AutoWallis Group

Half-year Report

For the six-months ended on 30 June 2024

15 August 2024

Budapest – 16 August 2024 – AutoWallis Nyrt. (Reuters: AUTW.HU and Bloomberg: AUTOWALL HB, website: www.autowallis.com, hereinafter: "Company", "AutoWallis Group" or "the Group") published its Half-year report for 2024 (for the period ended 30 June 2024) today. The report contains the interim condensed consolidated financial statements for the six-months period ended 30 June 2024 prepared by the Company's management in accordance with the International Financial Reporting Standards endorsed by the European Union (EU IFRS) and the Company's management (business) report.

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This document is an English translation of the AutoWallis Group's Half-year report for six-months period ended on 30 June, 2024. In case of any difference from the Hungarian version, the Hungarian version prevails.

A MESSAGE BY THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER TO SHAREHOLDERS

Dear Shareholders and Investors,

We are planning to double our revenue and profits and expand internationally until 2028. This is a brief summary of our updated strategy, which we presented during the spring, five years after AutoWallis Group had gone public. In half a decade, we recorded tremendous growth as our revenue has quadrupled and our profits have increased tenfold. In addition to organic growth, this expansion has been driven by over ten acquisitions, **and so we have become increasingly dominant in car distribution and mobility services at the regional level as well.** On top of the HUF 5.7 billion capital increase carried out by our majority shareholder Wallis Group at the beginning of the year, our growth plans are also supported by the new Board of Directors appointed by our shareholders during the spring.

Our Q2 revenue of HUF 106 billion is a new record high for the Company, as a result of which we recorded a revenue of HUF 195.2 billion and an EBITDA of HUF 9 billion in the first half of the year. The revenue of our Distribution Business Unit declined primarily due to base effects and the challenges of sea transport, while the performance of our Retail Business Unit exceeded the market average. Early 2024, we organised our mobility services into our new Mobility Services Business Unit given their increasing importance, which was partly the result of the acquisitions completed in 2023 (Nelson Flottalízing and wigo carsharing). **We are continuing to expect our 2024 sales figures to increase substantially from last year in the current macroeconomic environment.**

The first six months of the year saw ongoing business development, the most prominent project being the **acquisition of three BMW dealerships of Stratos Auto of the Czech Republic,** which allowed us to enter the automotive retail market of yet another country. Additionally, **we extended our Opel distribution contract covering four countries** in the Central and Eastern European region **by five years, we acquired the import rights for SsangYong for four more years,** and AutoWallis **became the importer of Farizon, a commercial vehicle brand of Geely Group, a Chinese entity, in eight countries in the region.**

In addition to organic growth, we are continuing to plan two to three acquisitions a year for the upcoming five years. Our goal is to be present in the countries covered by AutoWallis with as many of the brands we already represent as possible, thereby expanding our portfolio in the retail sector as well. In the meantime, we are working on expanding the range of brands we represent, with special regard to emerging manufacturers. The more intensive stage of growth could last until 2026, followed by a stable phase of normalisation. We are not planning to carry out any additional capital increase until 2028, and the implementation of our strategy will be funded by the profits we generate and through other sources, primarily bonds and bank financing. **For the period after 2026, we intend to propose a long-term dividend scheme,** further strengthen our capital market presence until 2028, obtain an ESG certification, capitalise on additional green financing opportunities, and expand our analyst coverage.

As a result, our revenue could rise sharply to more than twice the level recorded last year (as much as HUF 750 billion) by 2028, while our EBITDA and profit before tax could improve at a similar rate to HUF 40 billion and HUF 25 billion, respectively, accompanied by improved operating efficiency.

Zsolt Müllner
Chairman

Gábor Ormosy
Chief Executive Officer

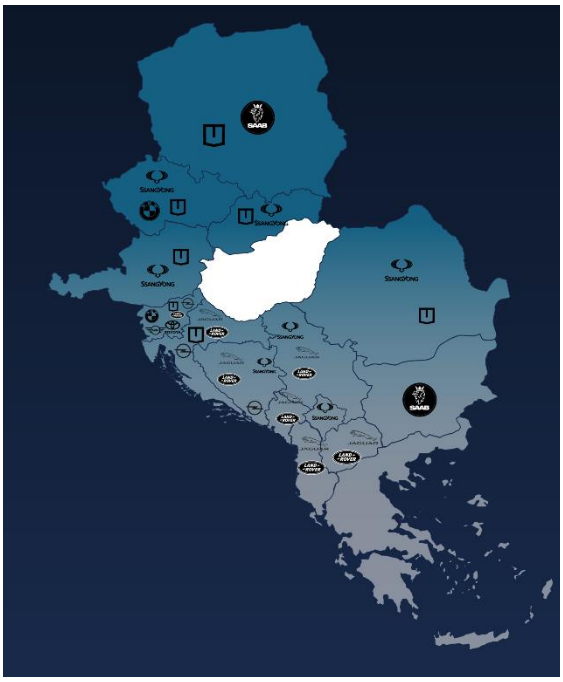
Management (Business) Report of AutoWallis Group

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, BYD, Dacia, Isuzu, Jaguar, KIA, Land Rover, Maserati, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, Toyota, 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.

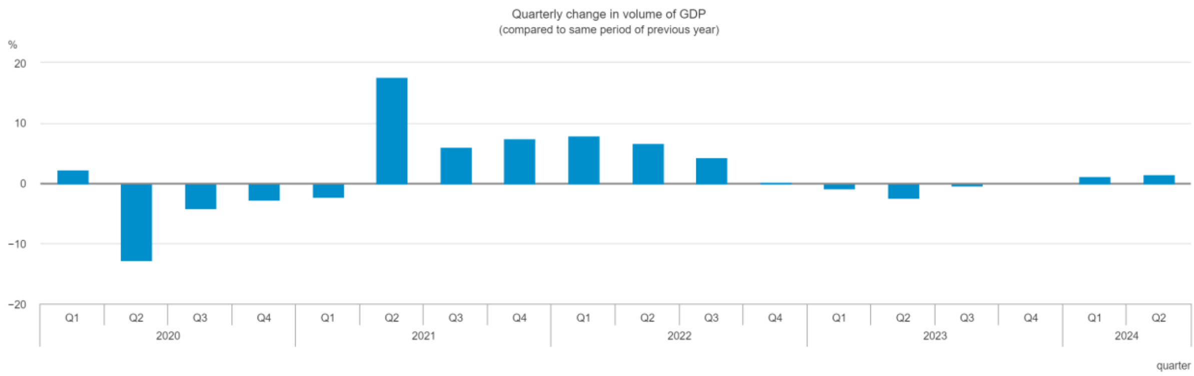
Stock exchange presence

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 almost 4,000 retail shareholders and over 40 institutional investors, some of them foreign, are supporting the Group's growth strategy.

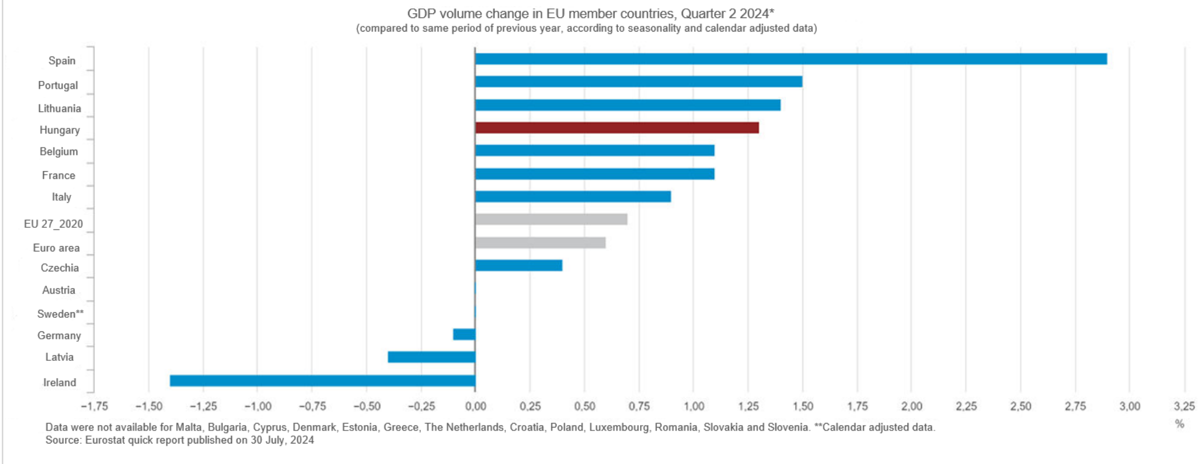
[1] Which collectively refers to AutoWallis Nyrt. and its subsidiaries, as explained in the Company Structure and Sites section

THE ECONOMIC AND MARKET ENVIRONMENT OF THE GROUP[2]

GDP development



In 2024Q2, the economic performance of the European Union and the Hungarian economy improved compared to the same period of the previous year by 0.7% and 1.3%, respectively. In comparison with the previous quarter, the economic performance of the EU essentially stagnated as Hungary saw a decline of 0.2%, while other significant markets of AutoWallis Group were characterised by stagnation or slight growth.



Changes in inflation[3]

In 2023, inflation and interest rates peaked at a high level in the European Union (particularly the relevant markets of the Group) and stabilised by the end of the year.

The rate of price increase already slowed down considerably in the first half of 2024 and the interest rate environment also became significantly more favourable. In addition to these beneficial effects, rising real wages have also had a positive impact on the propensity to buy cars (more significantly in Hungary and less so in the Group's export markets), which has also been reflected in the number of orders placed.

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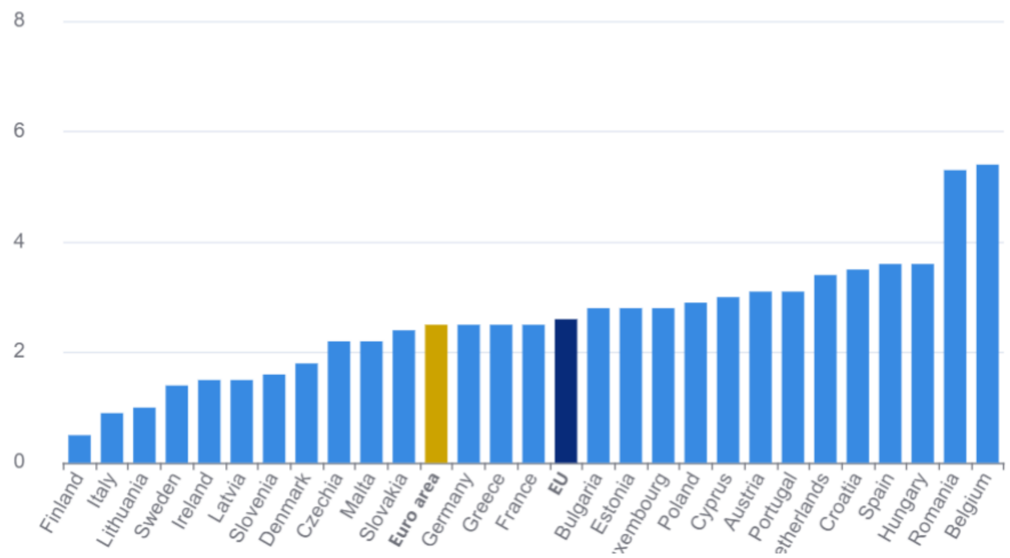
[2] Source of external economic data: https://www.ksh.hu/heti-monitor/index.html (published: 30/07/2024)

[3] Source: https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-17072024-ap

Annual inflation rates (%) in June 2024



The favourable change in the number of units sold has also been driven by the fact that the price index for motor vehicles in Hungary (which continues to be the Group's most significant market) is below the inflation. While the consumer price index for new passenger cars was, on average, 3.1% in 2024H1 compared to the same period of the previous year, the rate of price increase had been nearly 20% in 2023H1. The same index for used motor vehicles was at -10% in 2024H1, meaning that the average price level of used motor vehicles has dropped.[4]

