



## 2022 SECOND QUARTER AND HALF-YEAR FINANCIAL REPORT

### Record quarterly EBIT performance with EUR 10.3 million, financing guaranteed for strategic development plans by successful bond issuance

**Budapest, 4 August 2022** - WABERER'S INTERNATIONAL Nyrt. today reports its financial results for the three months and half year ended 30 June 2022.

#### Highlights H1 and Q2 OF 2022

- **Revenue** increased by 15.5% in the second quarter of 2022 on a year-on-year basis and reached EUR 173.2 million, while year-to-date Group level revenue reached EUR 332.1 million which is a 13.6% increase compared to H1 2021. Quarterly revenue increase reflects 24.1% growth in the ITS and 10.4% in the RCL segment, while revenue of Other segment decreased by 7.6% on a year-on-year basis caused by the depreciation of HUF compared to EUR. Revenue increase of logistics related segments is partly due to the more favourable service prices and due to the contract-based price correction effect of the fuel price increase, while the Company has been very successful in reflecting the hectic changes of operating costs (energy, wages, spare parts costs, etc.) in its service prices, which is essential for profitable operations in the current environment.
- **Recurring EBIT** reached EUR 10.3 million in Q2 2022 which is a 33% improvement compared to Q2 2021 and the highest value since 2016. As a result of a EUR 1 million year-on-year improvement, ITS segment reached EUR 1.7 million quarterly EBIT, Other segment reached EUR 4.6 million EBIT that is a EUR 1.7 million improvement, while RCL segment's EUR 4.0 million quarterly EBIT is roughly the same level as in the second quarter of 2021. Group level EBIT in the first half of 2022 was EUR 14.8 million.
- **Recurring Net income** changed to EUR 2.5 million in the second quarter of 2022 which is a EUR 3.6 million decrease on a year-on-year basis. Net income decrease is mostly due to the non-realized, non-cash financial loss generated by FX changes (EUR 3.5 million), non-cash deferred tax (EUR 0.6 million) and higher interest cost as a result of the bond issuance.
- **Net financial indebtedness** – due to cash-based investments (mostly fleet replacement), the relaunch of fleet renewal program and some non-cash technical items (update of warehouse rental fee capitalization and cash collateral for bank guarantees totalling EUR 16.3 million) – increased by EUR 33.8 million compared to the end of Q2 2021 and reached EUR 149.2 million. The net leverage ratio on 30 June 2021 increased to 2.0x LTM (Last twelve month) recurring EBITDA (31 March 2021: 1.7x) because of the higher net indebtedness. The corporate bond issued in the value of EUR 111 million in the 2<sup>nd</sup> quarter of 2022 did not significantly influence the Group net indebtedness position until now.
- **Management states** that
  - Neither the war in Ukraine, nor the increasing inflation generated significant industrial production or retail trade decrease in the relevant European countries, so Waberer's was able to manage temporary fluctuations in demand through its diversified customer and service portfolio;
  - the economic forecasts of recent weeks show a steadily worsening trend for both Western Europe and Hungary, which may pose a risk to the sustainability of the current performance level, however our public EBIT forecast is still considered as achievable;
  - Waberer's has proven in the recent period that it has the flexibility and quick decision-making ability needed to operate successfully in the current unpredictable economic environment.

| Key figures<sup>1</sup> (EUR mn unless otherwise stated)

	Q2 2022	Q2 2021	Better (worse)	6M 2022	6M 2021	Better (worse)
Revenue	173.2	150.0	15.5%	332.1	292.3	13.6%
EBITDA (recurring)	21.7	19.6	11%	38.0	36.2	5.0%
EBIT (recurring)	10.3	7.7	33%	14.8	12.2	21.3%
Net income (recurring)	2.5	6.1	-59%	4.2	8.8	(52.0%)
EBITDA margin (recurring)	12.6%	13.1%	(0,1 pp)	11.4%	12.4%	(1,2 pp)
EBIT margin (recurring)	5.9%	5.1%	0,1 pp	4.5%	4.2%	(0,4 pp)
Net income margin (recurring)	1.5%	4.1%	(0,3 pp)	1.3%	3.0%	(0,3 pp)
Net financial indebtedness <sup>2</sup>	149.2	115.4	(0.3)			
Net leverage ratio <sup>2</sup>	2.0	1.7	(0.1)			

<sup>1</sup> For the definitions of non-IFRS measures, please refer to the Glossary on page 14. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

<sup>2</sup> As of end of the period

This report may contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, the Annual Report 2021 dated 8 April 2022, which is available on our website for investors at [https://www.waberers.com/files/document/document/1507/2021\\_annual\\_report\\_eng\\_FIN.pdf](https://www.waberers.com/files/document/document/1507/2021_annual_report_eng_FIN.pdf).



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**Zsolt Barna, CEO of WABERER'S INTERNATIONAL Nyrt. commented:** *"In a challenging and unpredictable environment, the Group's quarterly EBIT performance of more than EUR 10 million is the highest in recent years. Certain regulatory driven negative cost effects (minimum wage change and change in wage related tax rules) impacted our results from the beginning of the year. As indicated in our Q1 report, it was possible to manage these effects from the second quarter onwards. As a result of this successful work, all 3 segments – including the International Transportation segment - achieved positive EBIT levels in Q2 2022 with an increase of EUR 5.7 million compared to the previous quarter (Q1 22), and EUR 2.6 million compared to the same period in 2021. This result proves once again that the strategy and diversified activity chosen by the Group can be successfully managed in a challenging environment. Our successful quarterly performance is based on continuous and active adaptation, including responding to ongoing changes in operating costs and periodic fluctuations in order volumes, in which we have been very successful in both our ITS and RCL segments.*

*The arrival of the first group of overseas drivers from India during the quarter was an important step in the life of the Group. It opens the door to a labour market of a size that can offer a long-term solution to the challenges of the labour market. Our new colleagues are highly committed to Waberer's and to their work. After learning the European transportation specialities, they will be useful members of our community and can provide a long-term solution to the labour shortage, which is perhaps the biggest challenge facing the industry today. It can be a competitive advantage for Waberer's to be able to recruit colleagues from regions that our competitors with smaller operations cannot.*

*For the coming period, we see contradictory effects. The industry will continue to face a capacity shortage at both international and regional level that supports the profitable operation of the existing market players and – due to industry specialities – no short-term change is expected. Among the risks, however, we must again mention the long-term availability of sufficient labour force, and the possible spill-over effects of high inflation and rapidly rising energy prices that could negatively influence the market demand for logistics services. Moreover, I can only repeat myself that the unpredictability of war in our neighbourhood continues to challenge us. Despite the risks, I still expect that we will be able to meet our financial targets of achieving the previous year's Group EBIT performance in 2022.*

