment losses on its lease receivables in either the current year or the previous year.

data in million HUF	31/12/2024	31/12/2023
Net investment in leases (short-term part)	4,498	3,835
Net investment in leases (long-term part) due between 1 and 2 years	9,601	8,307
Net investment in leases (long-term part) due in more than 5 years	-	-
Total	**14,099**	**12,142**

12. Cash and cash equivalents

The Group had significant cash balances at the balance sheet date. The fair value of bank deposits is equal to their carrying amount.

	31/12/2024	31/12/2023
Bank deposits in HUF	7,885	7,912
Bank deposits in foreign currencies	16,377	5,109
Cash in HUF	54	48
Cash in foreign currencies	115	34
ECL on cash and cash equivalents	(9)	(6)
Cash and cash equivalents	**24,422**	**13,097**

13. Equity

13.1. Share capital

The section presenting changes in share capital covers the share capital and share structure of the Parent. The number of shares and the series of shares were as follows:

Series Category	Series "C" ordinary
01/01/2023	**442,289,002**
Issue for the purpose of in-kind contribution (Wallis Autómegosztó Zrt. (31/08/2023))	50,750,906
31/12/2023	**493,039,908**
Capital increase (26/01/2024)	46,416,938
31/12/2024	**539,456,846**

Changes in the nominal value of the shares (and, as a result, the balance sheet value of share capital):

			Nominal value (HUF million)
01/01/2023	**-**	**-**	**5,529**
In-kind contribution of Wallis Autómegosztó Zrt. on 30/08/2023			634
31/12/2023	**-**	**-**	**6,163**
Capital increase (26/01/2024)			580
31/12/2024			**6,743**

All issued shares were series "C" shares at the balance sheet date. The shares have a nominal value of HUF 12.5.

- On 31 August 2023, Wallis Asset Management Zrt. (one of the shareholders of AutoWallis Nyrt.) and Széchenyi Tőkealapok contributed a 100% share in Wallis Autómegosztó Zrt. to AutoWallis Nyrt. by way of in-kind contribution. Through the transaction, AutoWallis Nyrt. issued 50,750,906 shares on 30 August 2023 and, as a result, its share capital increased by HUF 634 million.

- On 26 January 2024, as part of the capital increase, the Company issued a total of 46,416,938 new series "C" dematerialised ordinary name shares with a nominal value of HUF 12.5 and an issue price of HUF 122.8 each, all of which were acquired by Wallis Tőkeholding Zrt.

13.2. Share premium

Share premium contains only share premium created after the Group was established.

The following transactions resulted in changes to share premium in the current year:

- Difference between the nominal value and issue value of shares issued in connection with the in-kind contribution of Wallis Autómegosztó Zrt., which amounted to HUF 4,266 million.
- As a result of the share issue that had taken place as part of the capital increase in 2024, share premium increased by HUF 5,120 million.

13.3. Share-based payments reserve

As part of the ESO program, specific employees of the Group and persons outside of the Group receive share-based benefits if certain pre-defined goals are achieved. The ESOP Organisation was established by the Parent. Several benefit schemes are currently being operated via the ESOP Organisation**.** The ESOP 3 program was completed in 2024.

The Group had the following share-based payment agreements in place as at 31 December 2024:

Name of the program	ESOP 4 program
Total number of shares provided as part of the program	4,868,747 units
Of which: shares provided to employees of AutoWallis Group	4,868,747 units
Value of one share at the grant date	HUF 94/unit
Total value of the benefit at the grant date	HUF 458 million
Grant date	26 April 2023

Vesting period	variable, 2 or 3 years
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 5 program
Total number of shares provided as part of the program	2,608,696 units
Of which: shares provided to employees of AutoWallis Group	2,608,696 units
Value of one share at the grant date	HUF 114/unit
Total value of the benefit at the grant date	HUF 297 million
Grant date	21 December 2023
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 6 program
Total number of shares provided as part of the program	2,514,756 units
Of which: shares provided to employees of AutoWallis Group	2,514,756 units
Value of one share at the grant date	HUF 150/unit
Total value of the benefit at the grant date	HUF 567 million
Grant date	24 April 2024
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance goals
Type of program	cash-settled

The Group had the following share-based payment agreements in place as at 31 December 2023:

Name of the program	ESOP 3 program
Total number of shares provided as part of the program	1,638,650 units
Of which: shares provided to employees of AutoWallis Group	1,638,650 units
Value of one share at the grant date	HUF 101/unit
Total value of the benefit at the grant date	HUF 166 million
Grant date	23 May 2022
Vesting period	2 years
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 4 program
Total number of shares provided as part of the program	4,868,747 units
Of which: shares provided to employees of AutoWallis Group	4,868,747 units
Value of one share at the grant date	HUF 94/unit
Total value of the benefit at the grant date	HUF 458 million
Grant date	26 April 2023
Vesting period	variable, 2 or 3 years
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 5 program
Total number of shares provided as part of the program	2,608,696 units
Of which: shares provided to employees of AutoWallis Group	2,608,696 units
Value of one share at the grant date	HUF 114/unit
Total value of the benefit at the grant date	HUF 297 million
Grant date	21 December 2023
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

The ESOP 5 program launched in 2023 will not generate any outflow of cash for AutoWallis Group, since the shares are provided to the ESOP Organisation by Wallis Tőkeholding Zrt.

The part of the ESOP benefit scheme which is related to the Group's employees is presented in the consolidated financial statements as follows. The fair value of the transferred shares for the grant date was expensed over the vesting period on a straight-line basis. The expense of HUF 396 million incurred in doing so (previous year: HUF 246 million) is recognised in profit or loss as an item of personnel expenses against a separate component of equity (Share-based payments reserve) or, in the case of the ESOP 6 program, against liabilities (Other non-interest-bearing non-current liabilities).

13.4. Treasury shares

This is where the Group recognises the historical cost of repurchased treasury shares. This line item contains the full purchase price, including the nominal value of repurchased shares.
At the end of 2024, the Company recorded 4,359,220 repurchased treasury shares for an amount of HUF 598 million, which are held by the ESOP Organisation with the exception of 12,300 shares. At the end of 2023, the Company recorded 2,607,833 repurchased treasury shares for an amount of HUF 243 million, all of which were held by the ESOP Organisation.

13.5. Cumulative translation difference

Cumulative translation difference is the accumulated amount of differences arising on translating the balances of foreign entities to HUF. The cumulative difference is reclassified to net profit or loss when the relevant subsidiary is derecognised.

13.6. Retained earnings

Retained earnings contain accumulated profits from previous periods and are reduced by dividends paid. The General Meeting of the Parent did not approve the payment of dividends for FY2023 in 2024.

14. Non-controlling interest

Non-controlling interest represents the part of the net assets of Iniciál Autóház Kft. and ICL Kft. that is attributable to non-controlling interests and is measured by the Group at the carrying amount.

Profits attributable to non-controlling interests	31/12/2024	31/12/2023
Net assets of Iniciál Autóház Kft.	**1,882**	**1,839**
The Group's ownership interest %	**60%**	**60%**
The Group's share of net assets	1,050	1,015
Net assets attributable to non-controlling interests	832	824
Net assets of ICL Autó Kft.	**401**	**427**
The Group's ownership interest %	**60%**	**60%**
The Group's share of net assets	241	256
Net assets attributable to non-controlling interests	160	171
Of which: attributable to owners of the parent	**1,291**	**1,271**
Of which: attributable to non-controlling interests	**992**	**995**

15. Loans, borrowings, debentures and lease liabilities

The Group's operation relies heavily on financing arrangements. Members of the Group have the following types of outstanding loans:

- bonds;
- acquisition loans;
- investment loans;
- overdraft facilities: loans providing general day-to-day liquidity;
- inventory financing loans: used to finance inventories until sales are realised;
- reverse factoring: used to finance suppliers (typically car manufacturers)
- car financing loans and leases: arrangements used to finance car fleets

15.1. Composition of loans and borrowings

The balances of loans and borrowings are as follows, distinguishing between long-term and short-term loans:

	31/12/2024	31/12/2023
Long-term		
Debentures	17,839	9,522
Loans and borrowings	10,324	5,660
of which: Investment and acquisition loans	8,539	*3,990*
Reverse factoring	4,364	-
Total long-term	**32,527**	**15,182**
Short-term		
Debentures	161	288
Loans and borrowings	14,177	29,300
Investment loans	1,284	454
Inventory financing loans	10,365	8,207
Other	2,528	2,830
Reverse factoring	32,105	17,809
Total short-term	**46,443**	**47,397**

Borrowings are classified by the Group primarily based on whether or not the item in question

- relates to leases (in accordance with the requirements of IFRS 16) or
- relates to loans and borrowings or supplier factoring, and
- debentures are presented in a separate category.

In addition, items of debt are also classified based on whether they are interest-bearing or non-interest-bearing. Liabilities are recorded at amortised cost.

15.2. Debentures

The Group has the following bonds.

Bond 1

The bond issued as part of the Bond Funding for Growth Scheme has the following key characteristics:

Name of bond issued	AutoWallis NKP Bond 2030/I
Date of issue	30 September 2020
ISIN code	HU0000359476
Number of bonds issued	60
Nominal value of bonds issued	50,000,000
Total nominal value (HUF)	3,000,000,000
Amount raised (HUF)	3,044,657,300
Interest payment	fixed
Frequency of interest payment	annual
Repayment of the principal amount	in a lump sum on maturity
Bond maturity	10 years
Nominal interest rate	3%
EIR	2.8374%
Amount raised (HUF)	3,044,657,300
Amount raised less direct costs (HUF)	3,041,551,573

The calculated effective interest rate of the bonds (where the net present value of the cash flows relating to the bonds is exactly zero) is 2.8374% p.a. The effective interest includes an amount of HUF 45 million received on top of the nominal value, as well as direct costs associated with the bonds.

Estimated fair value of the bonds at the reporting date:

	31/12/2024	31/12/2023
Carrying amount (HUF million)	3,087	3,091
Fair value gains or losses (HUF million)	(725)	(792)
Fair value of amount raised (HUF million)	2,362	2,299

An interest rate of 8.70% (previous year: 8.37%) was used for the purpose of calculating the fair value of the bonds, which was estimated based on market information.
The Group uses the amount raised less direct costs for its calculations, which is equal to amortised cost.

Balance of the bond:

	2024	**2023**
Opening balance	**3,091**	**3,095**
Adjustment for interest recognised	-	-
Calculated interest	86	86
Repayment	(90)	(90)
Closing balance	**3,087**	**3,091**
of which: short-term part	**61**	**90**

Bond 2 (green bond)

The bond issued as part of the Bond Funding for Growth Scheme has the following key characteristics:

Name of bond issued	AutoWallis NKP Bond 2031/I
Date of issue	22 October 2021
ISIN code	HU0000360664
Number of bonds issued	132
Nominal value of bonds issued	50,000,000
Total nominal value (HUF)	6,600,000,000
Amount raised (HUF)	6,655,543,800
Interest payment	fixed
Frequency of interest payment	annual
Repayment of the principal amount	HUF 5,000,000 per year starting from the 5th year, and HUF 25,000,000 on maturity in a lump sum
Bond maturity	10 years
Nominal interest rate	3.00%
EIR	2.854%

Amount raised (HUF)	6,655,543,800
Amount raised less direct costs (HUF)	6,654,849,500

The Company publishes the conditions for using the funds raised through the bond issue (so-called Green Financing Framework) on its website.
Estimated fair value of the bonds at the reporting date:

	31/12/2024	31/12/2023
Carrying amount (HUF million)	6,711	6,719
Fair value gains or losses (HUF million)	(1,529)	(1,654)
Fair value of amount raised (HUF million)	**5,182**	**5,065**

An interest rate of 8.90% (previous year: 8.41%) was used for the purpose of calculating the fair value of the bonds, which was estimated based on market information.
The Group uses the *amount raised less direct costs* for its calculations, which is equal to amortised cost. Balance of the bond:

	2024	2023
Opening balance	**6,719**	6,727
Transaction costs	-	-
Calculated interest	190	189
Repayment	(198)	(198)
Closing balance	**6,711**	**6,719**
of which: short-term part	**81**	**198**

Bond 3 (FDI bond)

Details of the bond issued:

Name of bond issued	**AutoWallis FDI Bond I**
Date of issue	12 December 2024
ISIN code	HU0000364526
Number of bonds issued	20
Nominal value of bonds issued	1,000,000
Total nominal value (EUR)	**20,000,000**
Amount raised (EUR)	**20,000,000**
Interest payment	fixed
Frequency of interest payment	annual
Repayment of the principal amount	EUR 4,000,000 per year starting from the 6th year
Bond maturity	10 years
Nominal interest rate	4.45%
EIR	4.484%

Amount raised (HUF)	8,196,800,000
Amount raised less direct costs (HUF)	8,177,216,521

The Group uses the *amount raised less direct costs* for its calculations, which is equal to amortised cost. Balance of the bond:

	2024
Opening balance	-
Amount received at issue	8,197
Transaction costs	(20)
Calculated interest	19
Repayment	-
Foreign exchange gains or losses	5
Closing balance	**8,201**
of which: short-term part	**18**

The fair value and carrying amount of the bond are roughly identical.

Payments of principal and interest on debentures which are due within one year are presented by the Group in other interest-bearing current liabilities.

	2024	2023
Interest payable on AutoWallis NKP Bond 2030/I	61	90
Interest payable on AutoWallis NKP Bond 2031/I	81	198
Interest payable on AutoWallis FDI Bond I	18	-
Deferred purchase price-related current liabilities (Nelson)		188
Other interest-bearing current liabilities	**160**	**476**

15.3. Lease liabilities

	31/12/2024	31/12/2023
Opening balance	13,576	3,166
Acquisition	1,892	8,407
Recognition	10,235	6,177
Repayment	(7,523)	(4,563)
Reclassification	(137)	-
Other change	(271)	389
Closing balance	**17,772**	**13,576**

	31/12/2024	31/12/2023
Lease liabilities	**17,772**	**13,576**
Of which: non-current	*10,420*	*9,036*
Of which: current	*7,352*	*4,540*
Closing balance	**17,772**	**13,576**

The Group recognises lease liabilities as a lessee, which include rental fees for car dealerships, repair shops, parking lots, logistics centres and motor vehicles. Costs related to leased assets are borne by the Group throughout the term of each lease, and the Group is required to return the leased assets to the lessor at the end of the lease term.

There are no material future risks to which the Group is exposed that were not considered in measuring liabilities.

The incremental borrowing rate used in the calculation of lease liabilities depends on the term of the lease, the currency, the arrangement (fixed or floating interest rate) and the leased asset. Lease payments for property are inflation-linked, while lease payments for motor vehicles may be linked to BUBOR or EURIBOR, or may be fixed.

There are no material special conditions attached to leases.

16. Provisions

Provisions mainly include assurance-type warranty obligations within the scope of IAS 37, all of which are related to servicing activities. The Group did not identify any individual items of significant value.

	Warranty obligation	Other provisions	Decommissioning obligation	Total
At 1 January 2023	**37**	**551**	**33**	**621**
Provisions made	-	569	-	569
Provisions reversed	(30)	(670)	-	(700)
Other change	(7)	4	(1)	(4)
At 31 December 2023	**-**	**454**	**32**	**486**
Provisions made	22	184	-	206
Provisions reversed	-	(161)	-	(161)
Other change	-	6	2	8
At 31 December 2024	**22**	**483**	**34**	**539**
of which: long-term part		*99*	*34*	*133*
of which: short-term part	*22*	*384*	-	*406*

The Group recognises provisions for warranty obligations based on past experience and ongoing payment obligations that are expected to be incurred. These costs are expected to be incurred in 1 to 5 years. At 31 December 2023, other provisions included provisions made by the Group for expected future payments arising from ongoing (legal) cases.