[4] Source: https://www.ksh.hu/stadat_files/ara/hu/ara0041.html

New passenger car sales

	January - June 2024	2023	% ch.	Change
Austria	**135,113**	**126,690**	**6.6%**	**8,423**
Belgium	263,408	264,475	-0.4%	-1,067
Bulgaria	**23,047**	**17,616**	**30.8%**	**5,431**
Croatia	**39,591**	**34,571**	**14.5%**	**5,020**
Cyprus	8,791	7,642	15.0%	1,149
Czech Republic	**119,221**	**115,548**	**3.2%**	**3,673**
Denmark	86,362	84,312	2.4%	2,050
Estonia	10,167	12,131	-16.2%	-1,964
Finland	39,154	46,874	-16.5%	-7,720
France	914,886	889,776	2.8%	25,110
Germany	1,471,641	1,396,870	5.4%	74,771
Greece	78,020	70,361	10.9%	7,659
Hungary	**63,337**	**56,594**	**11.9%**	**6,743**
Ireland	78,926	77,602	1.7%	1,324
Italy	885,731	840,658	5.4%	45,073
Latvia	8,734	10,010	-12.7%	-1,276
Lithuania	14,788	14,777	0.1%	11
Luxembourg	25,082	26,494	-5.3%	-1,412
Malta	4,429	3,970	11.6%	459
The Netherlands	193,617	200,592	-3.5%	-6,975
Poland	**276,957**	**238,674**	**16.0%**	**38,283**
Portugal	116,417	110,155	5.7%	6,262
Romania	**83,505**	**73,645**	**13.4%**	**9,860**
Slovakia	**47,045**	**45,457**	**3.5%**	**1,588**
Slovenia	**28,337**	**27,310**	**3.8%**	**1,027**
Spain	535,243	505,424	5.9%	29,819
Sweden	132,294	140,660	-5.9%	-8,366
European Union	**5,683,843**	**5,438,888**	**4.5%**	**244,955**
Iceland	6,356	10,266	-38.1%	-3,910
Norway	61,258	66,547	-7.9%	-5,289
Switzerland	121,218	123,753	-2.0%	-2,535
EFTA	**188,832**	**200,566**	**-5.9%**	**-11,734**
UK	1,006,763	949,720	6.0%	57,043
TOTAL (EU + EFTA + UK)	**6,879,438**	**6,589,174**	**4.4%**	**290,264**

Source: ACEA

The number of first registrations of passenger cars in the European Union increased by 4.5% in 2024H1 compared to the same period of the previous year, which is still below the pre-pandemic level (-18%). The countries in the Central and Eastern European region show a mixed picture in terms of growth rates.

The region where AutoWallis Group's business is carried out (and thus its relevant market) is Central and Eastern Europe.

	January - June 2024	2023	% ch.	Change
Bulgaria	22,947	17,549	30.8%	5,398
Bosnia and Herzegovina	5,455	5,148	6.0%	307
Croatia	39,470	34,205	15.4%	5,265
Czech Republic	119,337	115,645	3.2%	3,692
Hungary	63,337	56,567	12.0%	6,770
Poland	277,797	239,658	15.9%	38,139
Romania	83,624	73,752	13.4%	9,872
Serbia	15,162	12,674	19.6%	2,488
Slovakia	47,142	45,409	3.8%	1,733
Slovenia	28,378	27,384	3.6%	994
Total	**702,649**	**627,991**	**11.9%**	**74,658**

source: Datahouse

The strategy formulated by the Company also focuses on this region.

The number of first registrations of new passenger cars **in the relevant markets of AutoWallis Group** (see the table above) **improved by nearly 12%** in the first half of 2024, significantly exceeding the average growth rate of the EU,[5] including Hungary, the key market of AutoWallis Group.

With all of these trends in mind, the **19% organic growth** in the number of new and used vehicles sold by AutoWallis Group in the Retail Business Unit **(which exceeds the market growth rate)[6] can be considered outstanding** and demonstrates the Group's resilience resulting from its diversification in terms of brands, segments and geographical areas.

The conditions in the Central European countries, particularly the general geopolitical uncertainties of the region (the war between Russia and Ukraine, etc.) and their consequences, are expected to continue to put pressure on the automotive market during the period ahead. The Company continuously monitors these factors and takes appropriate action as required.

[5] The Company uses the data provided by Datahouse for the data of relevant markets 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.

[6] The details are presented in the section of this report entitled Analysis of the Group's operating results

SUMMARY OF FINANCIAL AND OPERATING PERFORMANCE IN 2024H1[7]

Analysis of the Group's financial performance

Data in HUF million (mHUF)	2024H1	2023H1	% change	Change
Revenue	195,166	193,592	1%	1,574
Distribution Business Unit	108,672	118,783	-9%	(10,111)
Retail Business Unit	83,104	72,303	15%	10,801
Mobility Services Business Unit	3,390	2,506	35%	884
Interest income from lease receivables	966	750	29%	216
Material expenses + Own performance capitalised	(4,222)	(3,773)	12%	(449)
Services	(10,635)	(8,305)	28%	(2,330)
Cost of goods sold	(162,623)	(163,865)	-1%	1,242
Personnel expenses	(9,263)	(6,620)	40%	(2,643)
Depreciation and amortisation	(2,453)	(2,012)	22%	(441)
Profit of sales	**6,936**	**9,767**	**-29%**	**(2,831)**
Other income and expenses	(534)	(259)	106%	(275)
Impairment losses on non-financial instruments	61	(988)	-106%	1,049
Expected impairment losses on financial instruments	28	(159)	-118%	187
Other income and expenses	**(446)**	**(1,406)**	**-68%**	**960**
OPERATING PROFIT - EBIT	**6,490**	**8,361**	**-22%**	**(1,871)**
Interest income	661	804	-18%	(143)
Interest expense	(1,830)	(2,394)	-24%	564
Financial expenses from leases	(642)	(446)	44%	(196)
Foreign exchange gains or losses, net	(660)	1,092	-160%	(1,752)
Valuation difference of financial instruments	(28)	330	-108%	(358)
Other financial gains or losses, net	-	3	-100%	(3)
Financial gains or losses	**(2,499)**	**(611)**	**309%**	**(1,888)**
Share of profit of associates and joint ventures	447	917	-51%	(470)
PROFIT BEFORE TAX	**4,438**	**8,667**	**-49%**	**(4,229)**
Tax expense	(1,056)	(1,135)	-7%	79
NET PROFIT OR LOSS	**3,382**	**7,532**	**-55%**	**(4,149)**
Retranslation of subsidiaries	210	(476)	-144%	686
TOTAL COMPREHENSIVE INCOME	**3,592**	**7,056**	**-49%**	**(3,463)**
EPS (HUF/share)	**6.16**	**16.87**	**-64%**	**(10.72)**
EBITDA impact of items which never generate any net outflow of assets	63	-	0%	63
EBITDA	**9,007**	**10,372**	**-13%**	**(1,365)**

- The **revenue** of AutoWallis Group exceeded HUF 195.1 billion in 2024H1, which translates into a slight growth even when compared to the same period of the previous year that includes an outstanding first quarter resulting from a delay in deliveries originally scheduled

[7] The effect of acquisitions (transactions) includes the impact of transactions completed since the comparative period, while organic changes include the performance of companies that were already part of the group during the comparative period. These analyses do not include changes for partial periods (pro forma changes.

for 2022. Of this growth, HUF 900 million is attributable to the effect of transactions, while the remainder is organic growth. In addition to the one-off base effects, the slight growth is mainly attributable to a delay in deliveries in the Distribution Business Unit caused by increased delivery times for sea transport over the past months and the related logistical challenges.

- The value of **materials** was up by 12% from the comparative period, a part of which is attributable to the effect of transactions (e.g. the fuel costs associated with the activities of Wallis Autómegosztó Zrt.), while the rest is due to a rise the quantity of materials used in repair shops and the price increase fuelled by an environment of high interest rates during the previous year.
- The value of **services** was up by 28% from the comparative period to HUF 10.6 billion. This cost increase was driven mostly by the rising cost of communications, marketing and logistics services, accompanied by the effects of transactions (the acquisition of Wallis Autómegosztó Zrt. for an additional HUF 550 million).
- The change in **COGS** is almost the same as the rate at which revenue changed and, as a result, **the Group was able to sustain and even slightly improve its gross margin** (to 16.7% at group level, compared to 15.4% in the same period of the previous year).
- The **40% rise in personnel expenses** was caused by the increase in headcount (the Group's average headcount was 1,051 in 2024H1 and 930 in 2023H1) as well as the pay rise given in response to changes in the labour market. The comparison is affected by the fact that the acquisition of Nelson and Net Mobilitás Zrt. had only affected part of 2023H1 and Wallis Autómegosztó Zrt. was only included in 2024H1 in its entirety.
- The 22% increase in **depreciation and amortisation** is almost entirely explained by the larger fleet size resulting from the acquisition of Wallis Autómegosztó Zrt.
- As a result of the above, **operating profit** (EBIT) **dropped by 22% to HUF 6.5 billion** compared to the same period of the previous year.
- The value of financial gains or losses in 2024H1 was a **loss of HUF 2.5 billion**, which represents a decline of over HUF 1.8 billion compared to the same period of 2023 and is caused by two opposite effects. On the one hand, in terms of the interest rate environment, the general decline in interest rates and the lower volume of external financing required because of the Group's outstanding liquidity position resulted in significant savings on interest expenses compared to the previous year. However, while realised and unrealised foreign exchange gains from the retranslation of items denominated in foreign currency had a significant positive impact in 2023H1 (HUF +1.1 billion), the movements in exchange rates in 2024H1 were unfavourable for the Group, causing the Group to suffer foreign exchange losses of HUF 660 million (mainly unrealised).
- As a result of the above, despite performance improving from quarter to quarter, the EBITDA, one of the indicators which best describe the Group's performance, had not reached the level of the same period of the previous year by the second half of 2024 (HUF 9 billion vs. HUF 10.4 billion). The Group's EBITDA margin was 4.6% for the period (5.4% last year), which the Group believes is still high.

Analysis of the Group's operating results

Vehicle sales

	January - June		% change
	2024	2023	
Total new vehicle sales*	24,233	24,678	-1.8%
Total used vehicle sales	1,205	956	26.0%
Total vehicle sales	**25,438**	**25,634**	**-0.8%**

** 1,691 units sold within the Group (previous year: 1,135 units)*

Despite the significant one-off and base effects of the previous period, the Group's sales volumes remained largely at the same outstanding level as in 2023H1 in terms of the sale of new and used cars**.** In particular, the 19.3% growth of the Retail Business Unit exceeded the 12% growth rate of the region considerably, while the growth of the Distribution Business Unit was slower because of the base effects and the temporary delays in delivery caused by the transport and logistical challenges faced during the period, but still managed to come close to the outstanding performance of the previous year (for details, see the segment analysis of business units).

The expected improvement in the region's macroeconomic figures (declining inflation and a more favourable financing environment) provides cause for optimism for further growth. However, any currently unforeseen difficulties that certain brands may have to deal with, as well as the logistics and other challenges facing the region and the industry, could negatively impact the expected sales figures of the upcoming period.

Automotive and mobility services

	January - June		% change
	2024	2023	
Number of service hours (hours)	96,626	91,094	6.1%
Number of short-term rental transactions (units)	191,124	10,109	1,790.6%
Number of short-term rental days (units)	86,126	86,618	-0.6%
Average fleet size (short-term and long-term car rental, units)	3,775	3,281	15.1%

All in all, the Group achieved growth or maintained the high level of the previous year in terms of each service it provides (car rental, servicing activities, etc.). As these services are provided in the mobility services segment, details will be provided in the section presenting the results of that segment. In addition to organic effects, the growth in fleet size and the significant increase in the number of rental transactions is mostly explained by the Group's acquisition of Wallis Autómegosztó Zrt.