*I must highlight the successful bond issuance in the value of EUR 111 million as a significant achievement of the recent quarter. The amount raised and the favourable interest rate - especially in the perspective of the steadily rising yield environment - ensure that Waberer's will be able to handle the challenges of a possible negative economic environment and we will be able to implement our announced plans (including warehouse developments, fleet replacement and regional expansion) that will improve our competitiveness, while many of our competitors will not be able to access development funds or only at increasing cost."*

## Management Report

### Group result

#### Income Statement<sup>1</sup> (EUR mn)

	Q2 2022	Q2 2021	Better (worse)	6M 2022	6M 2021	Better (worse)
Revenue	173.2	150.0	15.5%	332.1	292.3	13.6%
Direct costs	(136.8)	(117.3)	(16.6%)	(268.2)	(229.8)	(16.7%)
Gross profit (recurring)	36.4	32.6	11.6%	63.9	62.5	2.2%
OPEX	(14.7)	(13.0)	(12.7%)	(25.8)	(26.3)	1.7%
EBITDA (recurring)	21.7	19.6	10.9%	38.0	36.2	5.0%
Depreciation and Amortisation	(11.5)	(11.9)	(3.6%)	(23.2)	(24.0)	3.3%
EBIT (recurring)	10.3	7.7	33.5%	14.8	12.2	21.3%
Financial result	(5.7)	(0.3)	(2 082.5%)	(7.7)	(0.7)	(1 089.4%)
of which: non-cash FX effect	(3.5)	1.3	(364.6%)	(4.7)	2.6	(281.1%)
Taxes	(2.1)	(1.3)	(60.0%)	(2.9)	(2.8)	(3.3%)
Net income (recurring)	2.5	6.1	59.1%	4.2	8.8	(52.0%)
Non-recurring items	-	-	-	-	-	-
Gross margin (recurring)	21.0%	21.8%	(0.7 pp)	19.2%	21.4%	(2.2 pp)
EBITDA margin (recurring)	12.6%	13.1%	(0.5 pp)	11.4%	12.4%	(0.9 pp)
EBIT margin (recurring)	5.9%	5.1%	0.8 pp	4.5%	4.2%	0.3 pp
Net income margin (recurring)	1.5%	4.1%	(2.6 pp)	1.3%	3.0%	(1.7 pp)
Average number of trucks	2 769	2 816	(1.7%)	2 807	2 818	(0.4%)
Average number of employees	5 801	5 854	(0.9%)	5 803	5 919	(2.0%)
Average number of truck drivers	3 440	3 451	(0.3%)	3 470	3 495	(0.7%)

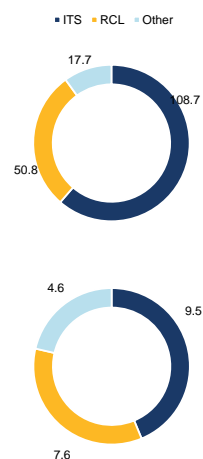
<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 11.

### Economic environment

In the first 2 months of the second quarter of 2022, industrial production in the Western European countries relevant to Waberer's (Germany, France, Italy, Spain, and the United Kingdom) increased by 1.0% and 1.6% respectively on average, compared to the same period of last year. Industrial production expanded in Spain, Italy, and United Kingdom (+3.8%, + 3.7% and +1.5% average growth), while decreases were observed in Germany and France (- 2.1% and -0.4% respectively). In contrast, in the main Eastern European countries relevant to Waberer's (Hungary and Poland), significantly more dynamic industrial production growth (4.1% and 13.8%) was observed in April and May compared to the same period last year. According to the statistics, the war in Ukraine and its indirect economic effects have not yet caused a significant decrease in the industrial production in the major European industrial centres relevant for Waberer's.

Significantly different changes in the relevant countries were observed in the retail sales of non-food products compared to the second quarter of 2021. While the retail sales in France and Spain expanded (+ 6.7% and 1.5% respectively), Germany and UK suffered a decrease in the retail sales of non-food products (- 1.6% and -5.2%). The average change of the retail sales volume in the relevant Western-European countries was +0.4% in the first 2 months of 2022 compared to the same period in 2021. On the contrary, in the relevant Eastern European countries (Hungary and Poland), the dynamic retail sales growth continued (+13.4% and +16.2% monthly average growth respectively).<sup>2</sup>

### Revenue (top) and recurring EBITDA (bottom) split by segments in Q2 2022 (EUR mn)



Notes: Revenue not filtered for inter-segment eliminations. ITS: International Transportation Segment; RCL: Regional Contract Logistics segment; Other: All other activities including mainly 3<sup>rd</sup> party insurance services.

<sup>2</sup> Source: Eurostat & UK Office for National Statistics seasonally and calendar day adjusted data for the Eurozone, UK and Hungary. Percentage figures denote the change compared to the same period in the previous year.



## Revenue

**Revenue** increased by 15.5 % year-on-year in the second quarter of 2022 to EUR 173.2 million. Compared to the second quarter of the last year, revenue was 24.1% higher in the International Transportation Segment (ITS), and 10.4% higher in the Regional Contract Logistics (RCL) segment, while quarterly revenue of the Other segment decreased by 7.6% compared to Q1 2021. Year-to-date consolidated revenue reached EUR 333.2 million, a 13.6% growth compared to same period of 2021. The revenue growth in the ITS and RCL segment was partly driven by the contractual price correction effect of the significant fuel price increase, and also by the 14% increase of net price level – price level adjusted with the change of fuel and transit costs - in the ITS segment. Moreover, our logistics-related segments have been able to quickly respond to unpredictable cost changes and reflect them in service prices, so changes in the overall operating cost base have not caused a deterioration in profitability. The decrease in Other segment revenue is the result of the weakening of the HUF against the EUR, as our insurance company mainly invoices its customers in Hungarian Forint.

## Headcount

The quarterly **average number of employees** remained at the same level as in the same period of the previous year and reached 5 801 in Q2 2022 of which 3 440 are drivers. Quarterly average driver numbers in the ITS segment increased by 36 (+1%) and decreased by 47 in the RCL segment (-5%) compared to Q2 of last year. The first group of overseas drivers from India arrived to Waberer's during the quarter offering a long-term solution for the recruiting challenges in the international operation.