17. Liabilities from reverse factoring

The Group presents interest-bearing and non-interest-bearing liabilities from reverse factoring separately, the balances of which were as follows:

	31/12/2024	31/12/2023
Non-current liabilities from reverse factoring	**4,364**	**-**
Of which: interest-bearing	4,364	-
Of which: non-interest-bearing	-	-
Current liabilities from reverse factoring	**32,105**	**17,808**
Of which: interest-bearing	22,827	11,674
Of which: non-interest-bearing	9,278	6,134
Total	**36,469**	**17,808**

The Group has the above supplier financing agreements in place. These agreements are non-interest-bearing liabilities for a certain period depending on the contractual terms, and become interest-bearing after the period is up (see Note X.2.3). The Group derecognises trade payables relating to the agreements.

18. Trade payables and advance payments received from customers

Trade payables are related to day-to-day operations and are due within a maximum of 90 days. Their breakdown by currency is as follows:

	31/12/2024	31/12/2023
Trade payables		
HUF	4,793	8,458
Foreign currencies	18,834	16,575
Total	**23,627**	**25,033**

The fair value of trade payables is roughly identical to their carrying amount.

The following table presents changes in advance payments received from customers/contract liabilities:

Contract liabilities	31/12/2024	31/12/2023
At 1 January	3,394	8,365
Change	1,297	(4,971)
At 31 December	**4,691**	**3,394**

The increase in 2024 is explained mostly by the acquisitions (HUF 991 million).

19. Income tax assets and liabilities

From the Group's perspective, income taxes include corporate income tax, local business tax and innovation contribution. Other tax liabilities are presented in other current liabilities.

Income tax liabilities	31/12/2024	31/12/2023
Corporate income tax	108	479
Local business tax	102	189
Innovation contribution	76	112
Total income tax liabilities	**286**	**780**

In the current period, the Group also recognised income tax assets for an amount of HUF 460 million (previous period: HUF 98 million).

20. Other non-interest-bearing non-current and current liabilities

Non-current liabilities	31/12/2024	31/12/2023
Deferred income – government grants	333	293
ESOP liabilities	132	-
Liabilities arising from share options	700	-
Other non-interest-bearing liabilities	49	52
Total income tax liabilities	**1,214**	**345**

Deferred income includes deferred income relating to government grants, which is released in proportion to the depreciation of the relevant asset.
The line item "ESOP liabilities" includes the liability relating to the ESOP VI program as the program involves cash-settled share-based payments.
The line item "Liabilities arising from share options" includes the liability arising from the option agreed to as part of the acquisition of NC Auto s.r.o.

Current liabilities	31/12/2024	31/12/2023
Other tax and contribution liabilities	3,358	2,037
Accruals	7,309	8,447
Prepaid income	2,367	*4,065*
Accrued expenses	4,942	*4,382*
Other non-interest-bearing liabilities	2,278	2,245
Short-term employee benefits	973	648
Other employee benefits	4	3
Other miscellaneous current liabilities	1,301	1,594
- of which: vehicle repurchase obligations	*320*	*386*
- factoring liabilities	*-*	*87*
- other current liabilities	*981*	*1,122*
Total current liabilities	**12,945**	**12,730**

Other tax and contribution liabilities recognised by the Group include liabilities arising from VAT, retail tax, company car tax and contributions on wages and salaries.

Significant items in prepaid income include support and bonuses given in connection with current-year sales involving import activities. The line item "Accrued expenses" contains uninvoiced expenses recognised in current-year profit or loss (services used).

Other miscellaneous current liabilities included the following significant items:

- Vehicle repurchase obligations. The Group agreed to a repurchase obligation for these vehicles in its vehicle sales contracts, and repurchase is likely to take place in the future.
- There were no significant items within other current liabilities in either 2024 or 2023.

IX. Disclosures on risk management

The Group manages the assets entrusted to it in a way that maximises value for its owners. In doing so, it adheres to the following principles:

- ensuring the continuous operation of the Group under all circumstances;
- achieving an optimal debt-to-equity ratio in order to keep the cost of capital at an acceptable level.

The Group's capital structure is in line with the industry standard, and the Group has not set a quantified target for its debt-to-equity ratio. Changes in the Group's net debt were as follows:

Item	2024	2023
Long-term debentures	17,711	9,522
Long-term loans and borrowings	10,324	5,660
Non-current lease liabilities	10,420	9,036
Deferred purchase price-related non-current liabilities	-	187
Other non-interest-bearing non-current liabilities	1,214	345
Non-current liabilities from reverse factoring - interest-bearing	4,364	-
Short-term loans and borrowings	3,812	3,284
Inventory financing loans	10,365	8,207
Current lease liabilities	7,352	4,540
Liabilities from reverse factoring - interest-bearing	22,827	11,674
Other interest-bearing current liabilities	288	476
Liabilities from reverse factoring - non-interest-bearing	9,278	6,134
Total liabilities	**97,955**	**59,065**
- Accruals	(1,214)	(345)
- Liabilities arising from options	(700)	-
- Cash and cash equivalents	**(24,422)**	**(13,097)**
Net debt	**71,619**	**45,623**

The Group is exposed to the following financial risks in its operations:

a) market risk, which consists of the following elements:
   - exchange rate risk,
   - interest rate risk,

b) credit risk;

c) liquidity risk.

1. Market risk

Risk management is performed by the central treasury department. There are no independent risk management teams at the level of the Group's individual members, and typically no transactions are entered into in this regard.
Exchange rate risk is the risk that cash flows from future commercial transactions and the assets and liabilities presented in the balance sheet will fluctuate due to changes in foreign exchange rates.
The Group is engaged in operations involving foreign currencies, which entails the risk of changes in foreign exchange rates, particularly the euro exchange rate. The Group's exposure to changes in foreign exchange rates is insignificant for all other currencies. The risks presented below impact trade receivables, trade payables, liabilities from reverse factoring, inventory financing loans and lease liabilities.
The following tables present sensitivity to potential changes in EUR exchange rates, all other factors being equal. The effect on the Group's net assets is the result of changes in the fair value of financial assets and liabilities. The effect on net assets is attributable to the change in profit or loss, and the related tax effect is insignificant.

	Change in the EUR exchange rate	Effect on net assets/ Profit after tax	Effect on net assets (%)
31/12/2023	+1%	(334)	-0.666%
	+5%	(1,668)	-3.329%
	+10%	(3,336)	-6.659%
	-1%	334	0.666%
	-5%	1,668	3.329%
	-10%	3,336	6.659%
31/12/2024	+1%	(598)	-0.954%
	+5%	(2,990)	-4.768%
	+10%	(5,980)	-9.537%
	-1%	598	0.954%
	-5%	2,990	4.768%
	-10%	5,980	9.537%

The Group's interest rate risk arises from loans and leases. The Group is exposed to cash flow interest rate risk because of floating-rate loans and leases.

The following table presents sensitivity to potential changes in the interest rates of the relevant loans and borrowings. Changes in loan interest rates have the following impact on the Group's profit before tax, all other factors being equal. The effect on net assets is attributable to the change in profit or loss. The related tax effect is insignificant.

	Increase or decrease	Effect on net assets/ Profit after tax	Effect on profit before tax (%)
31/12/2023	+1%	(29)	-0.243%
	+5%	(145)	-1.217%
	+10%	(290)	-2.434%
	-1%	29	0.243%
	-5%	145	1.217%
	-10%	290	2.434%
31/12/2024	+1%	(24)	-0.262%
	+5%	(119)	-1.308%
	+10%	(238)	-2.616%
	-1%	24	0.262%
	-5%	119	1.308%
	-10%	238	2.616%

2. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits in banks and financial institutions, and credit exposures to retail customers, including outstanding receivables and transactions for which the Group entered into commitments. If an independent credit rating agency is not involved, the customer's creditworthiness is determined by the Group based on financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings, in accordance with the limits defined by the management of subsidiaries and the parent company. The Group monitors the use of credit facilities on an ongoing basis. The following table presents changes in impairment losses recognised on financial instruments in profit or loss:

Impairment losses recognised (reversals)	2024	2023
Cash and cash equivalents	3	(2)
Trade receivables	142	53
Other receivables	3	(3)
Net investment in leases (lease receivables)	(92)	112
	56	**160**

Credit risk is managed at the level of individual entities. Local entities are responsible for managing and analysing credit risk associated with new customers before offering them their standard payment and delivery terms. For receivables, exposure equals the total balance of the receivable, which may be reduced by bank guarantees in certain situations (see Note X.2).

The following table presents changes in impairment losses on financial instruments:

2024	Cash and cash equivalents	Trade receivables	Other receivables	Net investment in leases
Opening balance at 1 January	**6**	**174**	**3**	**112**
Impairment losses recognised (reversals)	3	141	3	(52)
Derecognition	-	(16)	-	-
Exchange rate difference	-	1	-	-
Closing balance at 31 December	**9**	**300**	**6**	**60**

2023	Cash and cash equivalents	Trade receivables	Other receivables	Net investment in leases
Opening balance at 1 January	**8**	**219**	**6**	**-**
Impairment losses recognised (reversals)	(2)	55	(3)	114
Derecognition	-	(98)	-	(2)
Exchange rate difference	-	(2)	-	-
Closing balance at 31 December	**6**	**174**	**3**	**112**

3. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets.

Cash flow forecasting is performed at the level of both the Group and subsidiaries by monitoring rolling forecasts for fulfilling the Group's liquidity requirements to ensure that adequate cash resources for operations are available, while maintaining sufficient flexibility at all times in respect of undrawn credit facilities (see Note X.2.3) to ensure that the Group does not exceed its credit limits and (where appropriate) is able to meet its obligations. In this context, the Group disclosed a maturity analysis of liabilities (see the next Note).

The impact of reverse factoring arrangements on liquidity risk and financing cash flow can be material if these liabilities are significant and are concentrated at a single financial institution rather than a group of suppliers. For instance, the Group may become dependent on changes to the payment terms of such arrangements.

Concentration risk may arise in connection with liquidity risk when several counterparties conduct similar business activities in the same geographical region or have economic characteristics which cause their ability to meet their contractual obligations to be similarly affected by changes in economic, political or other circumstances. This demonstrates the relative sensitivity of the Group's performance to developments in the relevant industry.

In order to avoid an excessive concentration of risk, the Group's policies and procedures include specific guidelines aimed at maintaining a diversified portfolio. Identified concentrations of credit risk are monitored and managed accordingly.

3.1 Maturity analysis

The following tables present a breakdown of the Group's financial liabilities by maturity based on undiscounted contractual payments:

At 31 December 2024	Due between 1 and 12 months	Due between 1 and 5 years	Due in more than 5 years	Total
Loans, borrowings and debentures	13,064	17,576	14,990	45,630
Lease liabilities	6,592	12,024	-	18,616
Trade payables	23,627	-	-	23,627
Other miscellaneous liabilities	33,674	5,427	-	39,101
Total	**76,957**	**35,027**	**14,990**	**126,974**

At 31 December 2023	Due between 1 and 12 months	Due between 1 and 5 years	Due in more than 5 years	Total
Loans, borrowings and debentures	12,708	7,097	11,253	31,058
Lease liabilities	5,075	8,849	18	13,942
Trade payables	25,033	-	-	25,033
Other miscellaneous liabilities	20,296	240	-	20,536
Total	**63,112**	**16,186**	**11,271**	**90,569**

X. Other disclosures

1. Segment reporting

The Group's segment reporting is based on the logic of the management's performance evaluation. The segments are based on business areas, can be distinguished from each other, and make sales to one another. However, such sales are eliminated on consolidation. The Group distinguishes between the following segments:

- distribution segment;
- retail segment;
- mobility services segment.

Segment results are monitored separately by the Group's management down to the level of operating profit.

The Group presents segment information as regularly reviewed by the chief operating decision-makers (hereinafter: "CODM") of AutoWallis Nyrt. The Group identified the Chief Executive Officer and the Board of Directors as CODMs as they are responsible for allocating resources between operating segments and for assessing operating and financial performance. The income and expenses of the segments presented in the financial statements contain the figures of the consolidated subsidiaries for the given business unit, which means that they include both income and expenses from external clients and intersegment income and expenses. The latter ones are presented separately by the Group in the section on eliminations in the consolidated financial statements. Entities that cannot be allocated to segments (e.g. the holding company) are included in the financial information for each operating segment by way of allocation of financial information.

The information presented in these notes to the consolidated financial statements includes information regularly available to the CODM. Accordingly, the Group does not present a detailed breakdown of assets and liabilities by segment as those are not regularly monitored by the CODM at segment level.

For the financial year ended 31 December 2024:

data in million HUF	Distribution segment	Retail segment	Mobility services segment	Segments total	Adjustments and eliminations	Consolidated
Revenue						
External customers	218,922	171,113	8,425	398,460	0	398,460
Intersegment and intrasegment sales	29,465	9,040	1,068	39,573	(39,573)	0
Total revenue	**248,387**	**180,153**	**9,493**	**438,033**	**(39,573)**	**398,460**
Income/(expenses)						
Material expenses	(306)	(9,280)	(507)	(10,093)	21	(10,071)
Services	(19,129)	(6,163)	(3,639)	(28,931)	6,098	(22,832)
Cost of goods sold	(209,665)	(147,220)	(1,331)	(358,216)	31,137	(327,079)
Personnel expenses	(6,327)	(10,921)	(2,436)	(19,685)	144	(19,541)
Depreciation and amortisation	(1,433)	(3,029)	(2,254)	(6,716)	1,037	(5,678)
Impairment losses on goodwill	0	0	0	0	0	0
Share of profit of associates	511	(73)	0	438	0	438
Interest income	1,376	864	2,337	4,578	(1,532)	3,046
Interest expense	(2,673)	(2,974)	(1,769)	(7,416)	2,142	(5,274)
Segment profit before tax	**7,565**	**1,366**	**-84**	**8,847**	**249**	**9,097**
Segment EBITDA	**11,992**	**6,352**	**3,458**	**21,802**	**-1,627**	**20,175**
Total assets	**68,252**	**119,573**	**25,938**	**213,764**	**-9,198**	**204,566**
Total liabilities	**53,553**	**82,741**	**23,075**	**159,370**	**-17,699**	**141,671**
Other disclosures						
Investments in associates	-	-	-	-	-	-
Investments in joint ventures	**2,972**	**3**	**-**	**2,975**	**-**	**2,975**

The Group's segment performance for the financial year ended 31 December 2023:

data in million HUF	Distribution segment	Retail segment	Mobility services segment	Segments total	Adjustments and eliminations	Consolidated
Revenue						
External customers	217,268	142,818	6,182	366,267	0	366,267
Intersegment and intrasegment sales	23,661	8,006	573	32,241	(32,241)	0
Total revenue	**240,929**	**150,824**	**6,755**	**398,508**	**(32,241)**	**366,267**
Income/(expenses)						
Material expenses	(275)	(7,722)	(296)	(8,294)	420	(7,874)
Services	(15,108)	(6,258)	(2,507)	(23,873)	5,971	(17,902)
Cost of goods sold	(205,698)	(122,700)	(2,087)	(330,485)	25,167	(305,318)
Personnel expenses	(4,768)	(8,626)	(1,483)	(14,877)	(34)	(14,911)
Depreciation and amortisation	(1,587)	(1,493)	(1,310)	(4,389)	(63)	(4,452)
Impairment losses on goodwill	0	0	0	0	0	0
Share of profit of associates	1,070	0	0	1,070	0	1,070
Interest income	1,988	1,215	1,758	4,961	(1,641)	3,320
Interest expense	(3,013)	(2,836)	(1,899)	(7,747)	1,484	(6,263)
Segment profit before tax	**10,202**	**2,041**	**(1,217)**	**11,026**	**902**	**11,928**
Segment EBITDA	**12,467**	**5,323**	**2,004**	**19,794**	**(89)**	**19,705**
Total assets	**102,517**	**82,971**	**23,603**	**209,091**	**(57,143)**	**151,948**
Total liabilities	**58,771**	**54,036**	**19,628**	**132,435**	**(30,596)**	**101,839**
Other disclosures						
Investments in associates	0	0	0	0	0	0
Investments in joint ventures	**2,888**	**0**	**0**	**2,888**	**0**	**2,888**

A breakdown of the Group's non-current assets by country is provided in the following table:

	2024	2023
Hungary	45,100	44,340
Slovenia	11,027	6,001
Croatia	59	155
Czech Republic	16,931	-
Total non-current assets	**73,117**	**50,496**

Information on significant customers

The Group does not have any external customers in relation to which it earns revenue in excess of 10% of consolidated revenue.