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**) starting from January 2024. 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, 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), logistics of MG parts, as well as 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.

ALPINE BYD DACIA FARIZON
ISUZU JAGUAR LAND ROVER MG
OPEL RENAULT SAAB SSANGYONG

Sales performance of the Distribution Business Unit

Distribution business	January - June 2024	January - June 2023	% change
Number of new vehicles sold (units)*	19,309	20,500	-5.8%

** 1,691 units sold within the Group (previous year: 1,135 units)*

The number of cars sold by the Distribution Business Unit of AutoWallis Group **declined by 5.8%** in 2024H1 compared to the same period of the previous year, which is explained by significant one-off base effects.

In contrast to the downturn in the first quarter of this year, sales were up from 9,277 in 2023 to 10,729 in Q2 (by 15.6%). The reason behind the more subdued sales volume in the first half of the year is technical and is caused by the base effect of exceptionally high sales figures recorded in 2022Q4 as well as 2023Q1 and 2023Q2 (i.e. the base period), which was further aggravated in the first half of this year by the delayed deliveries of vehicles due to increased delivery times for sea transport caused by the geopolitical situation around the Suez Canal and the Red Sea.

By now, these one-off effects have levelled off, but transport issues have continued to cause delays between quarters, despite the number of orders exceeding expectations. The decline between the two six-month periods was primarily caused by SsangYong (-1,892 units), which is explained by the logistical reasons mentioned above, while rising Opel sales (+355 units) could only partly compensate for this.

Financial performance of the Distribution Business Unit

Profit or loss of the Distribution Business Unit

Distribution Business Unit (mHUF)	January - June 2024	January - June 2023	% change
Revenue	108,672	118,783	-8.5%
Gross margin	16,206	15,303	5.9%
Gross margin %	*14.9%*	*12.9%*	*15.8%*
Profit before tax (excluding the JV)	3,353	6,090	-44.9%
Profit before tax (including the JV)	3,800	7,006	-45.8%
Profit before tax / Revenue % (excluding the JV)	*3.1%*	*5.1%*	*-39.8%*
EBITDA	5,352	5,987	-10.6%
EBITDA / Revenue % (excluding the JV)	*4.9%*	*5.0%*	*-2.3%*

The **revenue** of the Distribution Business Unit decreased by **8.5%** to HUF 108.7 billion in 2024H1 in comparison with the revenue for the same period of the previous year. This downturn is mostly linked to a decline in volume compared to the exceptionally high base figures, and a shift in volume between periods, as explained above.

COGS dropped at a faster rate than the revenue growth (10.6%), as a result of which the gross margin of the business unit **increased** from the comparative period. However, alongside this higher margin, costs associated with import activities (logistics, marketing and staff costs, in particular) increased significantly. With these effects taken into account, the business unit **maintained its EBITDA-generating ability.** The unfavourable change in profit before tax was impacted by the significant one-off item of HUF 1.3 billion in realised and unrealised foreign exchange gains recognised in 2023H1 (this item was a loss of HUF 800 million in 2024H1).

Retail 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, Isuzu, Jaguar, Land Rover, MINI, Maserati, Opel, KIA, Renault, Dacia, Nissan, Peugeot, Toyota, Suzuki and BYD, as well as various brands of used motor vehicles in Hungary 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, the business unit entered the Czech market in July 2024 and acquired BMW dealerships in Prague and two other Czech cities.

Sales performance of the Retail Business Unit

Vehicle sales

Number of vehicles sold and service hours

Retail Business Unit	January - June		% change
	2024	2023	
Number of new vehicles sold (units)	4,924	4,178	17.9%
Number of used vehicles sold (units)	1,205	956	26%
Total vehicle sales	***6,129***	***5,134***	***19%***
Number of service hours (hours)	***96,626***	***91,094***	***6.1%***

In the first half of 2024, the Retail Business Unit **achieved substantial growth (+17.9%) in terms of new vehicle sales** compared to the trends presented in connection with the relevant retail markets of the Group (+3.8% in Slovenia and -11.9% in Hungary%). Used car sales increased at an even faster rate at 26% to 1,205 units. In the meantime, for the servicing activity belonging to the business unit, the number of service hours was up by 6.1% to 96,626. 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

Retail Business Unit (mHUF)	January - June 2024	2023**	% change
Revenue	83,104	72,303	14.9%
Gross margin	13,391	12,979	3.2%
Gross margin %	*16.1%*	18.0%	-10.2%
Profit before tax	1,037	1,751	-40.8%
Profit before tax / Revenue %	*1.3%*	2.4%	-48.5%
EBITDA	2,349	3,459	-32.1%
EBITDA / Revenue %	*2.8%*	4.8%	-40.9%

*** The Mobility Services Business Unit has been presented separately by the Group since 1 January 2024, after being presented as part of the Retail & Services Business unit in 2023. Due to this change, the data for 2023H1 were restated.*

The **revenue** of the Business Unit **increased by nearly 15% in 2024H1** compared to the same period of the previous year. On the one hand, this is explained by the organic growth in volume as described above, which was, however, offset by the fact that large-scale special offers and discounts reintroduced in 2024 had reduced 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.

The gross margin of the business unit dropped from 18.0% to 16.1%, which is mostly explained by the above-mentioned market discounts and special offers, particularly in 2024Q1.

The reduction in financing costs (interest rates) had a positive impact on the business unit; however, due to the sharp increase in expenses (including, in particular, 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 - June 2024	January - June 2023	% change
Number of short-term rental transactions (units)	191,124	10,109	1,790.6%
Number of short-term rental days (units)	86,126	86,618	-0.6%
Average fleet size (short-term and long-term car rental, units)	3,775	3,281	15.1%

The Mobility Services Business Unit significantly increased the number of rental transactions to 191,124, primarily thanks to the acquisition of Wallis Autómegosztó Zrt. (wigo carsharing) last year. The fleet size of the Group's mobility segment increased by 15.1% to 3,775 vehicles, which is explained by the acquisition of Wallis Autómegosztó Zrt. in addition to the optimisation of seasonal fleet size.

The number of short-term rental days (wigo carsharing + Sixt) declined slightly (by 0.6% to 86,126), primarily due to the transformation of Sixt's portfolio.

Financial performance of the Mobility Services Business Unit

Mobility Services Business Unit (mHUF)*	January - June		% change
	2024	2023	
Revenue and interest income from lease receivables	4,341	3,256	33.3%
Profit of sales*	185	402	-53.9%
Profit of sales %	*5.5%*	*16.0%*	*-65.9%*
Profit before tax**	-397	-361	10.2%
Profit before tax / Revenue and interest income from lease receivables %	*-9.2%*	*-11.1%*	*-17.4%*
EBITDA**	1,306	658	98.4%
EBITDA / Revenue and interest income from lease receivables %	*30.1%*	*20.2%*	*48.8%*

** 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 2023H1 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 financial profit (effect of transactions). As a result, the business unit covers the full range of mobility services.

Realising this potential for synergies, the business unit began implementing a significant structural and organisational transformation project (see the section on events after the

balance sheet date), which will have a positive impact on the financial performance of the business unit in the second half of 2024 and later periods.

The **EBITDA-generating ability** of the business unit **was exceptionally high compared to the rest of the business units at 30.1%** (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 26 April 2024 were presented in the consolidated annual report of AutoWallis Group published on 26 April 2024.[8] 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.[9]

Therefore, to ensure the transparency of this report, only the most significant events that occurred in 2024 and those which have not yet been presented in previous reports or other disclosures are included in this half-year report.

Significant events during the current period

a) On 26 January 2024, Wallis Tőkeholding Zrt., the majority owner 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. will acquire 46,416,938 shares at a price of HUF 122.8, 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.

[8] https://www.bet.hu/site/newkib/hu/2024.04./Eves_Jelentes_129055478
[9] https://www.autowallis.com/

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.

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.

Events after the balance sheet date

Significant events after the balance sheet date that occurred before the disclosure of the half-year Report were as follows:

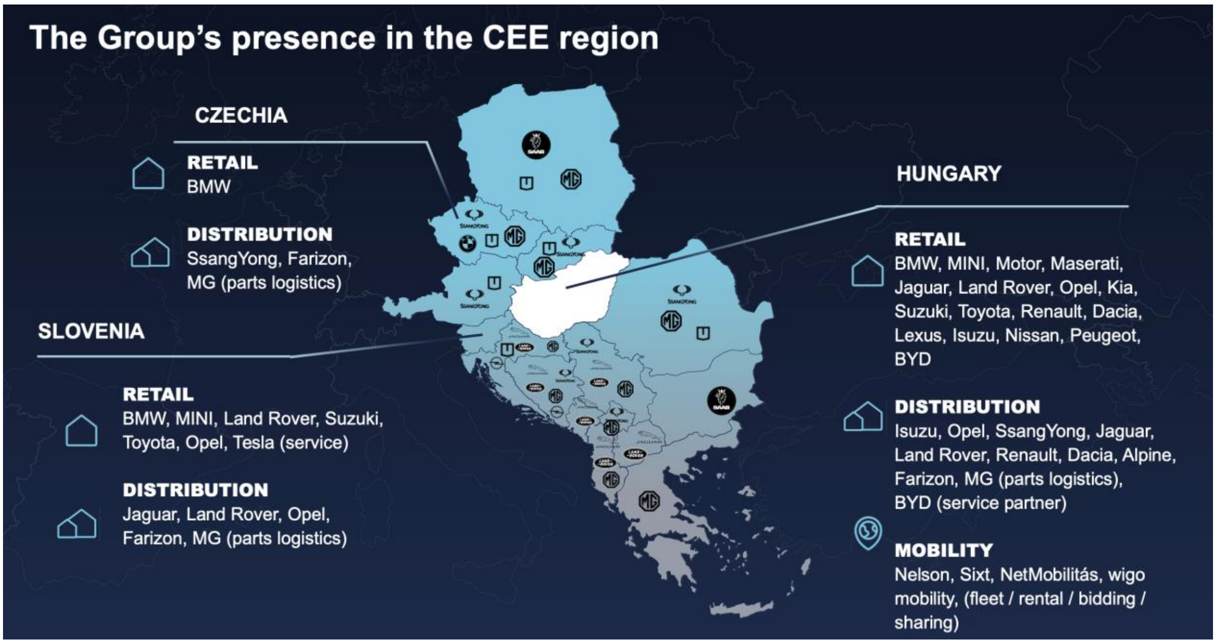
a) In July 2024, AutoWallis announced that Nelson Flottalízing would continue its fleet management activity under the brand name wigo fleet. At the same time as the rebranding, AutoWallis Group is consolidating several of its mobility service activities into a single entity in order to leverage synergies more effectively and to improve customer experience even further. In line with the decision, AutoWallis Group will merge its fleet management and carsharing services into a single entity, meaning that Wallis Autómegosztó Zrt. (the entity operating wigo carsharing), Nelson Sales Kft. and Nelson Assistance Kft. will merge into Nelson Flottalízing Kft. The transformation is expected to be completed on 30 September 2024.

   Through this move, AutoWallis is creating Hungary's first integrated mobility service provider.

b) After first issuing a credit rating to AutoWallis Nyrt. in 2019, Scope Ratings GmbH once again conducted a review of the rating and left the rating unchanged (B+) despite the risks associated with strong growth. It adjusted the rating outlook from positive to stable due to the expanded growth plans and the resulting need for financing while adjusting the financing rating to B+, and improved the business activity rating (BB-) in recognition of the diversification that has already been achieved. The rating of the bonds previously issued by the Company also remained at B+. Based on the rating given by Scope Ratings, AutoWallis, whose shares are listed in the Premium Category of the Budapest Stock Exchange, continues to comply with the requirements of the Bond Funding for Growth Scheme (NKP) launched by the National Bank of Hungary.