## Gross profit, EBITDA and EBIT

In the second quarter of 2022 **recurring gross profit** increased by 11.6% compared to the same period of 2021, while the gross profit margin decreased by 0.7% points. The quarterly gross profit reached EUR 36.4 million at a 21.0 gross profit margin, while the year-to-date gross profit reached EUR 63.9 million. The gross profit in the ITS segment increased by EUR 2.9 million and was EUR 19.2 million, gross profit in the RCL segment decreased by EUR 0.3 million at EUR 12.7 million while the Other segment generated EUR 5.3 million quarterly gross profit, a EUR 1.7 million increase compared to Q2 2021.<sup>3</sup> The revenue and cost side increase by the same amount (as a result of the application of the fuel cost price correction mechanism and also the ability to reflect the increase of all significant cost item in our service prices) which naturally decreases the margin levels of the operation.

Group level **recurring EBITDA** was EUR 21.7 million in Q2 2022, a 10.9% increase compared to Q2 2021, while year-to-date Group level EBITDA - as a result of 5% year-on-year increase – reached EUR 38 million. The EBITDA margin decreased by 0.5% points to 12.6%. The quarterly EBITDA increased by EUR 0.8 million in the ITS segment and by EUR 1.7 million in the Other segment, that could compensate the EUR 0.4 million EBITDA decrease in the RCL segment. The increase of EBITDA in the ITS segment is the result of a higher price level increases - due to the increase in the complexity of the service portfolio – compared to the impact of cost increases, while the improvement of EBITDA in the Other segment is due to the revaluation of loss reserves.

**Recurring EBIT** increased by 33.5% in Q2 2022 in comparison with Q2 2021, reaching EUR 10.3 million, while Group level year-to-date EBIT reached EUR 14.8 million. As a result of EUR 1.0 million increase, ITS segment quarterly EBIT reached 1.7 million, Other segment's quarterly EBIT increased by EUR 1.7 million and reached EUR 4.6 million while RCL segment EBIT remained on the level of the Q2 2021 performance and reached EUR 4.0 million. In line with the trend predicted at the beginning of the year, the Company's management was able to compensate the additional costs incurred from the beginning of the financial year, so the Group's quarterly EBIT improved by EUR 5.7 million compared to the first quarter of 2022. The annual EBIT target forecasted for 2022 is still considered achievable.

## Net income

**Financial result** showed EUR 5.7 million loss in the second quarter of 2022 which is a EUR 5.4 million decrease compared to the same period last year. Financial result includes mostly recently issued bond and leasing related interest (EUR 1.8 million) and other – mainly FX change related non-realized non-cash - financial costs (EUR 3.5 million). The FX related non-realised, non-cash financial result decreased by EUR 4.8 million compared to same period last year and this mostly generated the year-to-year increase of the financial loss of Q2 2022.

**Tax expenses**, which include corporate income tax as well as revenue-based local taxes and also non-cash deferred tax, amounted to EUR -2.1 million in the quarter, a EUR 0.8 million increase compared to Q2 last year. Higher tax expenses in the quarter were mostly due to the deferred tax credit decrease.

**Recurring net income** reached EUR 2.5 million for the quarter, a EUR 3.6 million decrease compared to same period of last year. The year-to-date net income reached EUR 4.2 million in 2022. The quarterly decrease of net income is mostly attributable to the negative effect of the non-cash FX effects and change of deferred tax credit (totalling EUR 5.3 million year-on-year decrease) and increasing interest cost generated by the recently issued bond that was not fully compensated by the increasing EBIT generating capability of the core operation.

Earnings per share were EUR 0.1423 in the second quarter of 2022 and EUR 0.239 in the first half of 2022.

<sup>3</sup> The intersegment consolidation effect on gross profit level was EUR 0.8 million in Q2 2022.



## Group cash flow, debt

### Cash flow

| Cash Flow Statement (EUR mn)

	Q2 2022	Q2 2021	6M 2022	6M 2021
Net cash flows from operations	(4.6)	20.1	3.0	23.1
of which: change in working capital	(21.0)	1.8	(31.0)	(9.8)
Net cash flows from investing and financing activities	57.0	(21.2)	40.2	(32.8)
Change in cash and cash equivalents	52.5	(1.1)	43.2	(9.7)
Free cash flow	43.0	6.2	34.6	(0.3)
CAPEX	(12.1)	(1.7)	(14.4)	(2.5)

**Net cash flows from operations** in the second quarter reached EUR -4.6 million of which EUR -21.0 million is attributable to the change in working capital. The main reason for the change in working capital is the reclassification of some of the securities - held for the purpose of mandatory reserves to cover future damage costs by our insurance arm -, from non-current financial investments to short-term assets - as a working capital element - in the amount of EUR 21.8 million.

**Net cash flow from investing and financial activities** showed a EUR 57 million cash inflow in the second quarter of 2022. The cash outflow from investing activities includes CAPEX investments in the value of EUR 12.1 million and also includes the technical reclassification of securities (EUR 21.8 million) – already described in the section of change in working capital – so the effect of reclassification is neutral from total cash flow perspective. The net cash flow from financing activities includes the proceeds from the EUR 111 million bond issue in the second quarter of 2022, of which EUR 43.6 million has already been used to refinance existing debt. The leasing payments used to finance the fleet during the quarter amounted to EUR 13.0 million.

**Free cash flow**, which incorporates cash flow from operations, capital expenditures, and all elements of the lease-based financing of the fleet, was EUR 43 million in the quarter and EUR 34.6 million in the first half of 2022.

### Debt

| Indebtedness figures (EUR mn)

	30 June 2022	31 December 2021	30 June 2021
Net financial indebtedness	149.2	121.7	115.4
Net leverage ratio (recurring EBITDA multiple)	2.0	1.6	1.7

**Net financial indebtedness** amounted to EUR 149.2 million at the end of the second quarter of 2022 that is EUR 27.5 million increase compared to the audited 2021 year-end figures. The increase in net indebtedness is due to the cash-financed CAPEX-type investments (including the partially cash financed fleet replacement – which was executed due to the hectic changes of the leasing offers and the available free cash as a result of the bond issuance- and, unlike lease financing, the total value of the vehicles, including the so-called buy-back value of the vehicles, is recorded as an increase in net financial debt) (EUR 12.1 million), the change in the carrying amount of warehouse rental fees capitalised due to IFRS16 rules (non-cash item, EUR 9.8 million) and the financing of new cash collaterals for bank guarantees (non-cash outflow item, cash collateral is included in Receivables in Balance Sheet; EUR 6.5 million)

Due to the higher net financial indebtedness, the **net leverage ratio**, a multiple of the last twelve months recurring EBITDA, increased to 2.0x on 30 June 2022.