AutoWallis GROUP

2. Disclosures on financial instruments

2.1. Classification of financial instruments

At 31 December 2024	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets and financial liabilities measured at amortised cost	Carrying amount	Fair value
Financial assets					
Investments in debt instruments	-	-	-	-	-
Investments in equity instruments	-	2	-	2	2
Net investment in leases	-	-	14,099	14,099	14,099
Loan receivables	-	-	11	11	11
Trade receivables and factoring receivables	-	-	18,345	18,345	18,345
Other receivables*	-	-	2,175	2,175	2,175
Other financial assets	208	-	112	320	320
Cash and cash equivalents	-	-	24,422	24,422	24,422
Total	**208**	**2**	**59,165**	**59,375**	**59,375**

Financial liabilities					
Debentures	-	-	17,999	17,999	15,745
Loans and borrowings	-	-	24,502	24,502	24,502
Lease liabilities	-	-	17,771	17,771	17,771
Trade payables	-	-	23,627	23,627	23,627
Liabilities from reverse factoring	-	-	36,469	36,469	36,469
Other liabilities*	756	-	1,241	1,997	1,997
Total	**756**	**-**	**121,609**	**122,365**	**120,111**

** Only balances that qualify as financial instruments*

At 31 December 2023	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets and financial liabilities measured at amortised cost	Carrying amount	Fair value
Financial assets					
Investments in debt instruments	-	-	-	-	-
Investments in equity instruments	-	2	-	2	2
Net investment in leases	-	-	12,143	12,143	12,143
Loan receivables	-	-	7	7	7
Trade receivables and factoring receivables	-	-	15,938	15,938	15,938
Other receivables*	-	-	935	935	935
Other financial assets	28	-	108	136	136
Cash and cash equivalents	-	-	13,097	13,097	13,097
Total	**28**	**2**	**42,228**	**42,258**	**42,258**

Financial liabilities					
Debentures	-	-	9,810	9,810	7,364
Loans and borrowings	-	-	17,151	17,151	17,151
Lease liabilities	-	-	13,576	13,576	13,576
Trade payables	-	-	25,033	25,033	25,033
Liabilities from reverse factoring	-	-	17,808	17,808	17,808
Other current liabilities*	398	-	1,571	1,969	1,969
Total	**398**	**-**	**84,949**	**85,347**	**82,901**

** Only balances that qualify as financial instruments*

2.2. Fair value hierarchy

Financial assets and liabilities measured at fair value were classified in the fair value hierarchy for the periods presented herein as follows:

At 31 December 2024	Level 1	Level 2	Level 3
Financial assets			
Investments in equity instruments	-	-	2
Other financial assets	-	208	-
Total	-	**208**	**2**

Financial liabilities			
Bonds	-	-	15,745
Other current and non-current liabilities*	-	56	700
Total	**-**	**56**	**700**

** Only balances that qualify as financial instruments*

At 31 December 2023	Level 1	Level 2	Level 3
Financial assets			
Investments in equity instruments	-	-	2
Other financial assets	-	28	-
Total	**-**	**28**	**2**

Financial liabilities			
Bonds	-	-	7,364
Other current and non-current liabilities*	-	23	375
Total	**-**	**23**	**375**

** Only balances that qualify as financial instruments*

For derivatives, the Group determined fair value based on the forward exchange rates quoted by the financial institution. For items that qualify as receivables and liabilities, the Group used the carrying amount as fair value, since there were no contractual terms in place which would cause fair value to deviate from the carrying amount. Details on determining the fair value of bonds are presented in Note VIII.15.2.

2.3. Loans and borrowings

Contractual facilities and balances as well as their key terms and conditions at 31 December 2024 were as follows:

Loan type	Amount of the loan (facility) (mHUF)	Interest rate	Maturity	Balance at 31/12/2024 (mHUF)
Acquisition loan	1,722	market	29/06/2029	1,553
Investment loan	11,102	0% to 7.31%	between 25/08/2025 and 30/06/2038	8,159
Overdraft facility (HUF)	2,580	1-month BUBOR + 1% to 1.25%	between 13/06/2025 and 31/01/2026	737
Overdraft facility (EUR)	70	1-month EURIBOR + 2.15%	27/06/2025	-
Overdraft facility (CZK)	978	1-month PRIBOR + 0.95%	30/06/2025	-
Reverse factoring (HUF)	12,920	1-month or 3-month BUBOR + 1% to 2.5%	between 06/01/2025 and 07/12/2025	7,950
Reverse factoring (EUR)	37,712	1-month, 2-month or 3-month EURIBOR + 1.45% to 4.45%	between 31/12/2025 and 30/04/2026	20,344
Reverse factoring (CZK)	16,153	3-month PRIBOR + 1% to 5%	indefinite	8,174
Inventory financing loan (HUF)	11,475	1-month or 3-month BUBOR + 1% to 5%	between 12/07/2025 and 07/12/2025	4,462
Inventory financing loan (EUR)	23,888	1-month or 6-month EURIBOR + 1% to 2.5%	between 16/05/2025 and 31/12/2025	5,637
Inventory financing loan (CZK)	929	3-month PRIBOR + 1% to 5%	indefinite	267
Other loans	7,581	1-month or 3-month BUBOR or EURIBOR + 1% to 2.65%	between 31/05/2026 and 30/06/2027	3,688

For 31 December 2023:

Loan type	Amount of the loan (facility) (mHUF)	Interest rate	Maturity	Balance at 31/12/2023 (mHUF)
Investment loan	5,575,748	0% to 12.85%	between 31/12/2024 and 30/09/2037	4,444
Overdraft facility (HUF)	2,380,000	1-month BUBOR + 1% to 1.3%	between 31/01/2024 and 09/11/2024	93
Overdraft facility (EUR)	1,787,583	from 6-month EURIBOR + 1% to 1-month EURIBOR + 2.15%	between 15/05/2024 and 22/12/2024	-
Reverse factoring (HUF)	18,233,000	1-month or 3-month BUBOR + 1% to 2.5%, depending on retail revenue	between 30/11/2024 and 09/01/2024	7,518
Reverse factoring (EUR)	31,005,180	1-month or 3-month EURIBOR + 1.5% to 2.95%, depending on retail revenue	between 28/06/2024 and 28/04/2025	10,290
Inventory financing loan (HUF)	10,655,000	3-month BUBOR + 1% to 5%, depending on retail revenue	between 28/02/2024 and 30/06/2027	3,302
Inventory financing loan (EUR)	25,956,233	1-month EURIBOR + 0% to 4.45%, depending on retail revenue	between 30/06/2024 and 31/05/2025	4,905
Other loans	4,626,636	0% to 1-month BUBOR + 2.25%	between 31/03/2024 and 30/09/2037	4,407

2.4. Secured liabilities (bank guarantees)

Loans also include secured liabilities (bank loans and mortgages). Bank loans are secured by the properties and vehicles owned by the Group which are involved in the given financing arrangement.
For certain working capital loans, the contracts include minimum equity ratios and inventory turnover ratios as loan covenants for the subsidiaries involved.
The bank guarantees provided to the Group, which are not presented in the balance sheet directly, are as follows:

Loan type	Guarantee amount	Currency	Bank guarantee fee
Bank guarantee (HUF million)	8,019	HUF	0.01% to 1.50%
Bank guarantee (EUR million)	155	EUR	0.08% to 1.15%

For 31 December 2023:

Loan type	Guarantee amount	Currency	Bank guarantee fee
Bank guarantee (HUF million)	1,209	HUF	0.21% to 1.71%
Bank guarantee (EUR million)	146	EUR	0.75% to 1.35%

3. Disclosures on business combinations

Business combinations in 2024

3.1. NC Auto s.r.o

On 1 July 2024, the Group completed the acquisition of NC Auto s.r.o of the Czech Republic, through which AutoWallis Nyrt. acquired a share of 80%. As a result of the transaction, the Group entered the Czech automotive retail market through three BMW dealerships. The purchase price of the 80% share in NC Auto s.r.o is HUF 3,046 million. The Group has a buy option and the seller has a sell option for the remaining 20% share, which will be exercisable from 2026. Based on the Group's plans, one of the parties will exercise the option. Under IAS 32, net asset value is not allocated to non-controlling interests, and the fair value of the buy option is considered to be a part of the purchase price when calculating goodwill.
The fair value of the assets and liabilities acquired is as follows:

data in million HUF	Fair value
Property, plant and equipment	1,869
ROU assets	1,826
Other intangible assets	22
Goods	2,659
Trade receivables	380
Prepayments	443
Other receivables	4
Cash and cash equivalents	1,219
Lease liabilities	(1,826)
Deferred tax liabilities	(94)
Advance payments received from customers	(317)
Trade payables	(4,588)
Income tax liability	(9)
Other tax and contribution liabilities	(130)
Accruals	(239)
Other non-interest-bearing liabilities	(104)
Net asset value identified	**1,115**
Purchase price (at fair value)	**3,046**
Deferred purchase price (buy option)	**700**
Goodwill	**2,631**

No significant impairment losses were recognised on trade receivables. The goodwill is attributable to the Group's entry into the Czech retail market and the expected realisation of intra-Group synergies. The amount of the goodwill is not deductible for tax purposes.

Between the date of acquisition and the end of 2024, the entity earned a total of HUF 10,301 million in revenue, and its profit after tax was a loss of HUF 154 million.

3.2. Milan Král Group

On 18 December 2024, the Group completed the acquisition of Milan Král Group of the Czech Republic, as a result of which Autowallis Nyrt. acquired a 100% share in Milan Král Holding a.s. and thus its subsidiaries, ACR Auto, a.s., Milán Král a.s., MK KAR-LAK s.r.o., MK správni spolecnost s.r.o. and MNC Auto a.s. Through this acquisition, the Group further strengthened its position in the Czech automotive retail market by adding new brands and new activities to its portfolio. The expected purchase price of the 100% share in Milan Král Holding a.s. is CZK 910 million (HUF 14,851 million).
The calculation of the fair value of the assets and liabilities acquired is still in progress at the reporting date. Based on the preliminary valuation, the fair values will be as follows:

data in million HUF	Fair value
Property, plant and equipment	13,796
Other intangible assets	9
Loan receivables	3
Inventories	6,830
Trade receivables	603
Income tax assets	9
Prepayments	730
Other receivables	755
Other financial assets	194
Cash and cash equivalents	4,088
Long-term loans and borrowings	(3,194)
Non-current liabilities from reverse factoring	(1,718)
Deferred tax liabilities	(1,178)
Short-term loans and borrowings	(477)
Inventory financing loans	(266)
Current liabilities from reverse factoring	(2,776)
Advance payments received from customers	(549)
Trade payables	(1,766)
Other tax and contribution liabilities	(449)
Provisions	(21)
Accruals	(127)
Other non-interest-bearing liabilities	(232)
Net asset value identified	**14,264**
Purchase price (at fair value)	**14,851**
Goodwill	**587**

No significant impairment losses were recognised on trade receivables. The goodwill can be attributed to the Group's entry into the Czech retail market and the expected realisation of intra-Group synergies. The amount of the goodwill is not deductible for tax purposes.
Between the date of acquisition and the end of 2024, Milan Král Holding a.s and its subsidiaries earned a total of HUF 1,274 million in revenue, and their profit after tax was HUF 46 million.

Had the above business combinations (NC Auto s.r.o and Milan Král Group) taken place on 1 January 2024, the Group's estimated revenue would have been approximately HUF 453 billion and its profit would have been around HUF 9.1 billion.

Business combinations in 2023

3.3. Nelson

On 8 November 2022, the Group entered into a sale and purchase agreement to acquire Nelson's fleet management business. Through this acquisition, the Group further expanded its service activities in the fleet management market. The purchase price will be settled in cash in its entirety according to the following schedule:

data in million HUF	Fair value (mHUF)
Purchase price paid in cash	2,579
Deferred purchase price I (due on 31/05/2023)	128
Deferred purchase price II (due on 31/05/2024)	164
Total	**2,871**

The transaction was completed on 27 January 2023, and the assets and liabilities acquired had the following fair values at the date of the transaction:

data in million HUF	Fair value
Property, plant and equipment	273
Leased vehicles	1,558
ROU assets	264
Intangible assets	47
Lease receivables	9,392
Deferred tax assets	32
Other assets	364
Trade receivables	24
Other receivables	-
Cash and cash equivalents	527
Loans and borrowings	(2,892)
Deferred tax liabilities	(249)
Lease liabilities	(5,562)
Other liabilities	(386)
Trade payables	(247)
Net asset value identified	**3,145**
Purchase price	**2,871**
Goodwill (Badwill)	**(274)**

No significant impairment losses were recognised on trade receivables. Between the date of acquisition and the end of 2023, Nelson earned a total of HUF 1,268 million in revenue, HUF 1,657 million in interest income on lease receivables, and HUF 115 million in profit after tax (in excess of the negative goodwill realised).

3.4. Net Mobilitás Zrt.

On 13 January 2023, the Group entered into an agreement on the acquisition of Net Mobilitás Zrt., the entity operating the portals JóAutók.hu and Autó-Licit.hu, from WAM Immobilia Ingatlanhasznosító és Üzemeltető Zrt. (a subsidiary of WAM Zrt., the majority shareholder of AutoWallis at the time) and from Car Alliance Kft. The fixed purchase price of the 100% share in Net Mobilitás Zrt. was HUF 320 million, while the variable (earnout) part was HUF 480 million. The full purchase price will be paid by AutoWallis using treasury shares, with the fixed part of the purchase price being paid upon completion of the transaction, and the variable part being paid over the next two years if the specified business targets are met. (For the purposes of the sale and purchase transaction, the share price of HUF 97.93 per share was calculated based on the average share price for the period of 30 calendar days preceding the transaction). The transaction was completed on 16 January 2023. The transaction was conducted between parties under common control and is accounted for using the acquisition method.

The fair value of the assets and liabilities acquired is as follows:

data in million HUF	Fair value
Property, plant and equipment	1
Other intangible assets	659
Deferred tax assets	50
Goods	11
Trade receivables	14
Prepayments	8
Other receivables	1

Cash and cash equivalents	(2)
Long-term loans and borrowings	(7)
Deferred tax liabilities	(50)
Short-term loans and borrowings	(163)
Trade payables	(20)
Income tax liability	(1)
Other tax and contribution liabilities	(6)
Accruals	(10)
Other non-interest-bearing liabilities	(11)
Net asset value identified	**474**
Purchase price (at fair value)	**474**
Goodwill	**-**

No significant impairment losses were recognised on trade receivables. Between the date of acquisition and the end of 2023, Net Mobilitás Zrt. and its subsidiary earned a total of HUF 846 million in revenue, and their profit after tax was a loss of HUF 216 million.

