



Independent Auditor's Report

To the Shareholders of the AutoWallis Nyilvánosan Működő Részvénytársaság

Opinion

We have audited the separate financial statements of **AutoWallis Nyilvánosan Működő Részvénytársaság** (seat: 1055 Budapest, Honvéd utca 20., registration number: Cg.: 01-10-047350) („the Company”) prepared under International Financial Reporting Standards as adopted by the European Union, which comprise the statement of financial position as at December 31, 2019., and the statement of comprehensive income, and notes to the financial statements, including summary of significant policies. In these financial statements the total asset values 16 488 023 tHUF, net assets 16 463 427 tHUF, the net profit is 719 641 tHUF.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union together with the additional requirements set out in the Accounting Act applicable for those preparing their separate financial statements under IFRSs.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Audit and in accordance with the law and other regulation applicable in the Hungarian jurisdiction, including the Regulation of the EU Council 537/2014/EU on statutory audit for public interest entities (hereinafter: 537/2014 EU Regulation). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical rules applicable in Hungary and in issues not regulated there in accordance with the Codex issued by the International Ethics Standards Board for Accountants (IESBA Codex) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Key Audit Matters

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

Key audit matters	Our audit procedures, how the matter was addressed
The measurement of the company's investments in subsidiaries	
<p>The Company received additional capital in the last business period through the transfer of several entities. In the current year these investments received further additional capital in the value of 320 354 tHUF. Furthermore, the subsidiaries repaid the additional capital contribution provided them previously, this year. The carrying amount of the investments in the subsidiaries at the end of the year was 16 045 354 tHUF.</p> <p>The Company measured their investments in those subsidiaries at the end of the business year.</p> <p>The investments held for longer term will be measured and tested at least once for impairment to see if the adjustment of the book value is necessary.</p> <p>This test is performed by measuring the equity of the investment. When assessing the fair market value of the equity, the revenue generation ability of the underlying investment is investigated. When assessing the fair value of the equity, the existence of a prolonged trend is a primary issue.</p> <p>The application of this method requires the management to make extensive judgements and estimations.</p> <p>Therefore, we identified the measurement of the investments a key audit matter.</p>	<p>We have investigated if the rules relevant to the transactions (additional capital provided and the decrease of the investments) and the assumptions used for these issues are appropriate and if they are in line with International Financial Reporting Standards.</p> <p>We focused on the question whether the methodology and the assumptions of the management in connection with the impairment testing is appropriate to conduct a test like this.</p> <p>We were testing the value of the equity of the subsidiaries and the recoverability of those investments.</p> <p>When auditing the impairment test of the subsidiaries we taken into consideration how prolonged the process is (was). When assessing the prolonged nature, we took into consideration the relevant accounting framework (IFRS as adopted by the EU), past experience and future expectations.</p>



Report on other Regulatory Requirements: Business Report

The other regulatory requirements include the business report of the company for the year ending on 31 December, 2019. The management is responsible to prepare the business report in line with the Act of Accounting and other relevant legislation. Our opinion expressed in the "Opinion" section does not apply to the Business Report.

Our responsibility in relation of the Business Report to read the report to assess if the Business Report contradicts the Financial Statements and to assess if based on our audit evidence obtained the Business Report contains a material misstatement.

Based on the Accounting Act it is our responsibility to assess if the Business Report meets the requirements of 95/B § (2) e) and f) in the Accounting Act. We also need to state if the information required by 95/B § (2) a-d) and g) are disclosed.

In our opinion the Business Report of AutoWallis Nyilvánosan Működő Részvénytársaság for the year ended on December 31, 2019 is in consistent with the financial statement for the year then ending in all material respect. The information required by 95/B § (2) a-d) and g) of the Accounting Act is disclosed. In the separate business report, we did not identify controversy or material misstatement, so we do not have to report on these issues.

Since other regulation does not require any other disclosure in the Business Report, we do not express an opinion required by 156 § (5) h of the Accounting Act.

Furthermore we are required to report if we are aware of any incorrect communication (material misstatement) made before the date of this audit opinion based on our information received from the Company. If yes, we need to identify the communication and report the nature of it. We do not have anything to report in this matter.

Responsibilities of the Management for the Financial Statements

Management is responsible of the preparation and fair presentation of the financial statements in accordance with the Accounting Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



As a part of an audit in accordance with the Hungarian Standards on Audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Furthermore, we notify those who are charged with governance – next to other issues – the planned scope and timing of the audit, the main findings of our audit, including the identified weaknesses of the internal control system of the Company, if any.

Furthermore, we declare that we met the independency requirement and the relevant ethical rules and communicate all other relation that may effect this independency, including the security measures we took.

We communicate to those charged with governance those issues that had great importance during the audit of the financial statements, and they qualify for being key audit matters. We communicate these matters in our audit report unless the regulation prohibits it or an extremely important interest suggests otherwise, since the benefits of the public communication are expected to be outweighed by the consequences.

Report on the other legal or regulatory requirements

According to the Regulation 537/2014/EU we issue the following statements.



The appointment of the auditor

The Annual General Meeting of the Entity appointed us as auditors on 17th December 2018 as the statutory auditor of the Entity and our appointment was for the following three business years: 2018-2019-2020.

Report to the Audit Committee

We confirm that this audit report is in line with the additional report issued to the Audit Committee of the Entity in accordance with Paragraph 11 of 537/2014/EU, which was issued on 7th April 2020.

Non-audit services

We confirm that we did not provide any services – other than the statutory audit of the financial statements – to the firm, so we did not provide any service that would fall under 537/2014/EU, paragraph 5, point 1. We did not provide any services for entities controlled by this Company. We maintained our independence during the audit fully.

The engagement partner of the audit that resulted in this audit report is dr. Csaba Adorján, who is in charge of the audit since 17th December 2018.

At Budapest, on 7th April 2020

dr. Adorján Csaba
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Registration number: 004162

dr. Adorján Csaba
Registered auditor
Registration number: 001089.

Disclaimer!

This is the translation of the Audit Report issued in Hungarian. This is only for information purposes. In case of any discrepancy the Hungarian language document remains valid!