### Bond issuance

On 8 April 2022, the Company issued a corporate bond in the value of EUR 111 million with a maturity of 10 years and fixed interest via private placement. The bond will be redeemed at a rate of 10% per annum between years 5 and 9 and 50% per annum in year 10. The proceeds from the issue will be used by the Company to refinance loans, build warehouses, finance regional expansion and fleet replacement.



## Investments

In the second quarter of 2022, 465 new vehicles joined our fleet as part of the announced **fleet replacement program** (353 trucks, 111 trailers and 1 van). Total value of the new vehicles is EUR 28.9 million. During the first half of 2022, 611 trucks and 130 trailers were replaced so proportional part of the strategic plan to renew our fleet was successfully achieved. New vehicles were mostly financed by finance leases so only the leasing fees (not the full asset cost) affects the quarterly cash flow. As a reaction to the hectic changes of the leasing offers and the available free cash from the bond issuance, some part of the fleet renewal was financed by cash (instead of leasing) in the value of EUR 8.5 million.

There were no other significant investments during the quarter.

## Risks

The main risks affecting the effectiveness of the operation were explained in the 2021 Annual Report. Among these risks, in the second half of 2022, negative changes in the macroeconomic environment, a possible escalation of the war in Ukraine (including the impact on the availability and price of energy), and labour market related challenges may appear most prominently.

## Subsequent events

Waberer's Group signed **investment grant agreements** for developments of warehouse logistics center and regional shared service center establishment with the Ministry of Foreign Affairs and Trade. Highest available amount of the 2 grants is HUF 6.5 billion. The grants will be available if the conditions specified in the agreements are met and in line with the progress of the developments.

Trevelin Holding Zrt, HIGH YIELD Vagyonkezelő Zrt., Geraldton Invest Zrt. and MHB Optimum Zrt. (as current shareholders of 72% shares of Waberer's) published a **public offer** to acquire the ordinary shares issued by Waberer's. The offer price is HUF 2 336 / share. The approval process of the offer has been suspended pending receipt of further regulatory approvals.

The **takeover of the logistics operation of Gyarmati Trans Kft.** has been completed, customers of Gyarmati Trans are served by Waberer's Group from 1 July 2022. The acquired customers represent a revenue potential of cca. annual HUF 1 billion (EUR 2.5 million).

Waberer's signed a sale and purchase pre-agreement with Sidbury Kft. – which is considered as a related party for Waberer's - for the **purchase of a 135,000 square meter plot of land** in Ecser in the value of EUR 4.3 million + VAT. The entry into force of the sale and purchase agreement is subject to additional technical and financial conditions. Waberer's is planning to build an own warehouse logistics center on the acquired land.



## International Transportation Segment

International Transportation Segment financial information (EUR mn)

	Q2 2022 <sup>1</sup>	Q2 2021 <sup>1</sup>	Better (worse)	6M 2022 <sup>1</sup>	6M 2021 <sup>1</sup>	Better (worse)
Revenue	108.7	87.5	24.1%	203.9	169.0	20.7%
Direct costs	(89.5)	(71.3)	(25.5%)	(159.4)	(138.6)	(15.0%)
Gross profit (recurring)	19.2	16.2	18.1%	44.5	30.3	46.8%
OPEX	(9.7)	(7.5)	(28.1%)	(29.0)	(15.2)	(90.2%)
EBITDA (recurring)	9.5	8.7	9.5%	15.5	15.1	3.0%
Depreciation and amortisation	(7.8)	(8.0)	1.8%	(15.8)	(16.3)	2.8%
EBIT (recurring)	1.7	0.7	138.4%	(0.3)	(1.2)	78.0%
Non-recurring items	-	-		-	-	
Gross margin (recurring)	17.6%	18.5%	(0.9 pp)	21.8%	18.0%	3.9 pp
EBITDA margin (recurring)	8.8%	9.9%	(1.2 pp)	7.6%	8.9%	(1.3 pp)
EBIT margin (recurring)	1.5%	0.8%	0.7 pp	(0.1%)	(0.7%)	0.6 pp

<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 11.

International Transportation Segment **revenue** increased by 24.1% in the second quarter of 2022 compared to the same period in 2021. The average active fleet size was 2 011 which doesn't represent material change compared to Q2 2021. Revenue increase is partly due to the price correction mechanism generated by the higher fuel price level but the company also successfully managed to increase its net price level (that is price level decreased by the effect of fuel and transit cost changes) to cover the increase of other direct and indirect costs (including minimal wage increase, the increase of wage related taxes and general wage increase necessary to keep the necessary level of workforce). During Q2 2022, Waberer's managed to agree with all major key account partners to shorten the time demand of the fuel price change driven price correction mechanism from 3 months to a few weeks. As a result of a 20.7% year-on-year increase, the year-to-date revenue in the ITS segment reached EUR 203.9 million in the first half of 2022.

**Recurring gross profit** in the second quarter of 2022 increased by 18.1% to EUR 19.2 million, while the quarterly gross profit margin reached 17.6% which is a 0.9%point margin decrease.

**Recurring EBIT** in the second quarter of 2022 increased by EUR 1 million and reached EUR 1.7 million that means 1.5% EBIT margin. The company managed to compensate the negative effects of minimal wage increase and wage related tax increases in the second quarter of 2022, so the year-to-date EBIT loss was decreased to EUR 0.3 million. We expect that year-to-date EBIT will turn positive in the remaining part of the year.

## Regional Contract Logistics

### Regional Contract Logistics financial information (EUR mn)

	Q2 2022 <sup>1</sup>	Q2 2021 <sup>1</sup>	Better (worse)	6M 2022 <sup>1</sup>	6M 2021 <sup>1</sup>	Better (worse)
Revenue	50.8	46.0	10.4%	99.1	90.3	9.7%
Direct costs	(38.0)	(33.0)	(15.3%)	(74.0)	(64.4)	(14.8%)
Gross profit (recurring)	12.7	13.0	(2.2%)	25.2	25.9	(3.0%)
OPEX	(5.2)	(5.1)	(1.4%)	(10.1)	(10.7)	5.8%
EBITDA (recurring)	7.6	7.9	(4.5%)	15.0	15.2	(1.0%)
Depreciation and amortisation	(3.6)	(3.8)	7.2%	(7.3)	(7.6)	4.4%
EBIT (recurring)	4.0	4.1	(1.9%)	7.8	7.6	2.3%
Non-recurring items	-	-		-	-	
Gross margin (recurring)	25.1%	28.3%	(3.2 pp)	25.4%	28.7%	(3.3 pp)
EBITDA margin (recurring)	14.9%	17.3%	(2.3 pp)	15.2%	16.8%	(1.6 pp)
EBIT margin (recurring)	7.9%	8.9%	(1.0 pp)	7.8%	8.4%	(0.6 pp)

<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 11.