3.5. Wallis Autómegosztó Zrt.

On 3 August 2023, Wallis Asset Management Zrt., one of the shareholders of AutoWallis Nyrt., and Széchenyi Tőkealapok, its minority shareholder, contributed a 100% share in Wallis Autómegosztó Zrt. to AutoWallis Nyrt. by way of in-kind contribution. The closing criteria for the in-kind contribution were fulfilled on 14 August 2023. The value of the in-kind contribution was set at HUF 4.9 billion, as part of which 50,750,906 AutoWallis shares with a nominal value of HUF 12.5 and an issue price of HUF 96.55 each were issued. The transaction was conducted between parties under common control and is accounted for using the acquisition method.

Fair value of assets and liabilities obtained by way of acquisition at the date of acquisition:

data in million HUF	Fair value
Property, plant and equipment	38
ROU assets	2,765
Intangible assets	642
Lease receivables	62
Deferred tax assets	78
Other assets	125
Trade receivables	1
Other receivables	80
Cash and cash equivalents	7
Loans and borrowings	-
Deferred tax liabilities	(66)
Lease liabilities	(2,834)
Other liabilities	(443)
Trade payables	(82)
Net asset value identified	**373**
Purchase price	**4,900**
Goodwill	**4,527**

No significant impairment losses were recognised on trade receivables. Between the date of acquisition and the end of 2023, the entity earned a total of HUF 572 million in revenue, and its profit after tax was a loss of HUF 967 million. The loss was primarily due to significant one-off expenses, the majority of which is explained by the rebranding after the acquisition.

As for the acquisitions during the previous year, the goodwill is attributable to the expansion in the mobility market and the expected realisation of intra-Group synergies. The amount of the goodwill is not deductible for tax purposes.

4. Disclosures on related parties

In 2023 and 2024, the Group's related parties included the Group's senior executives and the person controlling the ultimate parent:

Name	Position	Start of assignment	End/termination of assignment
Zsolt Müllner	Chairman of the BoD	17/12/2018	
Gábor Ormosy	Member of the BoD	30/04/2019	
Ferenc Vaczlavik	Member of the BoD	26/04/2024	
Tibor Veres	Member of the BoD, controlling owner	26/04/2024	
Gyula Mező	Member of the BoD	26/04/2024	
Ferenc Karvalits	Member of the BoD	26/04/2024	
Bence Buday	Member of the BoD	26/04/2024	
Gábor Székely	Member of the BoD	17/12/2018	26/04/2024
Andrew John Prest	Member of the BoD	17/12/2018	26/04/2024
Péter Antal	Member of the BoD	17/12/2018	26/04/2024

Amounts and remuneration paid to senior executives:

	2024	2023
Emoluments	30	27
Wages and salaries	262	261
Short-term employee benefits:	**292**	**288**
Share-based payments (completed)	32	21
Total	**324**	**309**

The amounts presented in the table represent amounts recognised as expenses in connection with senior executives in the reporting period. For share-based payments, the amounts refer to the fair value of the shares received at the time of vesting.

The structure of the Group, including the details of subsidiaries, is presented in Note II.

Related-party transactions are presented in the following table:

	Value of transactions		Balance of receivables (liabilities)	
	2024	2023	31/12/2024	31/12/2023
Services provided				
To the parent	-	261	-	92
To subsidiaries	-	-	-	-
To joint ventures	483	584	930	1,566
To other related parties	326	579	37	47
Services and goods purchased	-	-	-	-
From the parent	27	151	-	(84)
From subsidiaries	-	-	-	-
From joint ventures	10,159	5,916	(3)	(2)
From other related parties	293	188	(4)	(8)
Other				
- dividends from joint ventures	350	350	-	-

* Receivables from and liabilities to related parties are presented in the line items "Trade receivables" and "Trade payables", respectively.

The most significant related-party transaction is that the Group's Parent rents office space from Wallis Asset Management Zrt., and that the Group purchases management and advisory services from the same party. The Group provided advisory services to its joint venture (AutoWallis Caetano Zrt. and its subsidiary RN Hungary Kft.) and acquired vehicles from its joint venture.

5. Contingent liabilities, off-balance sheet items and financial guarantees

The Group does not have any contingent liabilities or off-balance sheet items.
The Group provided the following significant financial guarantees:

Beneficiary	Topic	Value	Expiry
AutoWallis Caetano Holding Zrt.	Joint and several guarantee for the deferred purchase price of the Renault transaction	HUF 700 million	when the obligation is fulfilled
C182 LJUBLJANA d.o.o.	Corporate guarantee in favour of OTP Bank Nyrt. and OTP Banka d.d. as beneficiaries/joint creditors	EUR 5.5 million	2036
WallisMotor Ljubljana d.o.o. and Avto Aktiv SLO d.o.o.	Comfort letter for OTP Banka d.d.	EUR 5.2 million	until the relevant financing contract expires
AW FRZ Distribution Kft.	Corporate guarantee in favour of the Hungarian Branch of Citibank Europe plc.	EUR 19.5 million	until the relevant financing contract expires
WallisMotor Ljubljana d.o.o. and Avto Aktiv SLO d.o.o.	Comfort letter for BMW Austria Bank GmbH	EUR 14 million	until the relevant financing contract expires
Wallis Motor Pest Kft. and Wallis Motor Duna Kft.	Comfort letter for BMW Austria Bank GmbH	HUF 10.8 billion	until the relevant financing contract expires
NCA Auto s.r.o.	Comfort letter for BMW Austria Bank GmbH	CZK 440 million	until the relevant financing contract expires

At the reporting date the Group assessed the risk of potentially incurring liabilities as a result of this financial guarantee. Based on the market environment, profitability and business plan of the entities involved, the probability of the Group incurring a liability as a result of the financial guarantee is low; therefore, no liability has been recorded in the Group's financial statements in this regard.

6. Events after the balance sheet date

The following significant event affected the Group's business after the balance sheet date:

- On 16 January 2025, Wallis Asset Management Zrt. (one of the shareholders of AutoWallis Nyrt. with a significant shareholding) sold 40,726,797 shares to Wallis Tőkeholding Zrt., after which Wallis Asset Management Zrt. no longer had any remaining share in AutoWallis Nyrt. After the transaction was completed, Wallis Tőkeholding Zrt. held 355,182,013 shares in AutoWallis Nyrt. The entities involved in the transaction are all directly owned by Wallis Portfólió Kft., and there was no change in beneficial ownership.

7. Other information

The conflict between Russia and Ukraine that began during the spring of 2022 does not have a direct impact on the Group's operation as the Group is not present in these markets and the Group is diversified in terms of both its areas of operation and the positioning of the brands it distributes. However, there may be indirect effects, including:

- The social implications of the situation could have an adverse impact on the automotive market through a decline in demand.
- Manufacturers may experience issues with the supply of raw materials and/or parts, leading to potential delays in the planned deliveries of cars. These may negatively affect the Group's cash flows.

- The deterioration of macroeconomic indicators (inflation, volatility of foreign exchange rates, changes in the interest rate environment) could have a detrimental effect on the Group's financing.

The implications of a prolonged conflict are difficult to predict based on the currently available information. Management is continuously monitoring any risks that may arise in this regard.

8. Person responsible for the preparation of the consolidated IFRS financial statements

Pursuant to the Hungarian Accounting Act, consolidated IFRS financial statements may only be prepared by a certified person.

The following natural person possesses the required IFRS certification:

Name of the person responsible for the preparation of the financial statements:	Balázs Gausz
Registration number:	209120 registered chartered accountant IFRS certified

9. The Group's auditor

The details of the certified audit firm carrying out the audit of the Parent and the Group (of which the entity is the parent) are as follows:

Audit firm	PricewaterhouseCoopers Auditing Ltd. (001464)
Name of the natural person acting on behalf of the audit firm	Péter Biczó
Registration number:	004957 Auditor IFRS certified

The fees charged by the Group's auditor are presented in the following table:

	data in million HUF	2024	2023
1)	Audit of financial statements	154	108
2)	Other audit fees	-	26
3)	Other non-audit fees	8	-

10. Proposed dividend

The Board of Directors of the Group's Parent does not propose the payment of dividends. The General Meeting has adopted a decision on the amount and payment of dividends.

11. Authorisation of the financial statements for issue

The consolidated financial statements were approved by the Board of Directors of AutoWallis Nyrt. on 2 April 2025 and were approved for submission to the General Meeting.

Budapest, 2 April 2025

Gábor Ormosy
Member of the Board of Directors

Zsolt Müllner
Member of the Board of Directors

DECLARATIONS

These consolidated financial statements, notes to the financial statements and management (business) report (collectively referred to as: Financial Statements) were discussed by the Company's Board of Directors on 2 April 2025 and were approved for submission to the General Meeting. The General Meeting approved the Financial Statements and authorised them for issue on 25 April 2025.

The Company hereby declares that its consolidated Financial Statements for the year 2024 were prepared in accordance with the International Financial Reporting Standards adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the consolidated entities.

Furthermore, the Company hereby declares that its Management (Business) Report for the year 2024 gives a true and fair view of the circumstances, development and performance of the Company and the consolidated entities and presents the key foreseeable risks and uncertainties.

The Company hereby declares and notes that these consolidated Financial Statements have been audited by an independent auditor.

Budapest, 2 April 2025

Gábor Ormosy Chief Executive Officer, Member of the Board of Directors	Zsolt Müllner Chairman of the Board of Directors

AutoWallis Nyrt.

Separate financial statements

The abbreviations used in the financial statements have the following meanings:

IFRS/IAS	International Financial Reporting Standards
IFRIC/SIC	Interpretations of the International Financial Reporting Standards
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
AC	Instruments measured at amortised cost
EPS	Earnings per share
CGU	Cash-generating unit
BoD	Board of Directors
SB	Supervisory Board
AC	Audit Committee
BSE	Budapest Stock Exchange
PO	Performance obligation
ROU	Right-of-use asset
HUF	Hungarian forint
EUR	Euro

Figures in parentheses in the financial statements denote negative numbers.
In certain cases, the notes to the financial statements may contain insignificant rounding errors.
The information in these financial statements is displayed in million forints, except where otherwise indicated.

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I. Separate financial statements

1. Separate Statement of Profit or Loss and Other Comprehensive Income

Item	Note	2024 million HUF	2023 million HUF
Revenue	V. 1)	2,204	1,166
Material expenses	V. 2)	(36)	(37)
Services	V. 3)	(1,414)	(920)
Cost of goods sold	V. 1)	(485)	(127)
Personnel expenses	V. 4)	(2,581)	(1,316)
Depreciation and amortisation	V. 5)	(201)	(93)
Other income	V. 6)	205	1
Other expenses	V. 6)	(129)	(180)
Expected impairment losses on financial instruments	V. 7)	(289)	(6)
Operating profit		**(2,726)**	**(1,512)**
Interest income – calculated using the effective interest rate	V. 8)	1,739	1,920
Interest expense	V. 8)	(495)	(620)
Foreign exchange gains or losses, net	V. 8)	754	(145)
Dividend income	V. 8)	8,522	7,348
Financial gains or losses		10,520	**8,503**
Profit before tax		**7,794**	**6,991**
Tax expense	V. 9)	(45)	(25)
Net profit or loss		**7,749**	**6,966**
Other comprehensive income		-	-
Total comprehensive income		**7,749**	**6,966**

2. Separate Statement of Financial Position

Item	Note	31/12/2024 million HUF	31/12/2023 million HUF
Assets			
Non-current assets			
Property, plant and equipment	V. 10)	314	252
Right-of-use assets	V. 11)	95	89
Intangible assets	V. 10)	39	85
Long-term loans to subsidiaries	V. 12)	9,347	8,911
Investments in subsidiaries	V. 13)	55,159	34,765
Investments in associates and joint ventures	V. 13)	1,850	1,850
Deferred tax assets	V. 21)	1	2
Total non-current assets		**66,805**	**45,954**
Current assets			
Trade receivables	V. 14)	1,380	1,085
Income tax assets	V. 14)	-	3
Other receivables and financial assets	V. 14)	313	110
Prepayments	V. 14)	130	51
Short-term loan receivables	V. 15)	9,877	9,663
Cash and cash equivalents	V. 16)	5,628	5,980
Total current assets		**17,328**	**16,892**
Total assets		**84,133**	**62,846**
Equity and liabilities			
Share capital	V. 17)	6,743	6,163
Share premium	V. 18)	38,036	32,916
Share-based payments reserve	V. 19)	383	285
Treasury shares	V. 20)	(598)	(243)
Retained earnings	V. 18)	16,913	9,148
Total equity		**61,477**	**48,269**
Non-current liabilities			
Debentures	V. 21)	17,839	9,522
Long-term borrowings	V. 24)	1,208	-
Non-current lease liabilities	V. 22)	-	16
Deferred tax liabilities	V. 25)	1	2
Other non-current liabilities		895	188
Total non-current liabilities		**19,943**	**9,728**
Current liabilities			
Short-term portion of debentures	V. 21)	160	288
Short-term loans and borrowings	V. 24)	894	3,497
Current lease liabilities	V. 22)	59	73
Trade payables	V. 23)	236	268
Income tax liability	V. 23)	15	20
Accruals	V. 23)	446	226
Other current liabilities	V. 23)	903	477
Total current liabilities		**2,713**	**4,849**
Total liabilities		**22,656**	**14,577**
Total equity and liabilities		**84,133**	**62,846**

3. Separate Statement of Changes in Equity

Transaction data in million HUF		Share capital	Share premium	Share-based payments reserve	Treasury shares	Retained earnings	Total
		V. 17)	V. 18)	V. 19)	V. 20)	V. 18)	
1 January 2023		**5,529**	**28,651**	**34**	**(524)**	**2,201**	**35,891**
Net profit or loss for 2023		-	-	-	-	6,966	6,966
Other comprehensive income for 2023		-	-	-	-	-	-
Acquisitions paid for using treasury shares		-	-	-	299	21	320
Effect of share-based payments		-	-	(24)	63	(41)	(2)
Vesting of share-based payments		-	-	275	-	-	275
Purchase of treasury shares		-	-	-	(81)	-	(81)
Issue of shares		634	4,266	-	-	-	4,900
Other adjustments		-	(1)	-	-	1	-
31 December 2023		**6,163**	**32,916**	**285**	**(243)**	**9,148**	**48,269**
Net profit or loss for 2023		-	-	-	-	7,749	7,749
Other comprehensive income for 2023		-	-	-	-	-	-
Acquisitions paid for using treasury shares		-	-	-	-	-	-
Effect of share-based payments		-	-	(166)	149	16	(1)
Vesting of share-based payments		-	-	264	-	-	264
Purchase of treasury shares			-	-	(504)	-	(504)
Issue of shares		580	5,120	-	-	-	5,700
31 December 2024		**6,743**	**38,036**	**383**	**(598)**	**16,913**	**61,477**

4. Separate Statement of Cash Flows

Item	Note	2024 million HUF	2023 million HUF
Profit before tax		**7,794**	**6,991**
Interest income	V. 8)	(1,739)	(1,920)
Interest expense	V. 8)	495	620
Non-cash items:			
Foreign exchange difference of cash and cash equivalents		3	(1)
Depreciation and amortisation	V. 5)	201	93
Provisions made (reversed)		-	-
Expected credit loss recognised (other than net working capital)	V. 7)	289	7
Effect of share-based payments	V. 4)	264	110
Other non-cash items	V. 7)	7	192
Adjustments to profit or loss:			
Dividends recognised as yield	V. 8)	(8,522)	(7,279)
Changes in trade receivables and other assets	V. 14)	(1,260)	(1,047)
Increase/(decrease) in trade payables	V. 23)	(32)	228
Increase in other liabilities	V. 23)	131	251
		(2,369)	**(1,755)**
Interest received	V. 8)	1,435	1,649
Interest paid	V. 8)	(489)	(558)
Tax paid	V. 9)	(47)	(15)
Net cash from operating activities		**(1,470)**	**(679)**
Capital increase in subsidiaries	V. 13)	(1,096)	(1,393)
Capital increase in joint ventures	V. 13)	-	-
Amounts paid to acquire subsidiaries	V. 13)	(17,961)	(2,714)
Purchases of property, plant and equipment and intangible assets	V. 10)	(96)	(328)
Disposal of property, plant and other equipment and intangible assets	V. 10)	1	(23)
Loans to subsidiaries	V. 15)	(3,730)	(11,798)
Loans repaid by subsidiaries	V. 15)	4,953	6,149
Financially settled dividends	V. 8)	6,672	7,139
Net cash used in investing activities		**(11,257)**	**(2,968)**
Repurchase of treasury shares	V. 20)	(504)	(81)
Capital increase	V. 17)	5,700	-
Issue of bonds	V. 21)	8,197	-
Loans from subsidiaries	V. 24)	-	3,022
Repayment of loans from subsidiaries	V. 24)	(2,415)	(400)
Proceeds from loans and borrowings	V. 24)	1,652	-
Repayment of loans and borrowings	V. 24)	(82)	-
Repayment of lease liabilities	V. 22)	(170)	(55)
Net cash from/(used in) financing activities		**12,378**	**2,486**
Expected impairment losses on cash and cash equivalents	V. 16)	-	1
Foreign exchange difference of cash and cash equivalents		(3)	1
(Decrease)/increase in cash and cash equivalents	V. 16)	**(352)**	**(1,159)**
Opening balance of cash and cash equivalents		5,980	7,139
Closing balance of cash and cash equivalents	V. 16)	**5,628**	**5,980**

- Other non-cash items include the translation of receivables and liabilities denominated in foreign currencies.