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

STRATEGY OF AUTOWALLIS GROUP



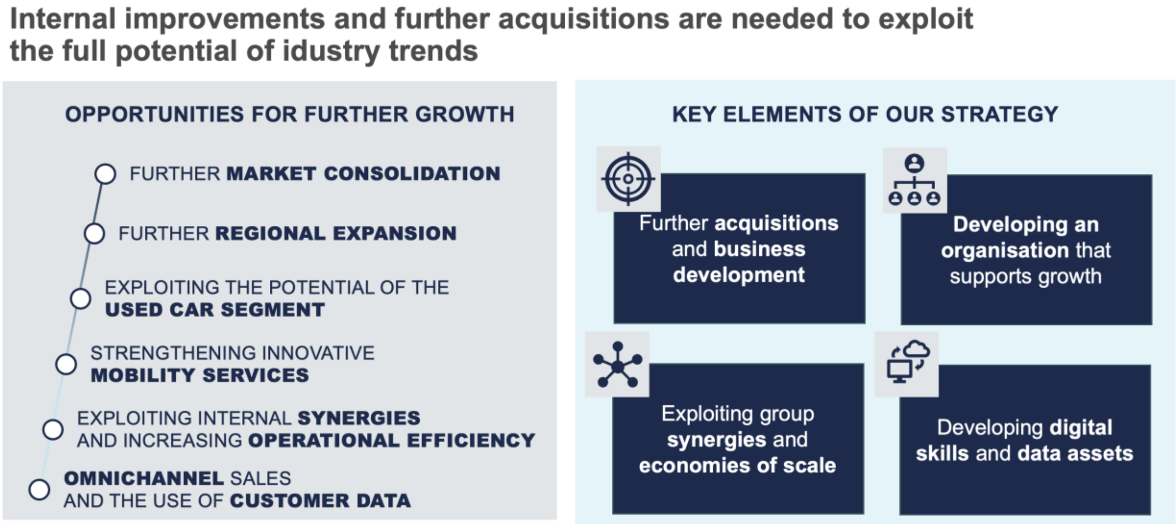
*Czech Republic: BMW retail business started on 1st July 2024

AutoWallis Group is engaged in retail, distribution and mobility service activities in a wide range of domestic and international markets. The Company's objective is to become a leading integrator within the Central and Eastern European region for the retail and distribution of motor vehicles and for mobility services by 2030. The management of AutoWallis Group is committed to doubling its 2023 revenue, EBITDA and profit before tax over a strategic time frame of five years. With its strong growth and business development strategy, the number of motor vehicles sold by the Group could reach 100,000 units over the strategic time frame.

The Company's growth strategy relies on regional expansion and business diversification in which efforts aimed at organic market expansion are complemented by active and selective acquisition plans. The main objective of the international growth strategy is to acquire dominant market shares in the countries of the Central and Eastern European region. Within the Distribution Business Unit, the directions for strategic expansion include entering new markets with existing brands and the regional representation of new emerging brands. The growth plans of the Retail Business Unit are aimed at brands and markets which are of strategic importance for the Company and support the expansion plans of the Distribution Business Unit as well. The objectives of the Mobility Services Business Unit include enhancing the existing service offering and expanding in the markets of the Retail Business Unit over a strategic time frame.

In line with its declared strategic objectives, AutoWallis Group completed multiple acquisitions and business development projects in the first half of 2024 as well, and strengthened its current positions for the future. Opel, a leading German car manufacturer, extended the distribution contract of AutoWallis Group for Hungary and three other countries of the region, namely Croatia, Slovenia and Bosnia and Herzegovina, by five years. Additionally, the Group further strengthened its regional position as a SsangYong importer, acquiring distribution rights in four new countries (Bosnia and Herzegovina, Kosovo, Montenegro and Serbia) in addition to the existing ones.

AutoWallis Group is monitoring and examining the trends involving the expansion of Chinese car manufacturers in Europe. In line with these trends, the Group added another Chinese car brand to its automotive portfolio, entering into an



agreement on the exclusive distribution of Farizon branded new energy commercial vehicles manufactured by Geely Auto Group in eight Central and Eastern European countries. Geely Group, a Chinese entity, is one of the world's largest car manufacturers and a leader in automotive innovation, including self-driving technologies, electric and hybrid vehicles, and other advanced mobility solutions.

In addition to the development of its Distribution Business Unit, the Company also entered a new retail market after signing an agreement on the acquisition of the BMW business of Stratos Auto of the Czech Republic. According to the agreement, AutoWallis Group will have retail presence in three Czech cities, including Prague, thereby acquiring nearly 10 per cent of the Czech BMW market. The fact that AutoWallis Group and its Portuguese partner Salvador Caetano Group will jointly open a new Renault and Dacia dealership in Budapest in the autumn of 2024 supports the domestic expansion of the Retail Business Unit. In the Hungarian market, around half of all Renault and Dacia vehicles are sold in Budapest, and decisions on corporate fleet purchases are typically made in the capital city, all of which means that the new location is expected to contribute substantially to the growth of AutoWallis Group.

As a result of the business development project completed in the Mobility Services Business Unit, Nelson Flottalízing, a member of AutoWallis Group, will continue its fleet management activity under the brand name wigo fleet. At the same time as the rebranding, the Company is consolidating several of its mobility service activities into a single entity in order to leverage synergies more effectively and to improve customer experience even further. Through this move, AutoWallis Group created Hungary's first integrated mobility service provider.

A key trend of recent years, whereby manufacturers are opting to sell their distribution businesses due to the high pressure on investments and costs caused by the shift to electric vehicles, is continuing. This will continue to provide excellent opportunities for AutoWallis Group to acquire distribution rights going forward. Based on the Group's vision, the most successful entities in this rapidly changing market will be those that are able to cover the entire post-production supply chain and have direct access to clients through their broad range of distribution, retail and service operations using advanced IT solutions.

Due to stricter environmental regulations and advances in the technology of alternative drivetrains, manufacturers are being forced to engage in capital intensive, innovative and ongoing technological development. Digital sales channels are increasing in importance, which means that focus will shift to online marketing, the extensive digitalisation of sales and distribution and professional sales support and services instead of direct sales. The demand for alternative mobility is expected to grow, but ownership will continue to enjoy great significance alongside carsharing; at the same time, the brand loyalty of customers keeps declining, and so customers will be more open to brand-independent mobility solutions. As a result, developing sales support systems and launching new mobility solutions are equally important.

A major goal of AutoWallis Group is to further strengthen its market position through several acquisitions each year and by developing and diversifying its existing business portfolio. The Group is still committed to its objective of remaining a leader in consolidation in the automotive market of the Central and Eastern European region. To that end, the Group plans to continue its growth in the automotive services business as well as the related IT solutions. In an expanding group, exploiting synergies is especially important, which is why we are committed to developing group governance functions that support efficient corporate operations and setting up strong international management teams for our business units. The Company has taken important steps towards this objective during the recent period as well.

The strategy of AutoWallis Group continues to focus strongly on digital transformation and data asset management capabilities, while paying particular attention to our traditional service lines (i.e. aftersales services and the sale of used cars). The goal of AutoWallis Group is to cover the entire value chain and integrate its commercial and service portfolio as part of a common brand structure, thereby exploiting operational and sales synergies among group members.

AutoWallis Group intends to take advantage of the opportunities afforded by its presence in the public capital market and, therefore, the Group is open to funds being raised by public offering in order to seize any favourable opportunities for acquisition, also through the issue of shares and bonds.

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 Statutes 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 Statutes are included in the Company's Statutes. 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 Statutes. 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.

Body[1]	Name	Position	Start of assignment	End/termination of assignment
BoD	Zsolt Müllner	Chairman of the BoD	17/12/2018	
BoD	Gábor Ormosy	Member of the BoD	30/04/2019	
BoD	Ferenc Vaczlavik	Member of the BoD	26/04/2024	
BoD	Tibor Veres	Member of the BoD	26/04/2024	
BoD	Gyula Mező	Member of the BoD	26/04/2024	
BoD	Ferenc Karvalits	Member of the BoD	26/04/2024	
BoD	Bence Buday	Member of the BoD	26/04/2024	
BoD	Gábor Székely	Member of the BoD	17/12/2018	26/04/2024
BoD	Andrew John Prest	Member of the BoD	17/12/2018	26/04/2024
BoD	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.

Body[1]	Name	Position	Start of assignment	End/termination of assignment
SB	Attila Chikán Jr.	Chairman of the SB	17/12/2018	
SB	György Ecseri	Member of the SB	17/12/2018	
SB	Géza Deme	Member of the SB	26/04/2024	
SB	Péter László Lakatos	Member of the SB	26/04/2024	
SB	Gábor Vitán	Member of the SB	17/12/2018	26/04/2024
SB	Bence Buday	Member of the SB	30/11/2020	26/04/2024

SB	Petra Birkás	Member of the SB	01/07/2022	08/05/2023

	Name	Position	Start of assignment	End/termination of assignment
AC	Attila Chikán Jr.	Chairman of the AC	17/12/2018	
AC	György Ecseri	Member of the AC	17/12/2018	
AC	Péter László Lakatos	Member of the AC	26/04/2024	
AC	Gábor Vitán	Member of the AC	17/12/2018	26/04/2024
AC	Bence Buday	Member of the AC	30/11/2020	26/04/2024
AC	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, the leaders of the three business units of AutoWallis, namely Pál Bihari, Péter Antal and Péter Ilyés, 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/penzugyi-jelentesek/. The Company will publish its Allocation and Impact Report for 2023 in the second half of 2024.

AutoWallis Group and the going concern principle

As part of its usual planning process, AutoWallis Group prepared its business plans for 2024 and the subsequent 4-year period. The annual business plan for the year 2024 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 the 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 and Environmental Protection

Sustainability

A particularly important objective for the Company is to conduct its operations and achieve its business and investment goals in an environmentally conscious and sustainable (green) manner, which is why it pays special attention to its wider social environment and the physical and mental well-being of its employees and focuses on ensuring that ESG aspects are taken into account in the Company's operational and strategic management and its risk management efforts. As an important milestone towards this objective, the Company published its Sustainability Report for the year 2023, the third one in its history, on 2 May 2024. AutoWallis Group has defined key strategic areas such as improving waste management, energy efficiency and the level of digitalisation, developing a group-level CSR approach, and making community mobility accessible to a wider audience. The latter one is supported by the Group's carsharing service wigo, launched in 2023 with a fleet consisting of environmentally friendly EURO6 and electric vehicles. The carsharing service of AutoWallis is not only a more economical solution for city transport, but also a greener one, as international research suggests that a wigo car can replace up to 16 private cars.

AutoWallis Nyrt. was the first enterprise listed in the Premium category of the Budapest Stock Exchange (BSE) to have developed and approved a Green Finance Framework and, with a view to the changes in the regulatory environment (EU Taxonomy and the new Hungarian ESG law), is looking to obtain a new certification in 2024 to strengthen this framework, with the main objective of capitalising on green financing opportunities that meet the requirements of the EU Taxonomy and provide the necessary financing benefits for the Company's operations, acquisitions and development projects in order to continue its planned dynamic growth in the region.

The amount of HUF 6.6 billion received from the green bonds will be used by AutoWallis Group in line with the principles laid down in the framework, which include commitments to develop e-mobility, including adding new charging stations, and increasing the number of electric or hybrid vehicles in its own fleet. The Group does not finance operations which could cause environmental damage or are associated with the supply of goods or services that are ethically or morally unacceptable or their manufacturing process is objectionable. Each year, the Company's Green Financing Committee publishes its Allocation and Impact Report on the green projects implemented so far and on the use of the funds raised through green bonds.