**Revenue** in the Regional Contract Logistics segment was EUR 50.8 million in the second quarter of 2022 which is a 10.4% increase compared to the same period of 2021. The year-to-date segment revenue, as a result of a 9.7% increase, reached EUR 99.1 million. Revenue increase is mostly attributable to the higher transportation revenue that reflects the higher fuel cost level.

**Gross profit** reached EUR 12.7 million in the second quarter at 25.1% gross margin level. Direct cost increase was mostly driven by the higher fuel costs, higher subcontractor costs (also influenced by the actual fuel price level) and the wage increases necessary to keep the desired level of workforce in the segment.

**Recurring EBIT** in the second quarter of 2022 was EUR 4.0 million, which is a EUR 0.1 million decrease compared to Q2 2021, but a EUR 0.3 million EBIT improvement compared to the previous (Q1 2022) quarter. EBIT margin was 7.9% during the quarter. Slightly improving EBIT generation capability of domestic and container transportation activity could compensate the slight EBIT decrease of warehousing and inhouse logistics activity. Half-year EBIT in the RCL segment reached EUR 7.8 million which is 2.3% year-on-year increase.

## Other segment

### Other segment financial information (EUR mn)

	Q2 2022	Q2 2021	Better (worse)	6M 2022	6M 2021	Better (worse)
Revenue	17.7	19.1	(7.6%)	36.3	37.9	(4.0%)
Direct costs	(12.4)	(15.5)	20.2%	(28.0)	(30.9)	9.4%
Gross profit (recurring)	5.3	3.6	46.3%	8.4	7.0	19.7%
OPEX	(0.7)	(0.7)	(0.2%)	(0.9)	(1.1)	12.0%
EBITDA (recurring)	4.6	3.0	56.4%	7.4	5.9	25.4%
Depreciation and amortisation	(0.1)	(0.1)	15.5%	(0.1)	(0.2)	10.4%
EBIT (recurring)	4.6	2.9	58.3%	7.3	5.8	26.3%
Gross margin (recurring)	30.0%	18.9%	11.1 pp	23.1%	18.5%	4.6 pp
EBITDA margin (recurring)	26.3%	15.5%	10.8 pp	20.5%	15.7%	4.8 pp
EBIT margin (recurring)	25.9%	15.1%	10.8 pp	20.1%	15.3%	4.8 pp

**Revenue** in the Other segment - which includes predominantly the third-party insurance activities – decreased by 7.6% and reached EUR 17.7 million in Q2 2022. The reason for the revenue decrease was the weakening of the HUF against the EUR, as our insurance company mainly invoices its customers in Hungarian forint. Revenue calculated in HUF (as the original currency) increased by 1% on year-on-year basis.

The insurance segment reached EUR 4.6 million **recurring EBIT** during the quarter which is a 58.3% increase compared to base period. The improvement is mostly attributable to the positive effect of the revaluation of the damage cost related reserves (EUR 1.7 million). The last month of the 2<sup>nd</sup> quarter already includes the proportional part of insurance extra tax payment obligation to be paid in 2022 and 2023. The expected value of the extra tax payment obligation in 2022 is HUF 1.2 billion.



## Consolidated Financial Report

### Financial statements and key performance indicators

#### Group consolidated income statement (IFRS, EUR mn) and key performance indicators

	Quarterly figures		Year-to-date figures		Better (worse)		Better (worse)	
	Q2 2022 Unaudited <sup>1</sup>	Q2 2021 Unaudited <sup>1</sup>	6M 2022 Unaudited <sup>1</sup>	6M 2021 Unaudited <sup>1</sup>	Q2 2022 EUR mn	Q2 2022 percent	6M 2022 EUR mn	6M 2022 percent
Revenue	173.2	150.0	332.1	292.3	23.3	15.5%	39.8	13.6%
Direct costs	(136.8)	(117.3)	(268.2)	(229.8)	(19.5)	(16.6%)	(38.5)	(16.7%)
Gross profit (recurring)	36.4	32.6	63.9	62.5	3.8	11.6%	1.3	2.2%
OPEX	(14.7)	(13.0)	(25.8)	(26.3)	(1.7)	(12.7%)	0.4	1.7%
EBITDA (recurring)	21.7	19.6	38.0	36.2	2.1	10.9%	1.8	5.0%
Depreciation and amortisation	(11.5)	(11.9)	(23.2)	(24.0)	0.4	3.6%	0.8	3.3%
EBIT (recurring)	10.3	7.7	14.8	12.2	2.6	33.5%	2.6	21%
Financial result	(5.7)	(0.3)	(7.7)	(0.7)	(5.4)		(7.1)	
Taxes	(2.1)	(1.3)	(2.9)	(2.8)	(0.8)	(60.0%)	(0.1)	(3.3%)
Net income (recurring)	2.5	6.1	4.2	8.8	(3.6)	(59%)	(4.6)	(52%)
Non-recurring items	-	-	-	-	-	-	-	-
Average number of trucks	2 769	2 816	2 807	2 818				
Average number of employees	5 801	5 854	5 803	5 919				
Average number of truck drivers	3 440	3 451	3 470	3 495				

<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts as presented in the table below.

	Q2 2022	Q2 2021	6M 2022	6M 2021
Effect on Direct costs	(5.5)	(0.1)	(6.3)	(0.5)
Effect on OPEX	5.5	0.1	6.3	0.5

#### Reconciliation of recurring figures (EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)		Better (worse)	
	Q2 2022 Unaudited <sup>1</sup>	Q2 2021 Unaudited <sup>1</sup>	6M 2022 Unaudited <sup>1</sup>	6M 2021 Unaudited <sup>1</sup>	Q2 2022 EUR mn	Q2 2022 percent	6M 2022 EUR mn	6M 2022 percent
Gross profit (reported)	36.4	32.6	63.9	62.5	3.8	11.6%	1.3	4.5%
EBITDA (reported)	21.7	19.6	38.0	36.2	2.1	11%	1.8	11%
EBIT (reported)	10.3	7.7	14.8	12.2	2.6	33%	2.6	57%
Net income (reported)	2.5	6.1	4.2	8.8	(3.6)	(59%)	(4.6)	
Gross profit (recurring)	36.4	32.6	63.9	62.5	3.8	11.6%	1.3	4.5%
EBITDA (recurring)	21.7	19.6	38.0	36.2	2.1	10.9%	1.8	10.8%
EBIT (recurring)	10.3	7.7	14.8	12.2	2.6	33.5%	2.6	57.4%
Net income (recurring)	2.5	6.1	4.2	8.8	(3.6)	(59%)	(4.6)	

<sup>1</sup> Pro forma figures restated according to IFRS 16.