Notes to the separate financial statements

II. The Company and the basis for the preparation of the financial statements

1. Basis for the preparation of the financial statements and the going concern principle

Statement of IFRS compliance

The management declares that the separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU). IFRSs consist of the standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC). The notes to the separate financial statements also contain the disclosures required under the Hungarian Accounting Act of 2000.

AutoWallis Nyrt., as the parent company, prepares consolidated financial statements and a consolidated business report. In line with Section 10 (2) of Act C of 2000 on Accounting, the Company complies with its obligation to prepare consolidated financial statements by preparing financial statements in accordance with the International Financial Reporting Standards (IFRS).

Contents of the financial statements

These financial statements present the assets, performance and financial position of AutoWallis Nyilvánosan Működő Részvénytársaság. The Company's financial statements are prepared by the management and approved by the General Meeting.
The Company's financial statements and other disclosures are available on the website **www.autowallis.com** and at its registered office (1055 Budapest, Honvéd utca 20.) as well.
Persons authorised to sign the Company's separate financial statements:
Gábor Ormosy (Budapest)
Zsolt Müllner (Budapest)

Basis for the preparation of the financial statements, set of rules applied and underlying assumptions and valuation policies

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) developed by the International Accounting Standards Board (IASB).
The Company generally measures its assets on a historical cost basis, except for cases where a given item should be measured at fair value under IFRS.

2. Brief presentation of the Company's activity

The name of the Company is AutoWallis Nyilvánosan Működő Részvénytársaság (ALTERA Nyrt. until 17 December 2018; hereinafter: "the Company") and is a public company limited by shares registered in Hungary by the Registry Court of the Budapest-Capital Regional Court.
The Company operates as a typical holding company, which means that it is not engaged in any business activities other than holding shares, arranging for financing, carrying out management activities and providing business management and advisory services to the Group Companies.

3. General information about the Company and its shareholders

The Company is incorporated under the laws of Hungary (governing law). The registered office and centre of operation of the Company is at 1055 Budapest, Honvéd utca 20.
The majority shareholder of the Company is Wallis Tőkeholding Zrt. (1055 Budapest, Honvéd utca 20). The Company's ultimate parent as at 31 December 2024 is WALLIS PORTFOLIÓ Korlátolt Felelősségű Társaság (1055 Budapest, Honvéd utca 20.), the shareholders of which are all individuals.

Ownership structure of the Company as at 31 December:

Shareholders of the Company	Ownership share 31/12/2024	Ownership share 31/12/2023
Wallis Asset Management Zrt.	7.55%	8.12%
Wallis Tőkeholding Zrt.	58.29%	53.74%
Széchenyi Alapok Kockázati Tőkealap (previously: Kárpát-medencei Vállalkozásfejlesztési Kockázati Tőkealap)	7.59%	8.28%
Free float	26.57%	29.86%
	100.00%	**100.00%**

4. The Company's shareholdings

The Company (as the parent) has direct or indirect shareholdings in the following entities. The following table shows the percentage of shares held in each entity and the method of acquiring ownership.

Entity	Method of acquiring ownership	Ownership share 2024	Ownership share 2023	Main activity	Country of registration	Currency
AutoWallis Nyrt.	-	-	-	Asset management	HU	HUF
AW Distribution Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
AW OPL Distribution Kft.	Foundation	100%	100%	Sale of cars	HU	HUF
WALLIS AUTÓKÖLCSÖNZŐ Kereskedelmi és Szolgáltató Kft.	In-kind contribution	100%	100%	Renting and leasing of cars	HU	HUF
WALLIS MOTOR DUNA Autókereskedelmi Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
WALLIS MOTOR PEST Autókereskedelmi Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
Wallis British Motors Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
Wallis Kerepesi Kft.	In-kind contribution	100%	100%	Sale of cars	HU	HUF
Wallis Motor Ljubljana d.o.o.	Foundation	100%	100%	Sale of cars	SLO	EUR
ICL Autók Kft.	Foundation	60%	60%	Sale of cars	HU	HUF
Iniciál Autóház Kft.	In-kind contribution	60%	60%	Sale of cars	HU	HUF
AVTO AKTIV SLO d.o.o.	Foundation	100%	100%	Sale of cars	SLO	EUR
VCT 78 Kft.	Acquisition	100%	100%	Real estate management	HU	HUF
K85 Kft.	In-kind contribution	100%	100%	Real estate management	HU	HUF
AW Csoport Szolgáltató Kft.	Foundation	100%	100%	Financing	HU	HUF
DALP Kft.	In-kind contribution	100%	100%	Real estate management	HU	HUF
AW Property Kft.	Foundation	100%	100%	Real estate management	HU	HUF
AAI PROPERTIES d.o.o	Foundation	100%	100%	Real estate management	SLO	EUR

Wallis Adria d.o.o	In-kind contribution	100%	100%	Sale of cars	HR	EUR
WAE Hun Kft.	Acquisition	100%	100%	Sale of cars	HU	HUF
AW CRO Distribution d.o.o	Acquisition	100%	100%	Sale of cars	HR	EUR
AW SLO Distribution d.o.o.	Acquisition	100%	100%	Sale of cars	SLO	EUR
AutoWallis R RO S.r.l.*	Foundation	100%	100%	Sale of cars	RO	RON
C182 Razvoj Nepremičnin Ljubljana d.o.o.	In-kind contribution	100%	100%	Real estate management	SLO	EUR
Wallis Autómegosztó Zrt.**	In-kind contribution	100%	100%	Renting and leasing of cars	HU	HUF
Nelson Flottalízing Kft.	Acquisition	100%	100%	Fleet management, renting and leasing of cars	HU	HUF
Nelson Sales Kft.**	Acquisition	100%	100%	Supply of services	HU	HUF
Nelson Assistance Kft.**	Acquisition	100%	100%	Supply of services	HU	HUF
Net Mobilitás Zrt.	Acquisition	100%	100%	Supply of services	HU	HUF
Logic Car Kft.	Acquisition	100%	100%	Sale of cars	HU	HUF
AW Marketing és IT szolgáltató Kft.	Foundation	100%	100%	Supply of services	HU	HUF
AW RO Distribution S.r.l.	Foundation	100%	0%	Sale of cars	RO	RON
AW CZ Distribution s.r.o.	Foundation	100%	0%	Sale of cars	CZ	CZK
AW FRZ Distribution Kft.	Foundation	100%	0%	Sale of trucks	HU	HUF
NC Auto s.r.o	Acquisition	80%	0%	Sale of cars	CZ	CZK
Milan Král Holding a.s.	Acquisition	100%	0%	Asset management	CZ	CZK
Milán Král a.s.	Acquisition	100%	0%	Sale of cars and trucks	CZ	CZK
ACR Auto a.s.	Acquisition	100%	0%	Sale of cars	CZ	CZK
MNC Auto a.s.	Acquisition	100%	0%	Sale of cars	CZ	CZK
MK KAR-LAK s.r.o	Acquisition	100%	0%	Sale of cars	CZ	CZK
MK správni spolecnost s.r.o	Acquisition	100%	0%	Sale of cars	CZ	CZK

*AW RO Distribution s.r.l. in 2023. Changed its name to AutoWallis R RO s.r.l. in 2024

**Merged into Nelson Flottalízing Kft. on 30 September 2024

List of joint ventures that are members of the Group:

Entity	Method of acquiring ownership	Ownership share 2024	Ownership share 2023	Main activity	Country of registration	Currency
AutoWallis Caetano Holding Zrt.	Foundation	50%	50%	Asset management	HU	HUF
RN Hungary Kft.	Acquisition	50%	50%	Sale of cars	HU	HUF
AWSC Retail Kft.	Foundation	50%	0%	Sale of cars	HU	HUF

5. Presentation of the financial statements

The Company's functional currency is the Hungarian forint. The financial statements were drawn up in HUF (presentation currency) and the figures displayed are in million forints (mHUF) unless otherwise indicated.

A significant foreign currency for the Company is the euro due to the operations of its subsidiaries. The exchange rate of this currency in the reporting period was as follows (currency unit per HUF according to the exchange rates of the National Bank of Hungary):

	31/12/2024	2024 average	31/12/2023	2023 average
EUR/HUF	410.09	395.20	382.78	381.95

An entity incurs foreign exchange differences on translation only with respect to a foreign currency. Transactions denominated in foreign currency are translated using the mid-market rate quoted by the National Bank of Hungary at the date of performance.

Interim foreign exchange gains or losses arise from differences between the exchange rates effective at the date of performance and at the date of payment and are recognised by the Company in the line item "Foreign exchange gains or losses".

At the reporting date, monetary items denominated in foreign currency are translated to the spot rate effective at the reporting date. For the purpose of translation, the Company uses the exchange rate for the reporting date as quoted by the National Bank of Hungary.

The financial statements cover a period of one calendar year. The reporting date of the financial statements for each year is the last day of the calendar year, i.e. 31 December.

In accordance with IFRS 8.4, the Company does not disclose segment information in its separate financial statements. Segment information pertaining to the Group is presented in Note X.1 of the consolidated financial statements.

The calculation of earnings per share is presented by the Company in the consolidated financial statements based on the Group's net profit or loss. In accordance with IAS 33, no information on EPS is included in these separate financial statements. Information on EPS is provided in the consolidated statement of profit or loss and other comprehensive income and Note VII.17 in the consolidated financial statements based on consolidated data.

The Company's management is responsible for issuing the financial statements in accordance with the applicable laws.

III. Material accounting policies and the basis for the preparation of the financial statements

1. Elements of the financial statements

The Company's financial statements comprise the following parts:

- statement of profit or loss and other comprehensive income;
- statement of financial position (balance sheet);
- statement of changes in equity;
- statement of cash flows;
- notes to the financial statements.

The Company has decided to present the statement of profit or loss and other comprehensive income in a single statement in such a way that items relating to other comprehensive income are presented by function in the same statement following the presentation of net profit or loss for the period.

Other comprehensive income includes items which increase or decrease net assets (i.e. the difference between assets and liabilities) and such decrease may not be recognised against any asset, any liability or profit or loss, but instead these items modify an element of equity directly in respect of the broadly defined performance of the Company.

2. Accounting policies relating to the statement of profit or loss and other comprehensive income

2.1 Revenue

Revenue recognised by the Company (a holding company) includes items relating to asset management and holding activities involving management advisory services. Revenue from service fees was recognised during the relevant period using the input method.
Given the fact that the Company is not engaged in any other activity apart from asset management, financing and holding activities, IFRS 15 does not raise any issues that involve complex considerations.

2.2 Expected credit losses on financial instruments

Expected credit losses on financial instruments are recognised by the Company in accordance with IFRS 9 for the following financial assets:

- trade receivables and contract assets;
- lease receivables under IFRS 16;
- other receivables measured at amortised cost or at fair value through other comprehensive income (FVTOCI), such as other financial assets;
- loan commitments and financial guarantees not measured at fair value;
- cash and cash equivalents

IFRS 9 introduced the expected credit loss model, which is based on the calculation of expected impairment.

The Company applies the simplified approach, which allows the Company to account for lifetime credit losses in respect of financial instruments (such as trade receivables, cash and cash equivalents, and loan receivables). In this case, monitoring changes in credit risk is not required.

In applying the simplified approach, the Company uses a provision matrix to determine lifetime ECL.

Days past due	ECL %
Less than 90 days	0.1 – 0.6%
Between 91 and 180 days	5%
Between 180 and 360 days	20%
Over 360 days	100% or arbitrary

2.3 Financial gains or losses

Interest income and interest expenses

Interest income is presented in financial income and is recognised using the effective interest rate method. This is where the Company recognises interest income from loans and credits granted.

Interest expenses are calculated using the effective interest rate (EIR) method (*except for interest on lease liabilities*) and are presented in financial expenses. This is where the Company recognises interest expenses on loans and borrowings received and bonds issued for the current period, calculated using the effective interest rate method.

Foreign exchange gains or losses

Exchange differences on foreign currency items (if not a part of other comprehensive income under IAS 21 The Effects of Changes in Foreign Exchange Rates) are recognised by the Company in financial gains or losses. This is where the Company recognises the following items:

- gain/loss on the settlement of receivables and liabilities;
- foreign exchange gain/loss on translation at the balance sheet date:
  - translation of foreign currency loans granted;
  - translation of trade receivables and trade payables;
  - translation of foreign currency and foreign exchange reserves;

Financial gains or losses are presented by the Company on a net basis in the statement of profit or loss and other comprehensive income.

The Company does not apply hedge accounting.

Dividend income

The Company recognises dividend income as financial income when the dividend has been approved by the entity paying the dividend and the shareholder becomes entitled to receive the dividend.

2.4 Income taxes

Items that represent a tax on a certain level of profit are classified as income taxes. The following items are presented as income taxes:

- corporate income tax,
- local business tax, and
- innovation contribution

Taxes other than income taxes are recognised by the Company in other expenses and are presented in the line item "Other current liabilities" in the statement of financial position.

3. Accounting policies relating to the statement of financial position

3.1 Investments in subsidiaries

The Company measures its investments in subsidiaries using the cost model. Dividends received from subsidiaries are recognised as income (in the line item "Dividend income"). At the end of each reporting period, the Company assesses whether there is any indication that an investment in a subsidiary is impaired. For the purpose of this assessment, external and internal sources of information are considered, such as:

- the carrying amount of the net assets of the entity is higher than its market capitalisation
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially
- the carrying amount of the net assets of the entity is higher than its market capitalisation
- evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

If the Company finds that there is an indication of impairment for one of its investments in subsidiaries, the Company will perform an impairment test. Investments in subsidiaries are typically considered separate cash-generating units (CGUs). The recoverable amount of the CGU is estimated by the Company using the discounted cash flow method. If the recoverable amount is lower than its carrying amount, the Company recognises impairment on its investment in the subsidiary.

Impairment losses and reversals of impairment losses are shown by the Company in a separate line item in the statement of profit or loss and other comprehensive income (Impairment losses on investments).