Information on the social, diversity and other aspects of sustainability is presented in the section "Social and employment matters".

Environmental protection

Activities which are hazardous or harmful to the environment are carried out by AutoWallis Group to a limited extent, and AutoWallis Group is dedicated to environmental protection. The hazardous materials and waste generated in the course of its operation (spent oil, oil filters, air filters, paint and paint thinner, paint-soaked paper, batteries, tyres, windscreens, brake and clutch parts and plastic parts) are removed by its contractual partners. The Group places great emphasis on environmental protection (compliance with the applicable regulations and standards) in its vehicle repair shops. The operation of our companies is assisted by contracted environmental advisors and safety advisors for the transportation of dangerous goods.

The Company lays great emphasis on monitoring changes to environmental regulations and maintaining up-to-date records of its plants with respect to waste management, air quality protection and ADR (transportation of dangerous goods). Waste generated at the plants is stored separately in the designated packaging materials (depending on the type of waste) and is handed over to contracted partners who possess official permits for the transportation and disposal of the given waste fraction.

Waste processing companies determine the precise weight of the waste (using scales) at their own sites and issue so-called weight notes to confirm such weights. We submit cumulative reports on weight notes for each waste fraction to the Environmental Authority on an annual basis. After being verified by the authority, the information provided in these reports is stored in the Electronic Waste Information System Module (EHIR) of the National Environmental Information System (OKIR) operated by the Ministry of Agriculture. AutoWallis Group is conducting a comprehensive environmental audit with the involvement of an external expert in 2024 as well, thereby preparing for the challenges posed by the implementation of the revised system of environmental product charge and extended producer responsibility in Hungary. Additionally, AutoWallis Group ran a tender to select a service provider for ensuring compliance with the Group's environmental obligations in order to strengthen its comprehensive and reliable ESG reporting system.

The Company formulated its environmental commitments in its Green Finance Framework, and environmentally conscious operations and achieving the highest possible recycling rate for the waste generated are key aspects in selecting suppliers and partners.

SOCIAL AND EMPLOYMENT MATTERS AND HUMAN RIGHTS

THE EMPLOYMENT POLICY OF AUTOWALLIS

Similarly to previous years, the employment policy of AutoWallis for the first half of 2024 focused on human resource management to keep up with business growth, and on secure employment, careful selection, competitive salaries and workforce development. However, the employment policy adopted in the current year was greatly affected by the lack of qualified workforce.

The organisational development process that extends over to 2024 continues to focus on the structured involvement of the Group's employees and on supporting the Retail, Distribution and Mobility Services business units. We have strengthened our HR function in order to align the employment policies and human resource practices of our diverse system. Furthermore, a Business Intelligence support expert has joined the Group's team of employees in order to expand our business analytics function.

As part of the organisational development process, the alignment of operational practices across the Group's member companies has continued.

The Group's HR practices focus on recruiting the necessary number of employees with the required quality and composition, the primary goals being the retention and motivation of existing staff, with the necessary emphasis on the selection and onboarding of new employees.

Both conventional and new approaches are used to improve the effectiveness of the selection process, similarly to how we apply both tried and tested and new practices in workforce development, including internal and external training. In addition, we seek to ensure that open positions are properly profiled and necessary competencies are defined during the selection process, and that service providers which guarantee a high-quality hiring process are engaged.

To ensure that committed, motivated and quality workforce is available, the employer offers a stable workplace, a pleasant work environment, complex tasks and competitive pay. To this end, all member firms participate in salary benchmark analyses, and the development of uniform and structured salary levels has begun. Wherever possible, we use atypical forms of employment and best practices are taken into account when preparing HR decisions.

Job levels are defined and all positions are classified into levels, which provides transparency for our organisation, ensures that employment policy decisions are in line with the organisational structure, and ensures transparent and fair pay. We have improved the level of digitalisation of our labour systems and have introduced a single payroll system at group level. Preparations for the employee engagement survey planned for the second half of 2024 are underway, and a new bonus scheme has been implemented which is intended to ensure that employees work towards our strategic goals and stay motivated.

The majority shareholder of AutoWallis Nyrt. launched an ESO program for the management of AutoWallis Nyrt. and its subsidiaries after the balance sheet date of the half-year financial statements for 2019, on the basis of which the ESO organisation was founded in September 2019.

Following its successful launch in 2019, AutoWallis decided to extend the ESO program in order to ensure that a select group of employees and managers of the Group remain committed to the growth and profitability of the Group in the long run, thus creating value. As a result, AutoWallis announced the Employee Stock Ownership Program in 2024 as well, with a duration of 24 months.

Presentation of the diversity policy and its results

AutoWallis Group remains committed to diversity and strives to adhere to the principle of diversity in connection with all stakeholders of the Company. The ratio of female leaders in senior management continues to be around 30%. The Company fosters an open corporate culture that encourages individual initiative and alignment with corporate objectives.

The best interest of the entity (i.e. that the staff be as diversified as possible in terms of age and personal competence) is in line with the above principles, which provides a solid foundation for the successful cooperation of the employer and employees and for productive work. The Group's open corporate culture fosters individual initiatives and the harmonisation of the accomplishment of corporate and individual goals. We are convinced that the pleasant atmosphere adds value to the cooperation of the parties and can provide the necessary impulse for crisis management and for exploiting new opportunities. All of this is necessitated and strengthened by the Group's cross-border acquisitions as well.

We strive to ensure that the principles of diversity are manifested in the Group's internal and external communication and employees are required to adhere to them, and entities endeavour to penalise any failure to act in line with these principles.

In accordance with the Charter of Fundamental Rights of the European Union, the Act on Equal Treatment and Promotion of Equal Opportunities and the Labour Code, the employer condemns all forms of discrimination, including discrimination based on gender, race, skin colour, ethnic or social background, genetic features, language, religion or other beliefs, political or other views, being part of an ethnic minority, financial position, birth, disability, age or sexual orientation, and fulfils the requirement of equal treatment in terms of employment, including, in particular, remuneration for work.

Social and employment matters and respecting human rights

AutoWallis Group devotes considerable resources to reducing the load on the environment and adopting environmentally friendly solutions. In addition to compliance with the statutory regulations, this is also reflected in the environmentally conscious management of operations and development.

Management pays special attention to adhering to the principles outlined in the environmental policy, and we endeavour to require all employees of the Group to act in a responsible and environmentally conscious manner.

Last year the Company looked into the option of designing a group-level ESG (environmental, social and governance) system and integrating it into its organisation. ESG goals and KPIs are already included in the goal setting process of certain managers. Member firms have appointed environmental coordinators who focus on environmentally conscious procurement, waste management and operations.

As profit-oriented organisations, the Group's members themselves are unable to take social considerations into account; however, the employment policy of AutoWallis Group is committed to addressing social aspects. All entities respect human rights and strive to maintain mutual trust between the employer and employees, and the employer takes into account the interests of employees based on reasonable consideration.

The Group adheres to the principle of fair employment in accordance with the principles of the freedom of business and free choice of employment, with the economic and social interests of the employer and employees taken into consideration.

This includes professional selection and onboarding, fair remuneration that is based on powers, responsibilities and performance, as well as the employer's initiatives aimed at career and competence development.

The employer informs employees about any facts, information, circumstances or any changes thereto which are relevant to the establishment of the employment relationship, the exercising of rights and performance of obligations.

Results of the environmental protection policy, social and employment policy, human rights policy, anti-corruption policy and anti-bribery policy

To ensure the sustainability of its operations, the Group continues to focus on creating opportunities for an environmentally conscious and circular economy. ESG goals and KPIs are constantly among the managers' goals, and the further improvement of the group-level ESG system is one of the top priorities. The fight against corruption and the whistleblowing system continue to play a key role in corporate governance. During the past six months, the Group has placed great emphasis on these by setting up the relevant supervisory committees and providing the necessary technological background.

Along with its distribution network and mobility service providers, the automotive industry attaches great importance to establishing the framework for an environmentally conscious circular economy, and both the regulatory environment and end-users have imposed requirements in this regard that cover the entire value chain. The ecological footprint of manufacturing, distribution, logistics and mobility services needs to be minimised, while reducing negative environmental and social impact to a minimum. Accordingly, management adopts an environmentally conscious growth strategy, is committed to sustainable operations and opts mostly for green investments and financing. A goal for the medium term is to obtain an ESG certification.

The Corporate Governance Report describes the Group's governance practices, touching on matters involving business ethics, the transparent operation of the entity, financial planning and execution, the mechanisms of controlling the entity's operation, as well as corporate social responsibility principles and procedures.

A requirement regarding anti-corruption and anti-bribery efforts is that staff members should avoid any situation in which an undue advantage is provided or there is a suspicion thereof. In carrying out their work responsibilities, our employees may not accept or demand remuneration or any other benefits from third parties with regard to their activities performed as part of their employment relationship. Any concerns that arise must be reported to the line manager or through the whistleblowing system launched in July 2023.

Although not legally required to do so, AutoWallis Group has created a group-level whistleblowing system (https://autowallis.com/visszaelesbejelentes/) that allows for anonymous reporting, and has undertaken to investigate all legitimate but anonymous reports through its independent third-party investigating partner, even though this is not mandatory under the relevant laws. A key aspect in designing the whistleblowing system was to prevent retaliation. There were no reports or incidents concerning human rights, corruption or bribery during the financial year.

Based on the materiality analysis conducted in 2023, the following areas continue to be critical for AutoWallis Group:

- Anti-corruption
- Education and training
- Fair and ethical business approach and avoiding anti-competitive conduct
- Energy
- Core economic performance
- Protection of customer data
- Occupational health and safety

Matters and risks involving the Code of Conduct and how these are addressed

In connection with business relationships, goods and services, the Group endeavours to implement good practices for environmental protection, social matters and employment as outlined above. The procedures followed when selecting suppliers or responding to customers' needs and upon financial settlement are regulated by internal policies.

In terms of outsourced activities, special attention is paid to the secure processing of personal data and confidential business information. Another area of focus is addressing supply chain disruptions. An area for improvement we have identified for the future is developing a third-party risk management (TPRM) framework.

Risks are identified through a risk assessment process, while compliance with internal and external regulations is ensured by the use of integrated controls and internal audit, as well as decision-making and reporting procedures.

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 years of experience and capabilities of Wallis Group, the ultimate owner of AutoWallis,[10] 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 and distribution portfolio size and volume-efficient business operations.
- Coordinated 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 directly affect the Company'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

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

related to the economic processes of Hungary and the countries where the Company'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.

- 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 drivetrains, 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.

- Stellantis, a company comprising 14 car brands, terminated all dealership contracts within the EU (for retail) in 2021Q2, primarily due to regulatory changes in the industry. This decision also affects AutoWallis' own (Opel) dealerships, but the Group considers this termination to be only a technical issue in terms of its operation. The decision does not affect AutoWallis' 5-year import contracts (for distribution) concluded in 2020.
- The conflict between Russia and the Ukraine that began during the spring of 2022 does not have a direct short-term 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 short-term 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.
- The global freight forwarding industry has been facing disruptions since December 2023 due to the Red Sea crisis. Due to disruptions in parts supply, some car manufacturers (Stellantis and Suzuki) have partially reduced their production capacities, and rising transportation costs and delays in delivery times of up to several weeks for shipments from the Far East due to the use of safe alternative routes may negatively impact the Group's business.