#### Details of non-recurring items on major P&L lines (EUR mn)

	Q2 2022	Q2 2021	6M 2022	6M 2021
Effect on Direct cost	-	-	-	-
Effect on OPEX	-	-	-	-
Effect on D&A	-	-	-	-
Total non-recurring items	-	-	-	-

#### Details of non-recurring items on major P&L lines (EUR mn)

Non-recurring items were not incurred in the presented periods.

## International Transportation Segment, financial information (IFRS, EUR mn) and key performance indicators

	Quarterly figures		Year-to-date figures		Better (worse)		Better (worse)	
	Q2 2022	Q2 2021	6M 2022	6M 2021	Q2 2022		6M 2022	
	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	EUR mn	percent	EUR mn	percent
Revenue	108.7	87.5	203.9	169.0	21.1	24.1%	34.9	20.7%
Direct costs	(89.5)	(71.3)	(159.4)	(138.6)	(18.2)	(25.5%)	(20.7)	(15.0%)
Gross profit (recurring)	19.2	16.2	44.5	30.3	2.9	18.1%	14.2	46.8%
OPEX	(9.7)	(7.5)	(29.0)	(15.2)	(2.1)	(28.1%)	(13.7)	(90.2%)
EBITDA (recurring)	9.5	8.7	15.5	15.1	0.8	10%	0.4	3%
Depreciation and amortisation	(7.8)	(8.0)	(15.8)	(16.3)	0.1	1.8%	0.5	2.8%
EBIT (recurring)	1.7	0.7	(0.3)	(1.2)	1.0	138%	0.9	78%
Non-recurring items	-	-	-	-	-	-	-	-
Average number of trucks	2 011	2 030	2 045	2 040				
Average number of truck drivers	2 589	2 553	2 619	2 580				
Number of orders (thousand)	62.3	70.3	126.7	135.2				

<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts presented in the table below.

	Q2 2022	Q2 2021	6M 2022	6M 2021
Effect on Direct costs	(5.5)	0.1	(6.3)	(0.4)
Effect on OPEX	5.5	(0.1)	6.3	0.4

## Regional Contract Logistics segment, financial information (IFRS, EUR mn) and key performance indicators

	Quarterly figures		Year-to-date figures		Better (worse)		Better (worse)	
	Q2 2022	Q2 2021	6M 2022	6M 2021	Q2 2022		6M 2022	
	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	EUR mn	percent	EUR mn	percent
Revenue	50.8	46.0	99.1	90.3	4.8	10.4%	8.8	9.7%
Direct costs	(38.0)	(33.0)	(74.0)	(64.4)	(5.0)	(15.3%)	(9.5)	(14.8%)
Gross profit (recurring)	12.7	13.0	25.2	25.9	(0.3)	(2.2%)	(0.8)	(3.0%)
OPEX	(5.2)	(5.1)	(10.1)	(10.7)	(0.1)	(1.4%)	0.6	5.8%
EBITDA (recurring)	7.6	7.9	15.0	15.2	(0.4)	(4.5%)	(0.2)	(1.0%)
Depreciation and amortisation	(3.6)	(3.8)	(7.3)	(7.6)	0.3	7.2%	0.3	4.4%
EBIT (recurring)	4.0	4.1	7.8	7.6	(0.1)	(1.9%)	0.2	2.3%
Non-recurring items	-	-	-	-	-	-	-	-
Average number of trucks	758	786	762	778				
Average number of truck drivers	851	898	851	915				
Warehousing capacity (th. sq. metres)	236.3	251.6	244.1	252.1				

<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts presented in the table below.

	Q2 2022	Q2 2021	6M 2022	6M 2021
Effect on Direct costs	(0.0)	0.0	0.1	0.0
Effect on OPEX	0.0	0.0	(0.1)	(0.0)

## Other segment, financial information (IFRS, EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)		Better (worse)	
	Q2 2022	Q2 2021	6M 2022	6M 2021	Q2 2022		Q2 2022	
	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	Unaudited <sup>1</sup>	EUR mn	percent	EUR mn	percent
Revenue	17.7	19.1	36.3	37.9	(1.5)	(7.6%)	(1.5)	(4.0%)
Direct costs	(12.4)	(15.5)	(28.0)	(30.9)	3.1	20.2%	2.9	9.4%
Gross profit (recurring)	5.3	3.6	8.4	7.0	1.7	46.3%	1.4	19.7%
OPEX	(0.7)	(0.7)	(0.9)	(1.1)	(0.0)	(0.2%)	0.1	12.0%
EBITDA (recurring)	4.6	3.0	7.4	5.9	1.7	56.4%	1.5	25.4%
Depreciation and amortisation	(0.1)	(0.1)	(0.1)	(0.2)	0.0	15.5%	0.0	10.4%
EBIT (recurring)	4.6	2.9	7.3	5.8	1.7	58.3%	1.5	26.3%
Non-recurring items	-	-	-	-	-	-	-	-

<sup>1</sup> Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts presented in the table below.