3.2 Investments in associates and joint ventures

Interests in entities accounted for using the equity method are presented by the Company in the line item "Investments in associates and joint ventures". The Company measures such investments using the cost model. At the end of each reporting period, the Company assesses whether there is any indication that an investment in an associate or joint venture is impaired. If such an indication exists, the recoverable amount is determined either

- based on the cash-generating ability of the given entity, or
- the financial position of the given entity.

Impairment losses and reversals of impairment losses are shown by the Company in a separate line item in the statement of profit or loss and other comprehensive income (Impairment losses on investments).

3.3 Cash and cash equivalents

Cash includes demand deposits and cash on hand. Cash and cash equivalents are presented in the balance sheet at amortised cost.

3.4 Financial assets and financial liabilities

Classification

Debt instruments which meet the SPPI test (i.e. they give rise to cash flows that are solely payments of principal and interest) and are held to collect contractual cash flows (business model test) are measured at amortised cost (AC). This category includes trade and other receivables, loans to subsidiaries and cash and bank balances.
Other liabilities include financial liabilities not classified as instruments measured at fair value through profit or loss.

Recognition

Financial assets and financial liabilities are recorded in the Company's books at the trade date. Financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of such financial asset or financial liability (for items not subsequently measured at fair value through profit or loss).

Derecognition

A financial asset is derecognised when the rights to the cash flows from the financial asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred by the Company to another entity (without retaining any significant rights).

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligations are discharged, cancelled or have expired.

Measurement

Debt instruments are measured at amortised cost less expected credit loss. The amount of expected credit losses for the current year is recognised in profit or loss.
For financial assets recognised as debt instruments and other financial liabilities, profit or loss is recognised in the statement of profit or loss and other comprehensive income (in profit after tax) through amortisation when the financial asset or liability is derecognised or an impairment loss is recognised.

3.5 Employee benefits

The Company provides predominantly short-term employee benefits to its employees. These are recognised by the Company in profit or loss after they have vested.

Employee bonuses and other items of similar nature are presented in the balance sheet if they give rise to a liability.

3.6 Share-based payments

Specific employees of the Company receive remuneration as part of a share-based benefit scheme under an ESO program. As part of the program, employees become entitled to equity-settled share-based payments.

The program is initially recognised by the Company at the grant date. The Company considers the grant date to be the date on which the parties have agreed on the material terms and conditions and the notice is accepted by the employees. The Group measures the cost of equity-settled share-based payments at the fair value of the shares to be delivered to the Group's employees, based on the quoted share price. The fair value of the benefit is expensed by the Company over the vesting period on a straight-line basis.

Expenses are recognised against a separate component of equity (Share-based payments reserve). This accumulated reserve is derecognised when

- the program ends and the shares are distributed;
- the program ends and it is determined that the conditions have not been satisfied.

Share-based benefits are provided by the Company through the ESOP organisation. The Company uses the so-called extension method to record the ESOP organisation, which means that it is presented as if the Company directly owned the shares held by the ESOP organisation in connection with the ESO programs. Therefore, these shares are recognised as treasury shares in equity.

3.7 Equity

The following items are presented by the Company as components of equity in the financial statements:

Equity component	Description of equity component
Share capital	The number of shares issued, multiplied by nominal value. The nominal value of repurchased treasury shares is deducted from this component.
Share premium	The sum of amounts paid for issued shares in excess of their nominal value.
Retained earnings	The amount of cumulative profit not paid out as dividends (i.e. accumulated profit).
Share-based payments reserve	The reserve for share-based payments made by the Company to its employees (ESOP).
Historical cost of treasury shares	The consideration paid for treasury shares, which reduces equity (nominal value is also included here and is not deducted from share capital).

The following information on shares is disclosed by the Company in the notes to the financial statements for all classes of share capital:

- number of shares authorised for issue;
- number of shares issued and fully paid and shares issued but not fully paid;
- nominal value of shares;
- reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- rights, preferential rights and restrictions attached to each class of shares, including:
- restrictions on dividend payment and return of capital;
- shares held by the Company or its subsidiaries or associates;
- shares reserved for issue based on options and share subscription agreements, including the terms and amounts.

The Company prepares the equity reconciliation table required under Section 114/B of the Hungarian Accounting Act. The equity reconciliation table contains the opening and closing figures of each component of equity under IFRS, as well as the opening and closing balances of the equity components presented below, calculated on the basis of those figures.

4. Other accounting policies

4.1 General accounting policies relating to the statement of cash flows

The Company's statement of cash flows is based on the indirect method in the case of operating cash flows. Investing cash flows and financing cash flows are calculated using the direct method.

IV. Changes in accounting policies, potential impact of IFRSs and IFRICs not yet effective at the reporting date of the financial statements, and earlier application

The Company did not amend its accounting policies from 2023 to 2024. Exceptions include the application of accounting policies related to the adoption of new standards and to activities that had not existed previously.

The accounting policies applied are consistent with the accounting policies for the previous financial year, except for the following amendments to IFRSs applied by the Company since 1 January 2024:

Effects of the adoption of new and revised IFRSs effective from 1 January 2024 on the financial statements

- **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 1 January 2024 and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, and that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure – Supplier Finance Arrangements (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of the reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

  The amendments did not have any impact on the Company's financial statements.

Standards issued but not yet effective and not early adopted

Standards/amendments that are not yet effective but have been endorsed by the European Union

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendment will not have any impact on the Company's financial statements.

Standards/amendments that are not yet effective and have not yet been endorsed by the European Union

- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)**

  The amendments are effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted for classification-related amendments, with an option for the later application of other amendments. The amendments clarify that a financial liability is derecognised on the "settlement date" when the obligation is discharged, cancelled, expires, or otherwise qualifies for derecognition. The amendments introduce an accounting policy choice to allow derecognition of liabilities settled using an electronic payment system before the settlement date, subject to specific conditions. The amendments provide guidance on assessing the contractual cash flow characteristics of financial instruments with ESG-linked or other similar features. The amendments clarify the treatment of assets with non-recourse features and contractually linked instruments and introduce additional IFRS 7 disclosure requirements related to financial assets and liabilities linked to contingent events (including ESG-linked features) and equity instruments measured at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU.

- **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The amendments clarify the application of the "own-use" requirements, permit hedge accounting when contracts within the scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to help investors understand the impact of these contracts on an entity's financial performance and cash flows. The clarifications regarding the "own-use" requirements must be applied retrospectively, whereas hedge accounting may only be applied to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU.

- **IFRS 18 Presentation and Disclosure in Financial Statements**

  IFRS 18 introduces new requirements for the presentation of the statement of profit or loss. Under IFRS 18, entities are required to classify all income and expense items in the statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations. These categories are complemented by requirements for presenting subtotals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
  IFRS 18 also requires the disclosure of Management-defined Performance Measures, which represent subtotals of income and expenses, and introduces new requirements for aggregating and disaggregating financial information based on the identified "roles" of the Primary Financial Statements and the accompanying notes. In addition, other standards have been amended as a consequence of the introduction of IFRS 18.
  IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 must be applied retrospectively. The amendments have not yet been endorsed by the EU.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

  IFRS 19 allows subsidiaries without public accountability to apply reduced disclosure requirements if they have a parent (ultimate or intermediate parent) that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. These subsidiaries must continue to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards. Unless otherwise specified, entities eligible to apply IFRS 19 are not required to comply with the disclosure requirements of other IFRS Accounting Standards if they choose to apply IFRS 19. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments have not yet been endorsed by the EU.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

  The IASB's annual improvements process addresses non-urgent but necessary clarifications and amendments to IFRSs. The IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11 in July 2024. Entities are required to apply these amendments for annual reporting periods beginning on or after 1 January 2026. Annual Improvements to IFRS Accounting Standards – Volume 11 contains amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments aim to clarify wording or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the Standards. The amendments have not yet been endorsed by the EU.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures)**

  The amendments resolve a recognised 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 recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised 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 amendment has not yet been endorsed by the EU.

  The amendments will not have any significant impact on the Company's financial statements.

V. Notes to the statement of profit or loss and other comprehensive income and the balance sheet

1. Revenue

All of the Company's revenues earned in 2024 and 2023 are derived from management advisory services. The significant increase in revenue is explained by the expansion of the Group HQ and the establishment of central functions. Trade receivables are presented in Note V.14.

2. Material expenses

Material expenses include the following items:

	2024	2023
Fuel costs	28	13
Office supplies, other materials	8	24
Total	**36**	**37**

The Company's material expenses primarily include fuel costs, as well as purchases of office supplies and items consumed within one year.

3. Services

Services include the following items:

	2024	2023
Accounting, legal and capital market services	398	225
Rental fees	16	15
PR, communication	83	129
Administrative services	119	72
Other miscellaneous services	718	450

Telecommunications services	4	2
Marketing services	33	16
Bank charges and insurance premiums	43	11
Total	**1,414**	**920**

The increase in services is explained by rising legal and advisory costs resulting from the acquisitions, as well as a general rise in expenses in connection with the expansion of the Group HQ and projects.

4. Personnel expenses

Personnel expenses include emoluments, wages and salaries, social security contributions and expenses of share-based payments.
Rental transactions involving company cars provided for personal use are not classified by the Company as leases. These are recognised in other staff costs as other employee benefits.
Share-based payments include the impact of ESO programs on expenses.

	2024	2023
Wages and salaries	1,727	971
Social security contributions	257	130
Expenses of share-based payments	259	110
Other staff costs	338	105
Total	**2,581**	**1,316**

The Group's expansion and the creation of new group-level functions resulted in an increase in the headcount of the Company to an average of 60 in 2024 (previous year: 36).

5. Depreciation and amortisation

In both periods, depreciation typically included the depreciation of office furniture, right-of-use assets (office rent) and other assets serving administrative purposes. Property, plant and equipment are measured by the Company using the cost model, and depreciation is recognised on a straight-line basis.

	2024	2023
Depreciation of property, plant and equipment	69	38
Depreciation of right-of-use assets	122	53
Amortisation of intangible assets	10	2
Total	**201**	**93**

6. Other income and expenses

	2024	2023
Income from damage claims	2	1
Other income	203	-
Other income	**205**	**1**

	2024	2023
Fines and damage claims	-	4
Non-deductible VAT	116	173
Other	13	3
Other expenses	**129**	**180**

Other income and expenses include earnings and expenses that cannot be classified elsewhere. A significant item among these is non-deductible VAT recognised as an expense. Other income includes the derecognition of the deferred purchase price relating to the acquisition of Net Mobilitás Zrt.

7. Expected impairment losses on financial instruments

The Company recognises expected credit losses on loan receivables, trade receivables and other financial assets (other receivables and cash and cash equivalents).

	2024	2023
Impairment losses recognised		
On loan receivables	70	55
On trade receivables	60	6
On other receivables and bank deposits	23	33
Total	**153**	**94**
Reversals of impairment losses		
On loan receivables	(86)	(49)
On trade receivables	(35)	(5)
On other receivables and bank deposits	(21)	(34)
Total	**(142)**	**(88)**
Write-down of impaired instruments		
On trade receivables	**279**	**-**
Expected credit losses on financial instruments	**289**	**6**

The Company uses the ECL model to determine expected credit losses. Under the ECL model, expected credit losses must be calculated for receivables which are not due as well. Receivables from a related party for an amount of HUF 279 million were forgiven by the Company.

The Company applies the simplified approach when determining expected credit losses.

8. Financial gains or losses

	2024	2023
Interest income - calculated using the effective interest rate	**1,739**	**1,920**
Interest on bonds	(295)	(276)
Other interest expense	(38)	(69)
Interest paid on loans	(158)	(272)
Interest expense of lease liabilities	(4)	(3)
Interest expense	**(495)**	**(620)**
Foreign exchange gain	860	58
Foreign exchange loss	(106)	(203)
Foreign exchange gains or losses, net	**754**	**(145)**
Dividend income	**8,522**	**7,348**
Net effect on profit	**10,520**	**8,503**

Financial income recognised in the current year included dividends received from subsidiaries for an amount of HUF 8,522 million (previous year: HUF 7,348 million). Due to the decline in the interest rate environment compared to the previous year and changes in the balance of loan receivables, interest income from loans granted to related parties and interest on term deposits decreased.

Significant items in foreign exchange gains or losses include:

- retranslation of financial assets and liabilities denominated in foreign currency at the reporting date: a gain of HUF 253 million (previous year: a loss of HUF 195 million)
- foreign exchange gains realised in the current year: a gain of HUF 599 million (previous year: a gain of HUF 54 million)

A material item in financial expenses is interest payable on bonds. Interest paid on loans contains interest paid on loans from related parties and interest paid in the interest pool.

9. Tax expense

Tax expense only included business tax, innovation contribution and local business tax in both periods (no deferred tax expenses were recognised).
The calculation of effective tax is presented in the table below:

		31/12/2024		31/12/2023	
	Profit before tax based on the statement of profit or loss and other comprehensive income		**7,794**		**6,991**
Note	**Tax expense calculated based on the current tax rate (9%)**	**9.00%**	**701**	**9.00%**	**629**
1.	Other income tax expense (local business tax, innovation contribution)	0.50%	39	0.33%	23
2.	Other income tax expense deductible from the tax base	(0.04%)	(3)	(0.03%)	(2)
3.	Dividend income deductible from the tax base	(9.84%)	(767)	(9.46%)	(661)
4.	Other items individually not material	0.96%	75	0.52%	36
	Total income tax expense	**0.58%**	**45**	**0.36%**	**25**

1. Other income taxes include local and state taxes payable in Hungary which are imposed on the profits of the Company calculated based on a certain income using a tax base that is significantly higher than the corporate income tax base and a significantly lower tax rate (2% at most). The first line of the calculation only shows the amount of hypothetical tax calculated using the corporate income tax rate and, as a result, local business tax and innovation contribution give rise to additional income tax expenses for the Company.
2. Local business tax and innovation contribution are deductible for corporate income tax purposes, the positive effect of which is presented in this line.
3. Dividend income received by the Company in the current year is deductible from the corporate income tax base (as such income is already taxed).
4. Items individually not material in the current year include the effect of ESO programs increasing the tax base (2024: HUF 23 million, 2023: HUF 10 million), income tax adjustment for the previous year (2024: HUF 7 million, 2023: HUF 2 million), the effect of forgiven receivables increasing the tax base (2024: HUF 25 million) and other items which are individually not material.

Global minimum tax

The Company is part of a multinational group of companies whose revenue exceeds the revenue threshold of EUR 750 million. Act LXXXIV of 2023 on Top-Up Taxes to Ensure a Global Minimum Level of Taxation and on Amendments to Certain Tax Laws entered into force in Hungary on 1 January 2024. The Group qualifies as a group in the initial stage of its international operations and, as a result, it does not incur any additional tax liability with respect to Hungary. It is estimated that the Group will be able to invoke the temporary exemption rule based on Country-by-Country Reporting for the financial year ended 31 December 2024 for all of the remaining jurisdictions; therefore, the Group did not recognise any additional tax liability in connection with the global minimum tax regulation. In line with IAS 12, the Group applies the exemption for recognising and disclosing information on deferred tax assets and liabilities with respect to income taxes relating to the global minimum tax.

10. Property, plant and equipment, and intangible assets

Property, plant and equipment include land and buildings, as well as plant and machinery, while intangible assets include IT licences, none of which are of significant value individually. The Company does not have any significant commitment to acquire new assets. The increase in the value of equipment in 2023 is explained largely by vehicle purchases.