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

- 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 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.: registered office: 1033 Budapest, Kórház utca 6-12.
- 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
    - sites: 8143 Sárszentmihály, Árpád utca 1/A; 8000 Székesfehérvár, Vörösmarty tér 1., 1095 Budapest, Soroksári út 26.
- Nelson Sales Kft.: registered office: 1144 Budapest, Gvadányi utca 61-65.
    - sites: 8000 Székesfehérvár, Mártírok útja 78.
- Nelson Assistance Kft.: 1144 Budapest, Gvadányi utca 61-65.
    - sites: 8143 Sárszentmihály, Árpád utca 1/A., 8000 Székesfehérvár, Mártírok útja 78.
- AW Marketing és IT szolgáltató Kft.: 1055 Budapest, Honvéd utca 20.

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 30 June 2023 are 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 shares
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 30 June 2024 for the listed series:

Name	Name of security (ISIN code)	Custodian (yes/no)	Number (units)	% held
Wallis Tőkeholding Zrt.	HU0000164504	no	314,455,216 units	58.29%
Wallis Asset Management Zrt.	HU0000164504	no	40,726,797 units	7.55%
Széchenyi Alapok kockázati tőkealap	HU0000164504	no	40,939,324 units	7.59%
Total:			**396,121,337units**	**73.43%**

OTHER

Research and experimental development

AutoWallis Group was not engaged in and did not participate in research and development activities in 2024H1.

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.

Interim Condensed Consolidated Financial Statements

AutoWallis GROUP

Interim Condensed Consolidated Financial Statements

of

AutoWallis

Nyilvánosan Működő Részvénytársaság and its subsidiaries

for the six-months period ended 30 June 2024

in accordance with the International Financial Reporting Standards adopted by the European Union (IAS 34)

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.

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I. Interim Condensed Consolidated Financial Statements

1. Condensed Consolidated Statement of Comprehensive Income

Item	Note	2024H1 HUF million	2023H1 HUF million
Revenue	III. 1)	195,166	193,592
Interest income from lease receivables		966	750
Own performance capitalised		46	115
Material expenses		(4,268)	(3,888)
Services	III. 2)	(10,635)	(8,305)
Cost of goods sold		(162,623)	(163,865)
Personnel expenses		(9,263)	(6,620)
Depreciation and amortisation		(2,453)	(2,012)
Profit of sales		**6,936**	**9,767**
Other income		1,374	1,119
Other expenses		(1,909)	(1,378)
Impairment losses on non-financial assets		61	(988)
Expected credit losses on financial instruments		28	(159)
Operating profit		**6,490**	**8,361**
Interest income		661	804
Interest expense – *less interest expense of lease liabilities*		(1,830)	(2,394)
Interest expense of lease liabilities		(642)	(446)
Foreign exchange gains or losses, net		(660)	1,092
Other financial gains or losses, net		-	3
Gain or loss on disposal of equity instruments		-	0
Fair value gains or losses on derivatives		(28)	330
Financial gains or losses		**(2,499)**	**(611)**
Share of profits of associates and joint ventures		447	917
Profit before tax		**4,438**	**8,667**
Income tax expense	III. 3)	(1,056)	(1,135)
Net profit or loss		**3,382**	**7,532**
Net profit attributable to owners of the parent		3,265	7,462
Net profit attributable to non-controlling interests		119	69
Other comprehensive income which may be recognised in profit or loss in subsequent periods:			
Retranslation of subsidiaries		210	(476)
Other comprehensive income, net of tax		**210**	**(476)**
Total comprehensive income		**3,592**	**7,056**
Total comprehensive income attributable to owners of the parent		3,475	6,986
Total comprehensive income attributable to non-controlling interests		119	69
Basic EPS (HUF/share)	V. 5)	**6.16**	**16.87**
Diluted EPS (HUF/share)	V. 5)	**6.16**	**16.87**
EBITDA	III. 4)	**9,007**	**10,372**

2. Condensed Consolidated Statement of Financial Position (Balance sheet)

Item	Note	30/06/2024 HUF million	31/12/2023 HUF million
Assets			
Non-current assets			
Property, plant and equipment	IV. 1)	22,331	21,885
Leased vehicles	IV. 1)	2,869	2,696
Right-of-use assets	IV. 1)	6,434	6,106
Goodwill	IV. 2)	5,461	5,460
Intangible assets		2,701	3,037
Investments in associates and joint ventures		2,985	2,888
Deferred tax assets		168	111
Net investment in leases (long-term part)		9,074	8,307
Loan receivables (long-term)		6	5
Investments in equity instruments		2	2
Total non-current assets		**52,031**	**50,497**
Current assets			
Goods	IV. 3)	58,264	58,385
Other inventories		137	139
Trade receivables	III. 1)	13,196	15,851
Factoring receivables		17	87
Income tax assets		688	98
Net investment in leases (short-term part)		4,421	3,836
Loan receivables (short-term part)		14	2
Prepayments		9,902	7,289
Other receivables		2,876	2,531
Other financial assets		116	136
Cash and cash equivalents		22,315	13,097
Total current assets		**111,946**	**101,451**
Total assets		**163,977**	**151,948**

Item	Note	30/06/2024 HUF million	31/12/2023 HUF million
Equity and liabilities			
Share capital		6,743	6,163
Share premium		25,412	20,293
Share-based payments reserve		324	285
Treasury shares		-275	-243
Cumulative translation difference		449	239
Retained earnings		25,659	22,377
Equity attributable to owners of the parent		**58,312**	**49,114**
Non-controlling interest		962	995
Total equity		**59,274**	**50,109**
Interest-bearing non-current liabilities			
Long-term debentures		9,570	9,522
Long-term loans and borrowings		5,595	5,660
Non-current lease liabilities		8,858	9,036
Deferred purchase price-related non-current liabilities		187	187
Non-interest-bearing non-current liabilities			
Deferred tax liabilities		447	352
Provisions		115	111
Other non-interest-bearing non-current liabilities		363	345
Total non-current liabilities		**25,135**	**25,213**
Interest-bearing current liabilities			
Short-term loans and borrowings		3,120	3,284
Inventory financing loans		8,574	8,207
Current lease liabilities		6,101	4,540
Liabilities from reverse factoring - interest-bearing		13,489	11,674
Other interest-bearing current liabilities		288	476
Non-interest-bearing current liabilities			
Advance payments received from customers		3,274	3,394
Trade payables		23,801	25,033
Liabilities from reverse factoring - non-interest-bearing		7,579	6,134
Income tax expense		106	780
Other tax and contribution liabilities		2,870	2,037
Provisions		384	375
Accruals		7,753	8,447
Other non-interest-bearing current liabilities		2,229	2,245
Total current liabilities		**79,568**	**76,626**
Total liabilities		**104,703**	**101,839**
Total equity and liabilities		**163,977**	**151,948**

3. Consolidated Statement of Changes in Equity

data in HUF million		Equity attributable to owners of the parent							Non-controlling interest	Total equity
Item	Note	Share capital	Share premium	Share-based payments reserve	Historical cost of treasury shares	Cumulative translation difference	Retained earnings	Total		
At 31 December 2022		**5,529**	**16,027**	**109**	**(524)**	**521**	**12,619**	**34,281**	**1,184**	**35,465**
Net profit or loss for 2023H1		-	-	-	-	-	7,462	7,462	69	7,530
Other comprehensive income for 2023H1		-	-	-	-	(476)	-	(476)	-	(476)
Dividend attributable to non-controlling interests		-	-	-	-	-	-	-	(301)	(301)
Acquisition of subsidiaries		-	371	-	298	-	22	691	-	691
Repurchase of treasury shares		-	-	-	(80)	-	-	(80)	-	(80)
Share-based payments in the current year		-	-	92	-	-	-	92	-	92
Cancellation of share-based payments		-	-	(70)	63	-	7	-	-	-
At 30 June 2023		**5,529**	**16,398**	**131**	**(243)**	**45**	**20,110**	**41,970**	**952**	**42,921**
At 31 December 2023		**6,163**	**20,293**	**285**	**(243)**	**239**	**22,377**	**49,114**	**995**	**50,109**
Net profit or loss for 2024H1		-	-	-	-	-	3,265	3,265	119	3,384
Other comprehensive income for 2024H1		-	-	-	-	210	-	210	-	210
Dividend attributable to non-controlling interests		-	-	-	-	-	-	-	(152)	(152)
Capital increase		580	5,119	-	-	-	-	5,699	-	5,699
Repurchase of treasury shares		-	-	-	(180)	-	-	(180)	-	(180)
Share-based payments in the current year		-	-	204	-	-	-	204	-	204
Cancellation of share-based payments		-	-	(165)	148	-	17	-	-	-
At 30 June 2024		**6,743**	**25,412**	**324**	**(275)**	**449**	**25,659**	**58,312**	**962**	**59,274**

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

4. Condensed Consolidated Statement of Cash Flows

Item	Note	2024H1 HUF million	2023H1 HUF million
Profit before tax		**4,438**	**8,665**
Interest income		(1,627)	(804)
Interest expense		2,471	2,394
Foreign exchange difference of cash and cash equivalents		(79)	241
Depreciation and amortisation		2,453	2,012
Impact of impairment losses and expected credit losses		(90)	1,148
Provisions made, reversed and cancelled		13	250
Share of profit of associates and joint ventures		(447)	(917)
Other non-cash items		50	(747)
Gain or loss on disposal of non-current assets		(56)	(167)
Effect of share-based payments		238	92
Operating cash flows before movements in working capital		**7,364**	**12,167**
Changes in inventories		199	(14,843)
Adjustment due to reverse factoring		104,200	102,664
Changes in trade receivables		2,685	(8,622)
Changes in other receivables		(1,307)	12,748
Changes in derivatives related to forward contracts		8	137
Changes in advance payments received from customers		(120)	(3,925)
Changes in trade payables		(1,232)	3,449
Changes in other current liabilities		108	1,309
Changes in net working capital		**104,541**	**92,916**
Cash inflows from interest received		1,627	804
Cash outflows from interest paid		(2,393)	(2,347)
Income taxes paid		(2,282)	(1,413)
Net cash from operating activities		**108,857**	**102,127**
Purchases of property, plant and equipment and intangible assets		(3,674)	(2,659)
Disposal of property, plant and other equipment and intangible assets		2,141	2,911
Acquisition of subsidiaries, net of cash acquired		-	(2,154)
Dividend received from joint ventures		350	350
Net cash used in investing activities		**(1,183)**	**(1,552)**
Proceeds from capital increase		5,700	-
Repurchase of treasury shares		(180)	(80)
Distribution to non-controlling interests		(152)	-
Changes in short-term loans and borrowings and inventory financing loans		4,310	1,240
Settlement of liabilities from reverse factoring		(100,941)	(97,777)
Proceeds from loans and borrowings		1,646	1,752
Repayment of loans and borrowings		(6,005)	(2,667)
Repayment of lease liabilities		(2,911)	(1,969)
Net cash from/(used in) financing activities		**(98,533)**	**(99,501)**
Expected impairment losses on cash and cash equivalents		(2)	1
Foreign exchange difference of cash and cash equivalents		79	(241)
(Decrease)/increase in cash and cash equivalents		**9,218**	**834**
Opening balance of cash and cash equivalents		13,097	16,887
Closing balance of cash and cash equivalents		**22,315**	**17,721**

II. Notes to the condensed consolidated financial statements

1. Basis for the preparation of the financial statements

These interim condensed consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. As a result, they do not contain all of the information presented in the year-end financial statements prepared in accordance with IAS 1 Presentation of Financial Statements. These interim financial statements should be read in conjunction with the financial statements for the financial year ended 31 December 2023 (hereinafter: complete financial statements). The notes necessary for understanding material changes in the Group's financial position and performance since the most recent annual financial statements are presented below.

2. Significant accounting judgements and estimates made in preparing these interim financial statements

The judgements and estimates made by the Group's management in preparing these interim condensed consolidated financial statements on the basis of the group accounting policies have an impact on the assets, liabilities, income and expenses disclosed.