	Q2 2022	Q2 2021	6M 2022	6M 2021
Effect on Direct costs	-	-	-	-
Effect on OPEX	-	-	-	-

## Inter-segment eliminations in the income statement (IFRS, EUR mn)

	Quarterly figures		Year-to-date figures	
	Q2 2022	Q2 2021	6M 2022	6M 2021
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	(3.8)	(2.7)	(7.2)	(4.9)
Direct costs	3.1	2.2	5.7	3.8
Gross profit (recurring)	(0.8)	(0.5)	(1.5)	(1.0)
OPEX	0.8	0.5	1.5	1.0
EBITDA (recurring)	(0.0)	(0.0)	(0.0)	(0.0)
Non-recurring items	-	-	-	-



| Group consolidated balance sheet (IFRS, EUR mn)

	30 June 2022	31 December 2021	30 June 2021
	Unaudited	Audited	Unaudited
<b>NON-CURRENT ASSETS</b>			
Property	51.9	54.0	58.8
of which: Right of use assets	44.2	42.5	45.5
Fixed assets not yet capitalized	3.1	0.4	0.6
Vehicles	101.1	90.7	84.2
Other equipment	2.6	3.1	3.2
<b>Total property, plant and equipment</b>	<b>158.7</b>	<b>148.3</b>	<b>146.7</b>
Intangible assets	13.7	16.2	15.8
Goodwill	17.7	17.7	17.7
Other Financial investments - Debt instruments - Long term	63.1	93.7	94.7
Other Financial investments - Equity instruments - Long term	-	-	-
Other non-current financial assets	0.0	0.0	0.0
Reinsurance amount of technical reserves	53.2	53.3	50.0
Deferred tax asset	5.3	6.0	2.7
<b>TOTAL NON-CURRENT ASSETS</b>	<b>311.7</b>	<b>335.2</b>	<b>327.7</b>
<b>CURRENT ASSETS</b>			
Inventories	4.0	3.6	2.8
Current income taxes	2.3	1.2	2.6
Trade receivables	112.5	90.3	79.1
Other current assets and derivatives	59.3	26.7	33.2
Cash and cash equivalents	101.7	58.6	66.4
Assets classified as held for sale	0.0	0.1	0.1
<b>TOTAL CURRENT ASSETS</b>	<b>279.9</b>	<b>180.5</b>	<b>184.3</b>
<b>TOTAL ASSETS</b>	<b>591.6</b>	<b>515.7</b>	<b>511.9</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6.1	6.1	6.1
Reserves and retained earnings	64.6	70.3	64.7
Translation difference	(12.3)	(8.0)	(4.6)
Total equity attributable to the equity holders of the parent company	<b>58.4</b>	<b>68.5</b>	<b>66.2</b>
Non-controlling interest	0.4	0.3	0.2
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>58.8</b>	<b>68.8</b>	<b>66.4</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Long-term portion of long-term loans	110.9	20.8	21.0
Long-term portion of leasing liabilities	79.3	78.3	58.9
Deferred tax liability	0.7	2.1	1.2
Provisions	28.0	21.3	21.3
Other long-term liabilities	2.1	2.6	2.8
Other insurance technical provision - long term	108.7	111.9	108.6
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>329.7</b>	<b>237.0</b>	<b>213.7</b>
<b>CURRENT LIABILITIES</b>			
Short-term loans and borrowings	3.6	24.8	28.8
Short-term portion of leasing liabilities	55.0	53.9	70.3
Trade payables	106.4	87.6	93.3
Current income taxes	0.5	1.2	0.4
Provisions	3.2	5.6	3.5
Other current liabilities and derivatives	19.5	21.2	21.1
Other insurance technical provision - short term	14.9	15.6	14.3
<b>TOTAL CURRENT LIABILITIES</b>	<b>203.1</b>	<b>209.8</b>	<b>231.8</b>
<b>TOTAL LIABILITIES</b>	<b>532.8</b>	<b>446.9</b>	<b>445.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>591.6</b>	<b>515.7</b>	<b>511.9</b>
<b>DEBT</b>			
Gross financial indebtedness	251.0	180.3	181.8
Net financial indebtedness	149.2	121.7	115.4
LTM recurring EBITDA <sup>1</sup>	76.0	74.2	66.2
Net leverage ratio	<b>2.0</b>	<b>1.6</b>	<b>1.7</b>

<sup>1</sup> Cumulated last 12 months recurring EBITDA

## Group consolidated cash flow statement (IFRS, EUR mn)

	Quarterly figures		Year-to-date figures	
	Q2 2022 Unaudited	Q2 2021 Unaudited	6M 2022 Unaudited	6M 2021 Unaudited
<b>Profit/loss before tax</b>	<b>4.6</b>	<b>7.4</b>	<b>7.1</b>	<b>11.6</b>
Non-realised exchange loss/gain on other FX assets and liabilities (-)	3.4	(0.0)	4.6	(2.6)
Booked depreciation and amortisation	9.7	10.2	19.7	20.5
Impairment	0.0	(0.1)	(0.2)	(0.3)
Interest expense	1.7	1.0	2.6	2.1
Interest income	(0.0)	0.0	(0.1)	0.0
Difference between provisions allocated and used	3.6	(1.5)	4.2	(2.7)
Changes of Insurance technical reserves	(6.1)	1.7	(3.2)	4.7
Result from sale of tangible assets	(0.2)	(0.1)	(0.1)	(0.1)
Result from sale of non-current assets held for sale	(0.3)	(0.2)	(0.7)	(0.3)
<b>Net cash flows from operations before changes in working capital</b>	<b>16.5</b>	<b>18.4</b>	<b>34.0</b>	<b>32.9</b>
Changes in inventories	(0.6)	(0.3)	(0.4)	(0.3)
Changes in trade receivables	(8.4)	1.4	(21.9)	(6.3)
Changes in other current assets and derivative financial instruments	(22.9)	(12.7)	(17.2)	(12.3)
Changes in trade payables	7.3	15.5	18.5	12.6
Changes in other current liabilities and derivative financial instruments	0.9	(3.0)	(4.1)	(3.0)
Changes in Insurance technical liabilities	5.6	4.5	(0.7)	4.3
Income tax paid	(2.9)	(3.7)	(5.4)	(4.8)
<b>I. Net cash flows from operations</b>	<b>(4.6)</b>	<b>20.1</b>	<b>3.0</b>	<b>23.1</b>
Tangible asset additions	(12.1)	(1.7)	(14.4)	(2.5)
Income from sale of tangible assets	0.2	0.1	0.4	0.2
Income from sale of non-current assets held for sale	2.8	0.7	5.4	3.6
Changes in other non-current financial assets	(0.0)	0.1	(0.0)	0.1
Changes in Financial investments (Equity and Debt instruments)	9.5	(7.4)	8.7	(9.5)
Interest income	(0.0)	(0.0)	(0.1)	-
<b>II. Net cash flows from investing activities</b>	<b>0.4</b>	<b>(8.2)</b>	<b>(0.1)</b>	<b>(8.0)</b>
Borrowings	92.2	2.9	89.4	(2.9)
Repayment of loans, borrowings	(20.8)	0.0	(20.8)	0.0
Lease payment	(10.4)	(13.1)	(20.3)	(16.4)
Lease payment related to sold assets	(2.7)	(1.4)	(5.5)	(3.4)
Interest paid	(1.7)	(1.5)	(2.6)	(2.1)
<b>III. Net cash flows from financing activities</b>	<b>56.7</b>	<b>(13.1)</b>	<b>40.3</b>	<b>(24.8)</b>
<b>IV. Changes in cash and cash equivalents</b>	<b>52.5</b>	<b>(1.1)</b>	<b>43.2</b>	<b>(9.7)</b>
Cash and cash equivalents as at the beginning of the period	49.3	67.5	66.4	76.1
Cash and cash equivalents as at the end of the period	101.7	66.4	109.5	66.4
<b>Free cash flow</b>	<b>43.0</b>	<b>6.2</b>	<b>34.6</b>	<b>(0.3)</b>