Changes in property, plant and equipment and intangible assets are presented in the following table:

Gross value 31/12/2024	Property	Equipment	Intangible assets	Total
Opening	8	306	89	403
Purchase	102	30	1	133
Disposal	-	(1)	-	(1)
Scrapping	-	-	(37)	(37)
Closing value	**110**	**335**	**53**	**498**

Accumulated depreciation 31/12/2024	Property	Equipment	Intangible assets	Total
Opening	3	59	4	66
Ordinary depreciation	6	63	10	79
Disposal	-	-	-	-
Closing value	**9**	**122**	**14**	**145**

Opening	**5**	**247**	**85**	**337**
Closing	**101**	**213**	**39**	**353**

Data for the comparative period:

Gross value 31/12/2023	Property	Equipment	Intangible assets	Total
Opening	7	32	13	52
Purchase	1	274	76	351
Disposal	-	-	-	-
Closing value	**8**	**306**	**89**	**403**

Accumulated depreciation 31/12/2023	Property	Equipment	Intangible assets	Total
Opening	1	23	2	26
Ordinary depreciation	2	36	2	40
Closing value	**3**	**59**	**4**	**66**

Opening	**6**	**9**	**11**	**26**
Closing	**5**	**247**	**85**	**337**

11. Right-of-use assets (ROU)

Right-of-use assets relating to leases are presented by the Company separately from property, plant and equipment, the balance of which for the financial year ended 31 December 2024 was as follows:

	2024	2023
Gross opening value at 1 January	166	93
Lease	35	66
Effects of contract amendments	93	7
Gross closing value at 31 December	**294**	**166**

Accumulated depreciation	2024	2023
Opening value at 1 January	77	24
Depreciation	122	53
Closing value at 31 December	**199**	**77**

	2024	2023
Net closing value at 31 December	**95**	**89**

Right-of-use assets include the office rented by the Company. The rental commenced in FY2022.

12. Long-term loans to subsidiaries

Changes in long-term loans to subsidiaries are presented in the following table:

	2024	2023
Opening balance	8,920	12,798
Disbursement	915	919
Repayment	(990)	(4,690)
Reclassification to long-term loans	246	-
Interest receivable	-	50
Foreign exchange translation	259	(157)
Closing balance	**9,350**	**8,920**
Expected credit losses	(3)	(9)
Closing balance	**9,347**	**8,911**

The significant terms and conditions of the loan contracts as at 31 December 2024 are as follows (in aggregated form):

Amount of the facility	Loan amount at the reporting date (principal amount)	interest	maturity	repayment terms
HUF 7,064,485,392*	HUF 3,137,383,323	3%-3.5%	31/12/2025-18/07/2031	Bullet repayment; early repayment available at any time
EUR 23,108,337	EUR 22,508,337	1-month EURIBOR + 2.00%	28/02/2025 - 31/12/2026	Bullet repayment; early repayment available at any time
HUF 3,000,000,000	HUF 796,340,051	Fixed rate of 3.5% p.a.	05/04/2030	Bullet repayment; early repayment available at any time
HUF 81,000,000	HUF 81,000,000	1-month BUBOR + 2.25%	31/05/2025	Bullet repayment; early repayment available at any time
HUF 6,372,632,200	HUF 5,054,346,340	1-month BUBOR + 2%	28/02/2025 - 31/05/2027	Bullet repayment; early repayment available at any time

* loans granted for the purposes defined in the Green Financing Framework

13.Investments in subsidiaries, investments in associates and joint ventures

	31/12/2024	31/12/2023
Total investments in subsidiaries	**55,159**	**34,765**

The following changes occurred during the current year:

- Acquiring subsidiaries through acquisition or in-kind contribution: HUF 19,178 million
- Foundation of subsidiaries: HUF 64 million
- Capital increases in subsidiaries: HUF 1,096 million
- Changes in shareholdings resulting from ESO programs: HUF 136 million

There were no indications at the end of FY2024 that any subsidiary would be impaired, and the Company did not recognise any impairment losses.

The line item "Investments in associates and joint ventures" includes the Company's 50% share in AutoWallis Caetano Holding Zrt., the entity that holds a 100% share in RN Hungary Kft. and AWSC Retail Kft. The entity was established in 2022 in a joint arrangement with another investor. Control is exercised by the parties on a parity basis.

14. Trade receivables, tax assets, other receivables, prepayments

Trade receivables include unpaid consideration for the management advisory services provided by the Company to its subsidiaries and pass-through services.

The entirety of the income tax balance represents the corresponding tax asset.

Significant items in other receivables include outstanding dividend receivables of HUF 270 million (previous year: HUF 69 million) and receivables relating to security deposits for HUF 28 million (previous year: HUF 18 million). Prepayments contain deferred revenues for HUF 63 million (previous year: HUF 17 million) and deferred expenses for HUF 67 million (previous year: HUF 34 million). The fair value and carrying amount of the above items are identical.

15. Short-term loan receivables

The Company grants short-term operating loans to its subsidiaries. This line item includes the amount of principal repayable within one year and unpaid interest accumulated until the reporting date. The key terms of the loans are presented in Note V.12.

16. Cash and cash equivalents

Cash and cash equivalents include the following balances. The fair value and carrying amount of these items are identical.

	31/12/2024	31/12/2023
Cash in HUF	-	-
Bank balances in HUF	4,643	5,489
Bank balances in foreign currencies	988	494
Expected credit losses	(3)	(3)
Total	**5,628**	**5,980**

17. Share capital

The changes in the Company's share capital during the period are presented in the table of changes in equity. The details of share capital were as follows:

Number of shares:

Series Category		Series "C" ordinary
	01/01/2023	**442,289,002**
Issue for the purpose of in-kind contribution Wallis Autómegosztó Zrt. (31/08/2023)		50,750,906
	31/12/2023	**493,039,908**
Capital increase (26/01/2024)		46,416,938
	31/12/2024	**539,456,846**

Changes in the value of registered capital:

		Nominal value (HUF million)
	01/01/2023	**5,529**
In-kind contribution of Wallis Autómegosztó Zrt. on 31/08/2023		634
	31/12/2023	**6,163**
Capital increase (26/01/2024)		580
	31/12/2024	**6,743**

All issued shares were series "C" shares at the balance sheet date. Each share has a nominal value of HUF 12.5.

On 31 August 2023, Wallis Asset Management Zrt. (one of the shareholders of AutoWallis Nyrt.) and Széchenyi Tőkealapok contributed a 100% share in Wallis Autómegosztó Zrt. to AutoWallis Nyrt. by way of in-kind contribution. Through the transaction, AutoWallis Nyrt. issued 50,750,906 shares on 31 August 2023 and, as a result, its share capital increased by HUF 634 million.

On 26 January 2024, as part of the capital increase, the Company issued a total of 46,416,938 new series "C" dematerialised ordinary name shares with a nominal value of HUF 12.5 and an issue price of HUF 122.8 each, all of which were acquired by Wallis Tőkeholding Zrt.

18. Share premium and retained earnings

The reserves recorded by the Company include share premium and accumulated profits. Share premium is related exclusively to the issue of shares.

As a result of the share issue that had taken place as part of the in-kind contribution in 2023, share premium increased by HUF 4,266 million.

As a result of the share issue that had taken place as part of the capital increase in 2024, share premium increased by HUF 5,120 million.

Retained earnings contain the accumulated profits of the current year and previous years. In addition, fair value gains or losses arising in the course of transactions involving treasury shares (ESOP payments) were recognised directly in retained earnings.

19. Share-based payments reserve

As part of the ESO program, specific employees of the Company and persons outside of the Group receive share-based benefits if certain pre-defined goals are achieved. The ESOP Organisation was established by the Company. Several benefit schemes are currently being operated via the ESOP Organisation.

The Group had the following share-based payment agreements in place as at 31 December 2024:

Name of the program	ESOP 4 program
Total number of shares provided as part of the program	4,868,747 units
Of which: shares provided to employees of AutoWallis Group	4,868,747 units
Value of one share at the grant date	HUF 94/unit
Total value of the benefit at the grant date	HUF 458 million
Grant date	26 April 2023
Vesting period	variable, 2 or 3 years
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 5 program
Total number of shares provided as part of the program	2,608,696 units
Of which: shares provided to employees of AutoWallis Group	2,608,696 units
Value of one share at the grant date	HUF 114/unit
Total value of the benefit at the grant date	HUF 297 million
Grant date	21 December 2023
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 6 program
Total number of shares provided as part of the program	2,514,756 units
Of which: shares provided to employees of AutoWallis Group	2,514,756 units
Value of one share at the grant date	HUF 150/unit
Total value of the benefit at the grant date	HUF 567 million
Grant date	24 April 2024
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance goals
Type of program	cash-settled

The Company had the following share-based payment agreements in place as at 31 December 2023:

Name of the program	ESOP 3 program
Total number of shares provided as part of the program	1,638,650 units
Of which: shares provided to employees of AutoWallis Group	1,638,650 units
Value of one share at the grant date	HUF 101/unit
Total value of the benefit at the grant date	HUF 166 million
Grant date	23 May 2022
Vesting period	2 years
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 4 program
Total number of shares provided as part of the program	4,868,747 units
Of which: shares provided to employees of AutoWallis Group	4,868,747 units
Value of one share at the grant date	HUF 94/unit
Total value of the benefit at the grant date	HUF 458 million
Grant date	26 April 2023
Vesting period	variable, 2 or 3 years
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

Name of the program	ESOP 5 program
Total number of shares provided as part of the program	2,608,696 units
Of which: shares provided to employees of AutoWallis Group	2,608,696 units
Value of one share at the grant date	HUF 114/unit
Total value of the benefit at the grant date	HUF 297 million
Grant date	21 December 2023
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance goals
Type of program	equity-settled

The part of the ESOP benefit scheme which is related to the Company's employees is presented in these financial statements as follows. The fair value of the transferred shares for the grant date was expensed over the vesting period on a straight-line basis. The current-year expense of HUF 259 million incurred in doing so (previous year: HUF 110 million) is recognised in the Company's profit or loss as an item of personnel expenses. The share-based payments reserve, which is a separate component of equity, also contains the reserve for share-based payments which are not made to employees of the Company but are payable by the Company. In the case of the ESOP 6 program, personnel expenses are recognised against liabilities (Other non-current liabilities).

20. Historical cost of treasury shares and changes in the current period

The Company presents the consideration paid for repurchased treasury shares in this line item. The category contains the total historical cost (including the nominal value).

At the end of 2024, the Company recorded 4,359,220 repurchased treasury shares for an amount of HUF 598 million, which are held by the ESOP Organisation with the exception of 12,300 shares.At the end of 2023, the Company recorded 2,607,833 repurchased treasury shares for an amount of HUF 243 million, all of which were held by the ESOP Organisation.

21. Debentures

The Group has the following bonds.

Bond 1

The bond issued as part of the Bond Funding for Growth Scheme has the following key characteristics:

Name of bond issued	AutoWallis NKP Bond 2030/I
Date of issue	30 September 2020
ISIN code	HU0000359476
Number of bonds issued	60
Nominal value of bonds issued (HUF)	50,000,000
Total nominal value (HUF)	**3,000,000,000**
Amount raised (HUF)	**3,044,657,300**
Interest payment	fixed
Frequency of interest payment	annual
Repayment of the principal amount	in a lump sum on maturity
Bond maturity	10 years
Nominal interest rate	3.00%
EIR	2.8374%

Amount raised (HUF)	3,044,657,300
Amount raised less direct costs (HUF)	3,041,551,573

The calculated effective interest rate of the bonds (where the net present value of the cash flows relating to the bonds is exactly zero) is 2.8374% p.a. The effective interest includes an amount of HUF 45 million received on top of the nominal value, as well as direct costs associated with the bonds.

Estimated fair value of the bonds at the reporting date:

	31/12/2024	31/12/2023
Carrying amount (HUF million)	3,087	3,091
Fair value gains or losses (HUF million)	(725)	(792)
Fair value of amount raised (HUF million)	2,362	2,299

An interest rate of 8.70% (previous year: 8.37%) was used for the purpose of calculating the fair value of the bonds, which was estimated based on market information.
The Group uses the amount raised less direct costs for its calculations, which is equal to amortised cost.

Change in the carrying amount of the bond:

	2024	2023
Opening balance	**3,091**	3,095
Adjustment for interest recognised	-	-
Calculated interest	86	86
Repayment	(90)	(90)
Closing balance	**3,087**	**3,091**
Of which: short-term part	**61**	**90**

Bond 2 (green bond)

Details of the bond issued:

Name of bond issued	AutoWallis NKP Bond 2031/I
Date of issue	22 October 2021
ISIN code	HU0000360664
Number of bonds issued	132
Nominal value of bonds issued (HUF)	50,000,000
Total nominal value (HUF)	**6,600,000,000**
Amount raised (HUF)	**6,655,543,800**
Interest payment	fixed
Frequency of interest payment	annual
Repayment of the principal amount	HUF 5,000,000 per year starting from the 5th year, and HUF 25,000,000 on maturity in a lump sum
Bond maturity	10 years
Nominal interest rate	3.00%
EIR	2.854%

Amount raised (HUF)	6,655,543,800
Amount raised less direct costs (HUF)	6,654,849,500

The Company publishes the conditions for using the funds raised through the bond issue (so-called Green Financing Framework) on its website.

Estimated fair value of the bonds at the reporting date:

	31/12/2024	31/12/2023
Carrying amount (HUF million)	6,711	6,719
Fair value gains or losses (HUF million)	(1,529)	(1,654)
Fair value of amount raised (HUF million)	**5,182**	**5,065**

An interest rate of 8.90% (previous year: 8.41%) was used for the purpose of calculating the fair value of the bonds, which was estimated based on market information.

The Group uses the *amount raised less direct costs* for its calculations, which is equal to amortised cost. Balance of the bond:

Change in the carrying amount of the bond:

	2024	2023
Opening balance	**6,719**	6,728
Calculated interest	190	189
Repayment	(198)	(198)
Closing balance	**6,711**	**6,719**
Of which: short-term part	**81**	**198**

Bond 3 (FDI bond)

Details of the bond issued:

Name of bond issued	AutoWallis FDI Bond I
Date of issue	12 December 2024
ISIN code	HU0000364526
Number of bonds issued	20
Nominal value of bonds issued (EUR)	1,000,000
Total nominal value (EUR)	**20,000,000**
Amount raised (EUR)	**20,000,000**
Interest payment	fixed
Frequency of interest payment	annual
Repayment of the principal amount	EUR 4,000,000 per year starting from the 6th year
Bond maturity	10 years
Nominal interest rate	4.45%
EIR	4.484%

Amount raised (HUF)	8,196,800,000
Amount raised less direct costs (HUF)	8,177,216,521

Change in the carrying amount of the bond:

	2024
Opening balance	-
Amount received at issue	8,197
Transaction costs	(20)
Calculated interest	19
Repayment	-
Foreign exchange gains or losses	5
Closing balance	**8,201**
Of which: short-term part	**18**

The fair value and carrying amount of the bond are roughly identical.
The short-term part of debentures is presented separately by the Company in its statement of financial position.

22. Lease liabilities

	31/12/2024	31/12/2023
Opening balance	90	73
Recognition	35	67
Repayment	(170)	(55)
Other change	104	5
Closing balance	**59**	**90**

	31/12/2024	31/12/2023
Lease liabilities	**59**	**90**
Of which: non-current	-	16
Of which: current	59	74
	59	**90**

Long-term and short-term lease liabilities recognised by the Company include its office rental fees. Costs related to leased assets are borne by the Company throughout the term of each lease, and the Company is required to return the leased assets to the lessor at the end of the lease term.

23. Trade payables, income tax liabilities, accruals and other current liabilities

Trade payables include trade payables related to general operations. The fair value of trade payables is identical to their carrying amount. Income tax liabilities include corporate income tax, local business tax and innovation contribution liabilities. The majority of accruals represents deferred bonuses and related contributions for an amount of HUF 196 million (previous year: HUF 134 million) and M&A advisory for HUF 165 million.
Other current liabilities include outstanding wages and salaries and tax payable for the month of December. The deferred purchase price liability (HUF 580 million) relating to the acquisition of Milan Kral Group is also recognised here.