There have been no changes in the group accounting policies applied by the Group's management and key sources of estimation uncertainty since the preparation of the most recent annual consolidated financial statements.

There were no changes in the significant accounting estimates and judgments relating to vehicles damaged during transportation as presented in the previous annual financial statements, given that no events took place which would justify such changes. The Group is actively looking for potential buyers for the vehicles concerned, and the claims handling process involving the insurer is still underway at the time of issue of this report.

3. Fair value measurement

A part of the accounting policies applied by the Group require the use of fair value measurement for both certain financial assets and liabilities and certain non-financial assets.

All significant estimates used by the Group are prepared or reviewed by external or internal experts. The experts involved in preparing these measurements report directly to the group accounting director or the CFO.

Whenever possible, the Group relies on observable market information when measuring a financial asset or liability. The following levels are distinguished based on the inputs used for determining fair value:

- Level 1: Level 1 inputs are quoted (publicly available) prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

Where the inputs used to measure the fair value of an asset or liability can be categorised into more than one level of the fair value hierarchy, they are classified into the lowest level of the fair value hierarchy that is significant in terms of the inputs used in measuring fair value.

4. Changes in the accounting policy

Apart from what is presented below, the accounting policies applied in these interim financial statements are not different from those applied by the Group in preparing the consolidated financial statements for the year ended 31 December 2023.

Standards and amendments endorsed by the EU which are effective from 1 January 2024

- **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, 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.

  The Group adopted the amendment to the standard in its accounting policies, which did not result in any changes to the classification of liabilities as current or non-current. For the disclosures required by the amendment to the standard, see the section on liabilities.

- **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, with earlier application permitted. 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.

  The amendment did not have any impact on the financial statements.

- **IFRS 18** ***Presentation and Disclosure in Financial Statements***
  This standard has not yet been endorsed by the European Union (EU). The new standard will be mandatorily effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. IFRS 18 will replace IAS 1 Presentation of Financial Statements. Its objective is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

  Management has assessed the impact of the new standard, which is expected to have a significant impact on the presentation of the Group's financial statements.

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5. Changes to financial data from the previous year and restatements

There were no restatements during the current period in connection with the financial statements of previous periods, with the exception of segment information.

6. Segment information

The Group made changes to its internal organisational structure, which had an impact on operating segments as well. Having regard to their significance, the Group established a business unit for mobility services on 1 January 2024, which had previously been part of the Retail & Services Business Unit. Management regularly reviews the results, resource allocation and performance of three business units from a business perspective. The Group considers the following business units to be operating segments starting from 1 January 2024:

- distribution segment
- retail segment
- mobility services segment

Due to the changes, the Group restated its segment report presented in the previous period in accordance with the provisions of IFRS 8.

2024H1

data in HUF million	Distribution segment	Retail segment	Mobility Services segment	Segments total	Adjustments and eliminations	Consolidated
Revenue						
External customers	108,672	83,104	3,390	195,166	-	195,166
Intersegment and intrasegment sales	14,541	4,627	566	19,734	(19,734)	-
Total revenue	**123,213**	**87,731**	**3,956**	**214,900**	**(19,734)**	**195,166**
Income/(expenses)						
Material expenses	(154)	(3,888)	(236)	(4,279)	11	(4,268)
Services	(9,078)	(2,749)	(1,815)	(13,643)	3,008	(10,635)
Cost of goods sold	(104,853)	(72,908)	(545)	(178,306)	15,683	(162,623)
Personnel expenses	(3,024)	(5,036)	(1,174)	(9,235)	(28)	(9,263)
Depreciation and amortisation	(713)	(1,244)	(1,017)	(2,974)	521	(2,453)
Impairment losses on goodwill	-	-	-	-	-	-
Share of profit of associates	447	-	-	447	-	447
Interest income	805	434	1,191	2,431	(804)	1,627
Interest expense	(1,181)	(1,486)	(892)	(3,559)	1,087	(2,472)
Segment profit before tax	**3,714**	**845**	**(461)**	**4,098**	**340**	**4,438**
Segment EBITDA	**5,500**	**3,062**	**1,198**	**9,761**	**(754)**	**9,007**
Total assets	**103,003**	**92,366**	**39,378**	**234,746**	**(70,767)**	**163,979**
Total liabilities	**59,729**	**62,612**	**25,562**	**147,904**	**(43,198)**	**104,706**
Other disclosures						
Investments in associates	**-**	**-**	**-**	**-**	**-**	**-**
Investments in joint ventures	**2,985**	**-**	**-**	**2,985**	**-**	**2,985**

2023H1 (restated)

data in HUF million	Distribution segment	Retail segment	Mobility Services segment	Segments total	Adjustments and eliminations	Consolidated
Revenue						
External customers	118,783	72,303	2,506	193,592	-	193,592
Intersegment and intrasegment sales	12,744	4,207	236	17,188	(17,188)	-
Total revenue	**131,527**	**76,510**	**2,742**	**210,780**	**(17,188)**	**193,592**
Income/(expenses)						
Material expenses	(131)	(3,857)	(96)	(4,084)	196	(3,888)
Services	(7,095)	(2,853)	(802)	(10,750)	2,445	(8,305)
Cost of goods sold	(114,610)	(62,474)	(1,151)	(178,235)	14,370	(163,865)
Personnel expenses	(1,914)	(4,100)	(557)	(6,570)	(50)	(6,620)
Depreciation and amortisation	(764)	(697)	(519)	(1,980)	(32)	(2,012)
Impairment losses on goodwill	-	-	-	-	-	-
Share of profit of associates	917	-	-	917	-	917
Interest income	1,083	598	794	2,475	(921)	1,554
Interest expense	(1,390)	(1,434)	(853)	(3,677)	837	(2,840)
Segment profit before tax	**6,532**	**1,514**	**(593)**	**7,453**	**1,214**	**8,667**
Segment EBITDA	**6,259**	**3,271**	**(25)**	**9,505**	**868**	**10,373**
Total assets	**107,000**	**78,228**	**17,847**	**203,075**	**(47,209)**	**155,866**
Total liabilities	**68,381**	**52,730**	**14,389**	**135,499**	**(22,554)**	**112,945**
Other disclosures						
Investments in associates	**-**	**-**	**-**	**-**	**-**	**-**
Investments in joint ventures	**2,735**	**-**	**-**	**2,735**	**-**	**2,735**

III.Notes to the Condensed Consolidated Statement of Comprehensive Income

1) Revenue

Revenue is presented by the Group broken down by segment for each type of product or service, along with a breakdown by country.

In the case of distribution, performance obligations are satisfied at a point in time when control of the cars is transferred to the customers (these may include retailers outside the Group and other distributors outside the Group), i.e. when the car is delivered. For retail, similarly to distribution, performance obligations are satisfied at a point in time when control of the goods is transferred in the case of cars or when the services ordered are rendered in the case of services. As for the mobility segment, the Group records operating lease payments recognised in connection with the services provided during the given period, which are recognised over the lease term and do not require complex judgment.

Breakdown of revenues from customers in accordance with the accounting treatment under IFRS 15:

	for the period ended 30/06/2024			
Segments	**Distribution**	**Retail**	**Mobility Services**	**Total**
Type of goods or services				
Supply of cars and separate parts	107,864	73,581	525	181,969
Supply of services	809	9,523	2,865	13,197
Total	**108,672**	**83,104**	**3,390**	**195,166**
Breakdown by country				
Hungary	32,424	46,180	3,261	81,865
Slovenia	10,206	23,052	0	33,258
Croatia	27,976	369	0	28,345
Czech Republic	13,971	892	5	14,868
Romania	7,712	1,508	0	9,220
Other countries	16,383	11,103	124	27,610
Total	**108,672**	**83,104**	**3,390**	**195,166**

	for the period ended 30/06/2023			
Segments	**Distribution**	**Retail**	**Mobility Services**	**Total**
Type of goods or services				
Supply of cars and separate parts	118,725	63,603	376	182,704
Supply of services	58	8,700	2,130	11,888
Total	**118,783**	**72,303**	**2,506**	**193,592**
Breakdown by country				
Hungary	35,358	45,353	2,506	83,217
Slovenia	11,207	17,420	0	28,627
Croatia	27,228	187	0	27,414
Czech Republic	18,297	623	0	18,920
Romania	11,315	1,226	0	12,542
Other countries	15,378	7,494	0	22,872
Total	**118,783**	**72,303**	**2,506**	**193,592**

Contract balances and customer balances

The contract balances recognised by the Group include trade receivables, contract assets and contract liabilities.

Item	30/06/2024	31/12/2023
Trade receivables	13,196	15,851
Contract liabilities	3,274	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.

2) Services

Item	30/06/2024	30/06/2023
Sales, marketing, communication and PR services	3,483	2,561
- of which: marketing costs	**2,969**	**2,359**
Other miscellaneous services	4,003	2,865
- of which: warehousing costs	**335**	**220**
Shipping costs	1,261	1,234
Accounting, legal and capital market services	503	348
Bank charges and insurance	968	864
Rental fees	209	204
Administrative services	103	132
Telecommunications services	71	54
Authority fees	33	43
Total	**10,635**	**8,305**

The value of services was up by 27%, by nearly HUF 2.3 billion from the comparative period, which is partly explained by the effect of transactions (Wallis Autómegosztó Zrt., for an increase of HUF 535 million) alongside a significant rise in marketing and communications costs (HUF 0.9 billion). Maintenance costs (2024H1: HUF 0.9 billion; 2023H1: HUF 0.7 billion), services used in connection with motor vehicles (2024H1: HUF 0.8 billion; 2023H1: HUF 0.6 billion) and advisory costs (2024H1: HUF 0.4 billion; 2023H1: HUF 0.2 billion) make up a significant portion of other miscellaneous services.

3) Income taxes

The composition of income taxes reported in the consolidated financial statements for 30 June 2024 and 30 June 2023 was as follows:

Item	2024H1	2023H1
Corporate income tax for the current period	460	857
Local business tax and innovation contribution	558	507
Deferred tax	38	(229)
Income tax expense	**1,056**	**1,135**

The amount of corporate income tax for the current year dropped from the comparative period, which is explained primarily by the decline in the Group's financial profit.

Local business tax and innovation contribution are taxes payable by businesses operating in Hungary based on their place of operation and are treated by the Group as income taxes.

Deferred taxes in 2024H1 primarily arise from changes in deferred tax liabilities and changes in the temporary differences between the carrying amount and tax value of assets and liabilities.

The Group's consolidated effective tax rate for the 6-month period ended 30 June 2024 was 23.79% (16.41% in FY2023), the increase being explained by the local business tax and innovation contribution, which are calculated using a tax base that is different from the corporate income tax base.

The Group is subject to the global minimum tax requirements which have been in effect since 1 January 2024. The impact of a global minimum tax needs to be assessed at the level of the ultimate parent company (Wallis Portfolió Kft.). According to the management's estimate, the Group would not incur any additional tax liability for the 6-month period ended 30 June 2024 in any of the countries in which it operates.

The Company and the Group apply the transitional provisions of IAS 12 on deferred tax accounting and recognise any tax liability arising from the global minimum tax when it arises.

There were no changes effective as of 1 January 2024 in income tax rates that should have been taken into account by the Group.

4) EBITDA

The EBITDA indicator, a key performance indicator that is generally accepted in the industry, is presented by the Group. This indicator is not defined in IFRSs. Based on the Group's financial statements, EBITDA is calculated as follows:

+	Profit before tax
+	Depreciation and amortisation
-/+	Financial gains or losses
-/+	EBITDA impact of items which never generate any net outflow of assets
=	**EBITDA indicator**

The EBITDA indicator was calculated using the above method in the previous period as well. In the comparative period, items which never generate any net outflow of cash included the effect of the ESOP 1 program on profit.