## Group consolidated statement of changes in equity (IFRS, unaudited, EUR mn)

	Subscribed capital	Reserves and retained earnings	Translation difference	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total shareholders' equity
<b>Opening value as at 1 January 2022</b>	6.1	70.3	(8.0)	68.5	0.3	68.8
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	(0.0)	(2.4)	-	(2.4)	-	(2.4)
Fair-value of financial instruments	-	(7.3)	-	(7.3)	-	(7.3)
Exchange difference on foreign operations	-	-	(4.4)	(4.4)	-	(4.4)
Other comprehensive income	(0.0)	(9.7)	(4.4)	(14.0)	-	(14.0)
Profit/Loss for the period	-	4.2	-	4.2	0.1	4.2
<b>Total comprehensive income</b>	<b>(0.0)</b>	<b>(5.5)</b>	<b>(4.4)</b>	<b>(9.9)</b>	<b>0.1</b>	<b>(9.8)</b>
Other movements	-	(0.2)	0.0	(0.2)	-	(0.2)
<b>Closing value as at 30 June 2022</b>	<b>6.1</b>	<b>64.6</b>	<b>(12.3)</b>	<b>58.4</b>	<b>0.4</b>	<b>58.8</b>
<b>Opening value 1 January 2021</b>	6.1	56.8	(6.8)	56.2	0.2	56.4
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	0.2	-	0.2	-	0.2
Fair-value of financial instruments	-	(1.3)	-	(1.3)	-	(1.3)
Exchange difference on foreign operations	-	-	2.2	2.2	-	2.2
Other comprehensive income	-	(1.1)	2.2	1.1	-	1.1
Profit/Loss for the period	-	8.8	-	8.8	0.0	8.8
<b>Total comprehensive income</b>	<b>-</b>	<b>7.7</b>	<b>2.2</b>	<b>9.9</b>	<b>0.0</b>	<b>9.9</b>
Other movements	-	0.1	(0.0)	0.1	0.0	0.1
<b>Closing value as at 30 June 2021</b>	<b>6.1</b>	<b>64.7</b>	<b>(4.6)</b>	<b>66.2</b>	<b>0.2</b>	<b>66.4</b>

## Notes

Notes on the Consolidated Financial Report are integrated to the Management Report section of the Half-year Report.



## Applied Accounting Policy

The half-year report was prepared in accordance with the guidelines of IAS 34, so it complies with International Financial Reporting Standards. There were no changes in the applied accounting policy compared to audited 2021 Annual Report and to the previous quarterly report.

## Declaration

We the undersigned representing WABERER'S INTERNATIONAL Nyrt. declare that the financial report for first half of 2022 of WABERER'S INTERNATIONAL Nyrt. has been prepared in accordance with applicable accounting standards and to the best of our knowledge, gives a true and fair view of the assets, liabilities, financial position and profit or loss of WABERER'S INTERNATIONAL Nyrt. and the subsidiaries included in the consolidation, and the management report (business report) gives a fair view of the position, development and performance of WABERER'S INTERNATIONAL Nyrt. and the subsidiaries included in the consolidation, together with a description of the principal risks and uncertainties of its business for the remaining period of 2022.

An Independent Auditor's Report was not prepared for the H1 2022 financial report.

Budapest, 4 August 2022

A handwritten signature in blue ink that reads 'Zsolt Barna'.

Zsolt Barna  
Chief Executive Officer

A handwritten signature in blue ink that reads 'Szabolcs Tóth'.

Szabolcs Tóth  
Group CFO – Finance & Strategy

## Glossary

### Income statement

**Direct Costs:** All costs, expenses and income that can be directly attributed to revenue. In the income statement presentation of the annual report, this includes Cost of trucking subcontractors, Cost of goods sold, Direct wages, benefits & allowances, Fuel cost, Toll fees & transit costs, Repair & maintenance, Insurance costs, Reinsurance fee, Direct rent, Other contracts, Vehicle weight tax and other transport related taxes, and Net gain on fleet sales.

**OPEX:** All costs, expenses and income that cannot be directly assigned to revenue. In the income statement presentation of the annual report, this includes indirect wages & benefits, Other services, Other operating income, and Other operating expense.

**EBITDA:** Earnings before interest, tax, depreciation and amortisation.

**EBIT:** Earnings before interest and tax.

**Non-recurring items:** One-off revenue or cost items related to consultancy services, severance payments, provisions for the employee share ownership programme, goodwill impairment, and other income and expense related to lawsuits and settlements and one-off cost items of change of operational model.

**Recurring EBITDA:** EBITDA adjusted with non-recurring items.

**Recurring EBIT:** EBIT adjusted with non-recurring items.

**Recurring Net income:** Net income adjusted with non-recurring items.

### Cash flow and debt

**Free Cash Flow:** The sum of the following cash flow items: Net cash from operations, Tangible asset additions, Income from sale of non-current assets held for sale, Borrowings, Lease payments related to sold assets, Lease payment and Interest paid.

**Gross financial indebtedness:** The sum of the following balance sheet items: Long-term portion of long-term loans, Long-term portion of leasing liabilities, Short-term loans and borrowings, and Short-term portion of leasing liabilities.

**Net financial indebtedness:** Gross leverage less Cash and cash equivalents.

**Net leverage ratio:** Net leverage divided by last twelve month recurring EBITDA.

### Other terms

**ITS:** International Transportation Segment, including operations in Poland.

**RCL:** Regional Contract Logistics segment.

**Other segment:** The part of the Group not performing transportation-related operations. The majority of the Other segment's performance is the activity of the Insurance Company insuring third parties.

**Insurance Company:** Wáberer Hungária Biztosító Zrt., is fully owned by Waberer's International Nyrt.