24. Loans and borrowings received

The long-term loans recognised by the Company include the part of its loan from a financial institution which is due in more than one year (HUF 1,208 million).
At the end of FY2024, the short-term loans recognised by the Company included the short-term loan from Wallis British Motors for HUF 550 million. The maturity date is 31 May 2025 and the loan bears interest at a floating rate. Additionally, the part of the loan from a financial institution which is due within one year is recognised by the Company here (HUF 344 million).

At the end of FY2023, the short-term loans recognised by the Company included the short-term loan from Wallis British Motors and the related interest (for a total of HUF 1,007 million). The maturity date is 31 December 2024 and the loan bears interest at a floating rate. In addition, the Company recognised its loan from AW OPL Distribution Kft. (for a total of HUF 2,490 million) at the reporting date. (The maturity date is 31 March 2024.)

25. Deferred tax

The Company has deferred tax assets arising from deductible temporary differences and unused tax losses carried forward from previous years. Based on its future financial plans (due to its operation as a holding company), the Company does not expect to earn any future taxable profits against which it could offset its tax losses carried forward. Therefore, the difference identified is only recognised up to the amount of the deferred tax liability. The amount and expiry of tax losses carried forward are presented in the following table:

	31/12/2024	Expiry	31/12/2023	Expiry
Tax losses carried forward	1,419	2025-2029	1,292	2024-202

VI. Other disclosures

26. Fair value hierarchy

The Company recognised the following financial instruments at each balance sheet date:

	31/12/2024	31/12/2023
Long-term loans to subsidiaries	8,696	8,911
Trade receivables	1,380	1,084
Other loans granted (short-term)	9,877	9,663
Cash and cash equivalents	5,628	5,980
Financial assets	**25,581**	**25,638**
Debentures	17,999	9,810
Short-term loans and borrowings	894	3,497
Long-term loans and borrowings	1,208	-
Lease liabilities	59	90
Trade payables	236	268
Deferred purchase price liability	-	375
Liabilities arising from options	700	-
Financial liabilities	**21,096**	**14,041**

The estimated values of items of assets and liabilities measured at fair value are at the following levels of the fair value hierarchy:

31 December 2024	Level 1	Level 2	Level 3	Total
Liabilities arising from options	-	-	700	700
Deferred purchase price liability	-	-	-	-
Financial liabilities	**-**	**-**	**700**	**700**

The Company had the following financial instruments measured at fair value in 2023:

31 December 2023	Level 1	Level 2	Level 3	Total
Deferred purchase price liability	-	-	375	375
Financial liabilities	**-**	**-**	**375**	**375**

The Company's remaining financial instruments were measured using the amortised cost model in the periods presented. Other than the bonds, the fair value and carrying amount of other assets and liabilities not measured at fair value are roughly identical.

27. Disclosures on risk

The Company has no external floating-rate debt and does not enter into transactions denominated in foreign currencies with external parties. As a result, no foreign exchange risks or interest rate risks have been identified. According to the Company's assessment, its credit risk is low as all of its receivables (including trade receivables and loan receivables) are from related parties, and there are no indications that these receivables will not be paid or recovered. The carrying amount of financial assets represents the maximum credit exposure. Impairment losses on financial assets are detailed in Note V.7.
In terms of risk factors, the Company identified potential liquidity risk as an item to be disclosed.

The breakdown of financial liabilities by maturity is presented in the following table.

At 31 December 2024	Items available/due within one year	Items available/due between one year and five years	Items available/due in over five years	Total
Loans and borrowings, debentures	1,603	8,508	14,559	24,670
Lease liabilities	59	-	-	59
Trade payables	236	-	-	236
Liabilities arising from options	-	820	-	820
Total	**1,898**	**9,328**	**14,559**	**25,785**

Data for the comparative period:

At 31 December 2023	Items available/due within one year	Items available/due between one year and five years	Items available/due in over five years	Total
Loans and borrowings, debentures	3,827	3,073	8,156	15,056
Lease liabilities	76	16	-	92
Trade payables	268	-	-	268
Deferred purchase price	188	240	-	428
Total	**4,359**	**3,329**	**8,156**	**15,844**

The Company accounts for credit losses using the methodology required under IFRS 9, which means that expected credit losses are recognised on each asset.
For financial instruments and subsidiaries, exposure is essentially equal to the carrying amount of the relevant asset. Assets are never secured by special guarantees (those that reduce maximum loss).

28. Calculation of net debt

The Company's net debt is presented in the following table:

	2024	2023
Total liabilities	22,076	14,577
(-) Cash and cash equivalents	(5,628)	(5,980)
Net debt	16,448	8,597
Equity	61,477	48,269

29. Significant off-balance sheet liabilities

The Company did not have any off-balance sheet liabilities at the reporting date.

30. Financial guarantees

The Company provided financial guarantees for the financial liabilities of its subsidiaries and for the payment of the deferred purchase price of the transaction involving its joint venture. A summary of the guarantees provided is presented in the following table. The Company considers the likelihood of the guarantees being exercised to be low.

<table>
<tr><th>Beneficiary</th><th>Description of the guarantee</th><th>Exposure</th></tr>
<tr><td>AutoWallis Caetano Holding Zrt.</td><td>Joint and several guarantee for the deferred purchase price of the Renault transaction</td><td>HUF 700 million</td></tr>
<tr><td>C182 LJUBLJANA d.o.o.</td><td>Corporate guarantee in favour of OTP Bank Nyrt. and OTP Banka d.d. as beneficiaries/joint creditors</td><td>EUR 5.5 million</td></tr>
<tr><td>WallisMotor Ljubljana d.o.o. and Avto Aktiv SLO d.o.o.</td><td>Comfort letter for OTP Banka d.d.</td><td>EUR 5.2 million</td></tr>
<tr><td>AW FRZ Distribution Kft.</td><td>Corporate guarantee in favour of the Hungarian Branch of Citibank Europe plc.</td><td>EUR 19.5 million</td></tr>
<tr><td>WallisMotor Ljubljana d.o.o. and Avto Aktiv SLO d.o.o.</td><td rowspan="3">Comfort letter for BMW Austria Bank GmbH</td><td>EUR 14 million</td></tr>
<tr><td>Wallis Motor Pest Kft. and Wallis Motor Duna Kft.</td><td>HUF 10.8 billion</td></tr>
<tr><td>NCA Auto s.r.o.</td><td>CZK 440 million</td></tr>
</table>

31. Disclosures on related parties

The Company conducted the following transactions with related parties:

data in million HUF		Value of transactions		Balance	
	Note	2024	2023	31/12/2024	31/12/2023
Services provided					
To the parent		-	-		-
To subsidiaries	**VI.1**	1,732	1,069	1,328	986
To joint ventures		178	100	243	122
To other related parties		-	-		-
Services purchased					
From the parent		16	60	-	36
From subsidiaries		226	102	17	18
From joint ventures		-	-	1	-
From other related parties		204	91	-	(9)
Purchase of assets					
From subsidiaries		24	203	-	23
Other					
To subsidiaries					
- loans granted and related interest income	**VI.7, VI.11, VI.14**	1,010	829	18,576	18,565
- additional capital contribution		-	-	651	-
From subsidiaries					
- loans and interest expenses		158	271	550	3,497
- dividends		8,144	6,998	270	69
From joint ventures					
- dividends		350	350	-	-

Senior executives and their remuneration

In 2023 and 2024, the Group's related parties included the Group's senior executives and the person controlling the ultimate parent:

Name	Position	Start of assignment	End/termination of assignment
Zsolt Müllner	Chairman of the BoD	17/12/2018	
Gábor Ormosy	Member of the BoD	30/04/2019	
Ferenc Vaczlavik	Member of the BoD	26/04/2024	
Tibor Veres	Member of the BoD, controlling owner	26/04/2024	
Gyula Mező	Member of the BoD	26/04/2024	
Ferenc Karvalits	Member of the BoD	26/04/2024	
Bence Buday	Member of the BoD	26/04/2024	
Gábor Székely	Member of the BoD	17/12/2018	26/04/2024
Andrew John Prest	Member of the BoD	17/12/2018	26/04/2024
Péter Antal	Member of the BoD	17/12/2018	26/04/2024

In 2023 and 2024, senior executives (members of the Board of Directors, the Audit Committee and the Supervisory Board) received the following benefits.

	2024	2023
Emoluments	30	27
Wages and salaries	262	261
Short-term employee benefits:	**292**	**288**
Share-based payments	32	21
Total	**324**	**309**

VII. Critical accounting judgements used in preparing the financial statements and key sources of estimation uncertainty

The Company uses critical accounting judgements when determining the recoverable amount of investments, primarily due to its magnitude. The recoverable amount is determined on the basis of a discounted cash flow model that is based on business plans, the inputs of which (cash flow plan, discount rate and growth rate) are, in many cases, based on assumptions and estimates. Sources of estimation uncertainty may have a significant effect on the carrying amount of investments.

VIII. Events after the balance sheet date

The following significant event affected the Company's business after the balance sheet date:

- On 16 January 2025, Wallis Asset Management Zrt. (one of the shareholders of AutoWallis Nyrt. with a significant shareholding) sold 40,726,797 shares to Wallis Tőkeholding Zrt., after which Wallis Asset Management Zrt. no longer had any remaining share in AutoWallis Nyrt. After the transaction was completed, Wallis Tőkeholding Zrt. held 355,182,013 shares in AutoWallis Nyrt. The entities involved in the transaction are all directly owned by Wallis Portfólió Kft., and there was no change in beneficial ownership.

IX. Disclosures required under the Hungarian Accounting Act

1. Person responsible for the supervision of bookkeeping services and the preparation of the IFRS financial statements

Pursuant to the Hungarian Accounting Act, consolidated IFRS financial statements may only be prepared by a certified accounting service provider. The following natural person possesses the required certification:

Name of the person responsible for the preparation of the financial statements:	Balázs Gausz
Registration number:	209120 registered chartered accountant IFRS certified

2. The Company's auditor

The details of the certified audit firm carrying out the audit of the Company and the Group (of which the Company is the parent) are as follows:

Audit firm	PricewaterhouseCoopers Auditing Ltd. (001464)
Name of the natural person acting on behalf of the audit firm	Péter Biczó
Registration number:	004957 Auditor IFRS certified

The fees for the audit of the separate and consolidated financial statements for FY 2024 are presented in the following table:

Data in million HUF	2024	2023
Audit of financial statements	83	51
Other audit fees	-	25
Other non-audit fees	8	-
Total fees payable to PwC	**91**	**76**

3. Equity reconciliation

Basis for the preparation of the equity reconciliation table

In accordance with Section 114/B of the Hungarian Accounting Act, the financial statements present the difference between equity under the Hungarian Accounting Act and equity under the accounting principles described above.

	Equity reconciliation	31/12/2024	31/12/2023
	Equity under IFRS	61,477	48,269
+	amount of additional capital contributions received recognised as a liability under IFRS	-	-
-	amount of additional capital contributions paid recognised as an asset under IFRS	(651)	(28)
+	cash received to be allocated to share premium, if classified as deferred income (IFRS)	-	-
+	value of assets received, if classified as deferred income (IFRS)	-	-
-	Share-based payments reserve	(383)	(285)
-	capital increase resulting in an equity instrument, if recognised as a receivable from owners (IFRS)	-	-
+	Repurchased treasury shares (IFRS)	598	243
	Equity (reconciled)	**61,041**	**48,199**

Taking into account the dividends of subsidiaries, the actual dividend payment limit is the following:

Equity components are reconciled as follows:	31/12/2024	31/12/2023
Share capital under IFRS		
Share capital under the deed of foundation	6,743	6,163
Unpaid share capital	-	-
Tied-up reserve		
Additional capital contributions received		
Carrying amount of repurchased treasury shares	598	243
Development reserve (net of tax)	-	-
Tied-up reserve (reconciled)	**598**	**243**
Retained earnings		
After-tax undistributed retained earnings from previous years under IFRS	9,148	2,201
+/- Amounts transferred to retained earnings under IFRS	16	(19)
- Amount of additional capital contributions paid recognised as an asset	(651)	(28)
- Unused development reserve less related deferred tax	-	-
+ Closing balance of retained earnings before the year of first-time adoption, adjusted for transitional items	-	-
Retained earnings (reconciled)	**8,513**	**2,154**
Profit after tax		
Profit after tax under paragraph 9 of Section 114/A of the Accounting Act	7,749	6,966
Valuation reserve		
Cumulative amount of items recognised in other comprehensive income	-	-
Share premium		
Reconciled equity	61,041	48,199
- Share capital under IFRS	(6,743)	(6,163)
- Unpaid share capital	-	-
- Tied-up reserve	(598)	(243)
- Retained earnings	(8,513)	(2,154)
- Profit after tax	(7,749)	(6,966)
- Valuation reserve	-	-
Share premium (reconciled)	**37,438**	**32,673**
Equity after reconciliation:		
Reconciled equity (in accordance with Section 114/B of the Accounting Act)		
Share capital	6,743	6,163
Unpaid share capital	-	-
Share premium	37,438	32,673
Retained earnings	8,513	2,154
Tied-up reserve	598	243
Valuation reserve	-	-
Profit after tax	7,749	6,966

	61,041	48,199

Calculation of the dividend base:

Retained earnings (reconciled)	8,513	2,154
Profit after tax for the current year	7,749	6,966
Increase in the value of investment property (net of tax)	-	-
Retained earnings available for dividend payment	**16,262**	**9,120**

As a result, the amount available for dividend payment is as follows:

	31/12/2024	31/12/2023
Retained earnings available for dividend payment	16,262	9,120
Dividend received and due after the reporting date	6,451	8,172
Amount available for dividend payment	**22,713**	**17,292**

4. Dividends

The Company's Board of Directors does not propose the payment of dividends. Decisions on the payment of dividends are made by the General Meeting.

5. Other information

The conflict between Russia and Ukraine that began during the spring of 2022 does not have a direct impact on the operation of the Company and its subsidiaries as the Group is not present in these markets and the Group is diversified in terms of both its areas of operation and the positioning of the brands it distributes. However, there may be indirect effects, including:

- The social implications of the situation could have an adverse impact on the automotive market through a decline in demand.
- Manufacturers may experience issues with the supply of raw materials and/or parts, leading to potential delays in the planned deliveries of cars. These may negatively affect the Group's cash flows.
- The deterioration of macroeconomic indicators (inflation, volatility of foreign exchange rates, changes in the interest rate environment) could have a detrimental effect on the Group's financing.

The implications of a prolonged conflict are difficult to predict based on the currently available information. Management is continuously monitoring any risks that may arise in this regard.

6. Authorisation of the financial statements for issue

These financial statements were approved by the Company's Board of Directors on 2 April 2025 and were approved for submission to the General Meeting.

Budapest, 2 April 2025

Gábor Ormosy
Chief Executive Officer

Zsolt Müllner
Chairman of the Board of Directors

DECLARATIONS

These separate financial statements, notes to the financial statements and management (business) report (collectively referred to as: Financial Statements) were discussed by the Company's Board of Directors on 2 April 2025 and were approved for submission to the General Meeting. The General Meeting approved the Financial Statements and authorised them for issue on 25 April 2025.

The Company hereby declares that its separate Financial Statements for the year 2024 were prepared in accordance with the International Financial Reporting Standards adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

Furthermore, the Company hereby declares that its Management (Business) Report for the year 2024 gives a true and fair view of the circumstances, development and performance of the Company and presents the key foreseeable risks and uncertainties.

The Company hereby declares and notes that these separate Financial Statements have been reviewed by an independent auditor.

Budapest, 2 April 2025

Gábor Ormosy Chief Executive Officer	Zsolt Müllner Chairman of the Board of Directors

AutoWallis Nyrt.