The EBITDA indicator is reconciled with profit after tax as follows:

Item	2024H1	2023H1
+ Profit before tax	4,438	8,665
+ Depreciation and amortisation	2,453	2,012
+/- Financial gains or losses	2,499	612
+/- Share of profits of associates and joint ventures	(447)	(917)
+/- EBITDA impact of items which never generate any net outflow of assets	64	-
EBITDA	**9,007**	**10,372**

IV. Notes to the Condensed Consolidated Statement of Financial Position

1) Property, plant and equipment, leased vehicles and right-of-use assets

In 2024H1, the value of property, plant and equipment and leased assets was up by HUF 0.6 billion, in contrast to the HUF 4.9 billion increase in 2023H1 resulting from acquisitions completed during the period (Nelson Flotta, Net Mobilitás). Significant changes during the current period were as follows:

- Depreciation and amortisation relating to property, plant and equipment and leased vehicles amounted to HUF 1.3 billion (2023H1: HUF 1.1 billion).
- Purchases were made for HUF 3.6 billion, most of which relates to motor vehicles leased out to the fleet management and rent-a-car business within the Group's Mobility Services Business Unit as part of an operating lease (HUF 1.9 billion). A smaller part of purchases includes renovation works on property, purchases of servicing machinery and purchases of company cars.
- Assets were derecognised for an amount of HUF 2.2 billion, a substantial part of which relates to the replacement of the fleets of companies belonging to the above-mentioned Mobility Services Business Unit (HUF 1.2 billion).
- An amount of HUF 0.5 billion is related to the reclassification and revaluation of items.

The balance of investment projects as at the reporting date was HUF 320 million (HUF 460 million in the previous year).

Depreciation was recognised on right-of-use assets for an amount of HUF 990 million, while the effect of contract amendments and revaluation was HUF -282 million. During the current period, the Group mostly entered into lease contracts for new vehicles which are subleased depending on the type of contract with the customers. The value of vehicles newly leased during the current period was HUF 1.6 billion.

2) Goodwill

The goodwill presented in the balance sheet was allocated to the following cash-generating units:

Cash-generating unit	30/06/2024	31/12/2023
Wallis Autómegosztó Zrt. transaction	4,526	4,526
Goodwill allocated to units not material on their own	935	934
Total (before impairment losses)	**5,461**	**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.

Based on the results of the impairment test, no impairment losses were recognised by the Group on goodwill in FY2023 or 2024H1.

Impairment testing

The key assumptions generally used in impairment testing are presented in the following table.

	30/06/2024	31/12/2023
Discount rate	11.56%	12.84%
Long-term 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 long-term growth rate was set by management at 3%, which is in line with long-term inflation expectations.

The recoverable amount of goodwill arising on reverse acquisitions is determined by the Group based on the cash-generating capacity of entities that were involved in a reverse acquisition (Wallis Autókölcsönző Kft., Wallis Motor Duna Kft., Wallis Motor Pest Kft., AW Distribution Kft.). Based on management's estimate, the average EBITDA of the entities does not deviate significantly from the figures for 2023, and the average growth rate is, on average, identical to the long-term growth rate. The recoverable amount of a cash-generating unit is many times the value of goodwill.

Wallis Autómegosztó Zrt. is treated by AutoWallis Group as a cash-generating unit ("CGU"). Management updated the Company's long-term business plan based on the expected positive impact of the announced organisational changes (the merger of Wallis Autómegosztó Zrt. into Nelson Flottakezelő Kft.). The long-term growth rate was set by management at 3% in line with long-term inflation predictions, i.e. no real growth is expected (2.1% at the end of 2023). All of this taken into account, the recoverable amount of the CGU is HUF 7,065 million (HUF 7,447 million at the end of 2023). No impairment losses were recognised.

3) Goods

The value of goods decreased to HUF 58,264 million by 30 June 2024 (from HUF 58,385 million as at 31 December 2023), with vehicles accounting for HUF 53,386 million (compared to HUF 54,520 million as at 31 December 2023). This change is attributable to the decrease in imported inventories. There were no significant impairment losses or reversals of impairment losses in the Group during the current period (in 2023H1, the Group had recognised impairment losses of HUF 925 million on vehicles damaged during transportation from the Far East).

V. Other disclosures

4) Disclosure on headcount

The average statistical headcount of the Group for fully consolidated entities was 1,051 in the current period and 930 in the same period of the previous year. The average number of employees for joint ventures was 48 (previous year: 46).

5) EPS indicator

Changes in the Group's EPS indicator were as follows:

Item	2024H1	2023H1
Profit attributable to owners of the parent (mHUF)	3,475	7,462
Average number of shares	529,989,162	442,289,002
EPS (HUF/share)	6.16	16.87
Diluted EPS (HUF/share)	6.16	16.87

6) Seasonality

Seasonality has a negligible impact on the individual business units of the Group. Within the Mobility Services Business Unit, the performance of rent-a-car services is typically stronger during the summer months (because of tourists coming to the country).

7) Classification of financial instruments and fair values

The following table presents the carrying amount and fair value of financial assets and financial liabilities. The fair value of financial assets and liabilities is nearly identical to their carrying amount.

At 30 June 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 equity instruments	-	2	-	2	2
Net investment in leases	-	-	13,495	13,495	13,495
Loan receivables	-	-	20	20	20
Trade receivables and factoring receivables	-	-	13,213	13,213	13,213
Other receivables*	-	-	649	649	649
Other financial assets	17	-	99	116	116
Cash and cash equivalents	-	-	22,315	22,315	22,315
Total	**17**	**2**	**49,791**	**49,810**	**49,810**
Financial liabilities					
Debentures	-	-	9,858	9,858	7,219
Loans and borrowings	-	-	17,289	17,289	17,289
Lease liabilities	-	-	14,959	14,959	14,959
Trade payables	-	-	23,801	23,801	23,801
Liabilities from reverse factoring	-	-	21,068	21,068	21,068
Other current liabilities*	255	-	1,516	1,771	1,771
Total	**255**	**-**	**88,491**	**88,746**	**86,107**

** 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 equity instruments	-	2	-	2	2
Net investment in leases	-	-	12,142	12,142	12,142
Loan receivables	-	-	7	7	7
Trade receivables and factoring receivables	-	-	15,937	15,937	15,937
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**	**42,226**	**42,256**	**42,256**

Financial liabilities					
Debentures	-	-	9,810	9,810	7,363
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	-	-	17,809	17,809	17,809
Other current liabilities*	398	-	1,572	1,970	1,970
Total	**398**	**-**	**84,951**	**85,349**	**82,902**

** Only balances that qualify as financial instruments*

Financial assets and liabilities were classified in the fair value hierarchy for the periods presented herein as follows:

At 30 June 2024	Level 1	Level 2	Level 3
Financial assets			
Investments in equity instruments	-	-	2
Other financial assets	-	17	-
Total	**-**	**17**	**2**

Financial liabilities			
Other current and non-current liabilities*	-	68	187
Total	**-**	**68**	**187**

** 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			
Other current and non-current liabilities*	-	23	375
Total	**-**	**23**	**375**

** Only balances that qualify as financial instruments*

8) Changes in the Group's structure

There were no completed acquisitions in 2024H1. The following changes to the Group's structure took place by way of foundation:

- AW FRZ Distribution Kft.: registered office: 2040 Budaörs, Szabadság utca 117.
- AW RO Distribution S.r.l.: registered office: Bucuresti, Sector 1, Str. Fagaras, Nr.9-13, Et.4, Ap.10
- AWSC Retail Kft.: registered office: 1097 Budapest, Fék utca 2-4.

9) Issue of shares

On 26 January 2024, Wallis Tőkeholding Zrt., the majority owner 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. will acquire 46,416,938 shares at a price of HUF 122.8, 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.

10) Share-based payments

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 Group had the following share-based payment agreements in place as at 30 June 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	thHUF 457,662
Grant date	26 April 2023
Vesting period	variable, 2 or 3 years
Vesting conditions	achievement of specific performance
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	thHUF 297,391
Grant date	21 December 2023
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance
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	thHUF 377,213
Grant date	24 April 2024
Vesting period	at least 24 months
Vesting conditions	achievement of specific performance
Type of program	cash-settled

The part of the ESOP benefit schemes that is equity-settled and relates to employees of the Group is recognised in a prorated manner over the vesting period based on the fair value of distributed shares as at the grant date. Cash-settled ESOP benefits are recognised in profit or loss in a prorated manner over the vesting period, taking into account the average fair value (stock price) of the shares before the reporting date, for which the Group recognises a liability.

The Group terminated its ESOP 3 program during the current period, and the shares were distributed to the participants of the program.

11) Authority proceedings and legal proceedings

The members of the Group are involved in several legal proceedings as part of their normal course of business. No legal proceedings are currently underway whose outcome could have a significant negative impact on the Group's financial position, assets, profits or business activity.

VI. Events after the balance sheet date of the interim financial statements and significant pending cases

The following significant events occurred between the balance sheet date of the interim financial statements and the date of approval of these financial statements for disclosure

1. On 4 March 2024, AutoWallis entered into a sale and purchase agreement on the acquisition of the BMW business of Stratos Auto of the Czech Republic. The transaction was closed on 1 July 2024. 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 consideration paid was EUR 7.7 million, and the fair value of the assets and liabilities acquired is still being determined as of the date of publication of this report.

2. On 3 July 2024, AutoWallis announced that Nelson Flottalízing, a member of the Group, would continue its fleet management activity under the brand name wigo fleet. At the same time as the rebranding, the Group is consolidating several of its mobility service activities into a single entity in order to leverage synergies more effectively and to improve customer experience even further. At the same time as the rebranding, AutoWallis Group will merge its fleet management and carsharing services into a single entity, meaning that Wallis Autómegosztó Zrt. (the entity operating wigo carsharing), Nelson Sales Kft. and Nelson Assistance Kft. will merge into Nelson Flottalízing Kft. The transformation is expected to be completed on 30 September 2024.

ANNEX I

LIST OF COMPANIES THAT ARE MEMBERS OF THE GROUP AS AT THE REPORTING DATE:

Entity	Method of acquiring ownership	Ownership share 30/06/2024	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
AW RO Distribution S.r.l.	Foundation	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	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 FRZ Hungary Kft.	Foundation	100%	-	Sale of cars	HU	HUF

List of joint ventures that are members of the Group:

Entity	Method of acquiring ownership	Ownership share 30/06/2024	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%	-	Sale of cars	HU	HUF

DECLARATIONS

These interim condensed consolidated financial statements and management (business) report (hereinafter collectively referred to as: Financial Statements) were discussed by the Group's Board of Directors on 15 August 2024 and were approved for disclosure.

We hereby declare that the Group's interim condensed consolidated financial statements for 2024H1 were prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (IAS 34) to the best of our knowledge and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

Furthermore, we hereby declare that its Management (Business) Report for 2024H1 gives a true and fair view of the circumstances, development and performance of the Group and presents the key foreseeable risks and uncertainties.

We hereby declare and note that this half-year report of the Group has not been audited by an independent auditor.

Budapest, 15 August 2024

Gábor Ormosy	Zsolt Müllner
Member of the Board of Directors	Member of the Board of Directors

AutoWallis Nyrt.

This interim report may contain forward-looking statements and prospective statements on the Group's opinions and expectations, which are presented by the Company in good faith and in a reasonable manner. Such forward-looking statements rely on current plans, expectations and projections and may be affected by known or unknown risks, uncertainties or other factors which may cause the specific results, financial situation, performance or achieved goals of the Company or the industry to differ significantly from those explicitly or implicitly described in such forward-looking statements.

The Group is not liable for updating or modifying any of these statements on the basis of new information or future events and for publishing such changes.

Therefore, having regard to such risks, uncertainties and other factors, we advise investors not to rely solely upon these forward-looking statements when making investment decisions.