STANDALONE FINANCIAL STATEMENTS 2018

WABERER'S
OPTIMUM SOLUTION

Declaration

Undersigned, authorised representatives of WABERER'S INTERNATIONAL Nyrt., the issuer of WABERER'S INTERNATIONAL Nyrt. ordinary shares, hereby declare that WABERER'S INTERNATIONAL Nyrt. takes responsibility for the 2018 Standalone Financial Statements disclosed on 16 April 2019, of WABERER'S INTERNATIONAL Nyrt., which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards, and give a true and fair view of the assets, liabilities, financial position, and profit of WABERER'S INTERNATIONAL Nyrt., presents a fair review of the position, development and performance of WABERER'S INTERNATIONAL Nyrt. together with a description of principal risks and uncertainties.

Budapest, 16 April 2019

Gerard van Gesteren	Barna Erdélyi
Chairman of the Board of Directors	Chief Financial Officer

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of WABERER'S INTERNATIONAL Nyrt.

Report on the audit of the annual financial statements

Opinion

We have audited the accompanying 2018 annual financial statements of WABERER'S INTERNATIONAL Nyrt. ("the Company"), which comprise the statement of financial position as at 31 December 2018 - showing a balance sheet total of EUR 550,002,374 and a total comprehensive loss for the year of EUR 30,213,177 -, the related statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion the annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all materials respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for annual financial statements prepared in accordance with EU IFRSs.

Basis for opinion

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

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

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

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Cut-off of sales transactions and revenue recognition

The Company's revenue amounted to EUR 485 million as of 31 December 2018. The Company focuses on revenue as a key performance measure which might create an incentive for revenue to be recognized before the risks and rewards have been transferred. Based on this we consider the recognition of revenue in the correct period significant to our audit and a key audit matter.

Our audit procedures included, among others, understanding of key controls over revenue recognition which are designed to ensure proper timing and recognition of revenues when risk and rewards are transferred to customers. We analyzed the Company's revenue through entire population of journal entries of sales transactions including correlations between revenue, accounts receivables, value added tax and cash inflows. On a sample basis we circularized outstanding debtor balances and tested subsequent cash inflows. We tested a sample of significant sales transactions closed around the balance sheet date as well as credit notes issued after the balance sheet date to assess whether revenue was recognized in the correct period. We performed analytical review procedures on revenue comparing actual data to our expectations developed based on our prior experience of the Company's business. We assessed the adequacy of the Company's disclosures in the annual financial statements in respect of revenue in accordance with the EU IFRSs.

The Company's disclosures about revenue are included in Note 3. I) Revenues and Note 20 Sales revenue, mediated services of the annual financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investments in Subsidiaries The Company's investment in subsidiaries represents EUR 56 million, 10% of total assets. Fair valuation of investments in subsidiaries is prepared by management annually for assessing potential impairment need. Valuation of investments in subsidiaries is a significant judgmental area and it is highly dependent on estimates, such as cash flow assumptions and weighted average cost of capital. This, in combination with the significant share of investments in subsidiaries as part of total assets and potential profit and loss effect made us conclude that valuation of investments in subsidiaries is a key audit matter.	Our audit procedures included, among others, evaluating assumptions and methodologies used by the Company. With involvement of valuation experts we assessed the accuracy of key inputs used in the model, such as management's primary cash-flow assumptions and the used weighted average cost of capital. We reconciled the model to the approved business plan of the subsidiaries and also assessed historical accuracy of management's estimates. We assessed the adequacy of the Company's disclosures about investments in subsidiaries in the annual financial statements in accordance with the EU IFRSs. The Company's accounting policy and disclosures about its investments in subsidiaries are included in Note 8 Investments in subsidiaries and joint ventures of the annual financial statements, which specifically explain the valuation method used when determining fair value and impairments of investments.

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Other information

Other information consists of the 2018 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the annual financial statements does not cover the business report.

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

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

In our opinion, the business report of the Company, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2018 is consistent, in all material respects, with the 2018 annual financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

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

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

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

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Company by the General Assembly of Shareholders of the Company on 26 April 2018. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 8 years.

Consistency with Additional Report to Audit Committee

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

Non-audit Services

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

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

Budapest, 13 March 2019

(The original Hungarian language version has been signed.)

<table>
<tr><td>Lelkes Tamás
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165</td><td>Bartha Zsuzsanna
Registered auditor
Chamber membership No.: 005268</td></tr>
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Statistical code

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Registration number

WABERER'S International NyRt.

2018

FINANCIAL STATEMENTS IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) AS ADOPTED BY THE EU

Date: Budapest, 13 March 2019

Manager of Company
(representative)

Barna Erdélyi
CFO

Gerard van Kesteren
Chairman of the Board

WABERER'S International NyRt.
STATEMENT OF FINANCIAL POSITION

data in EUR

Description	Note	31 December 2017	31 December 2018
NON-CURRENT ASSETS			
Property	6	11 526 656	10 379 618
Fixed assets not yet capitalized	6	3 254 729	1 583 921
Vehicles	6	67 909 918	72 931 149
Other equipment	6	3 886 400	3 129 377
Total property, plant and equipment		**86 577 703**	**88 024 065**
Intangible assets	5	4 603 188	10 537 268
Investment in realted companies	7	56 285 742	55 864 118
Other non-current financial assets	8	110 544	28 398
Deferred tax asset		0	445 792
TOTAL NON-CURRENT ASSETS		**147 577 176**	**154 899 641**
CURRENT ASSETS			
Inventories	9	736 727	973 232
Current income taxes		688 329	108 956
Trade receivables	10-11	58 754 208	56 530 841
Receivables from related companies		235 189 608	311 457 686
Other current assets and derivatives	12	13 988 151	13 968 356
Cash and cash equivalents	13	29 234 908	12 063 662
Assets classified as held for sale		0	0
TOTAL CURRENT ASSETS		**338 591 931**	**395 102 733**
TOTAL ASSETS		**486 169 108**	**550 002 374**
SHAREHOLDERS' EQUITY	***14***		
Share capital		6 179 206	6 183 594
Reserves and retained earnings		111 078 178	83 769 728
TOTAL SHAREHOLDERS' EQUITY	**14**	**117 257 383**	**89 953 322**
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term portion of leasing liabilities	15	152 322 134	131 347 289
Deferred tax liability		793 077	0
Provisions	16	2 523 148	32 623
Other long-term liabilities	17	4 744 530	0
TOTAL LONG-TERM LIABILITIES		**160 382 889**	**131 379 912**
CURRENT LIABILITIES			
Short-term loans and borrowings		0	11 759 713
Short-term portion of leasing liabilities	15	61 161 499	79 507 228
Trade payables		35 664 662	38 801 588
Liabilities from related companies		109 171 179	193 437 501
Current income taxes		0	0
Provisions	16	138 675	1 229 987
Other current liabilities and derivatives	18	2 392 819	3 933 123
TOTAL CURRENT LIABILITIES		**208 528 835**	**328 669 140**
TOTAL LIABILITIES		**368 911 724**	**460 049 052**
TOTAL EQUITY AND LIABILITIES		**486 169 108**	**550 002 374**

Date: Budapest, 13 March 2019

Waberer's International Nyrt.
STATEMENT OF COMPREHENSIVE INCOME

data in EUR-ban

Description	Note	2017	2018
Continuing activities			
Revenue	**19**	496 388 223	485 205 284
Cost of Trucking Subcontractors		(382 552 173)	(368 945 505)
Cost of goods sold		(24 890 949)	(27 007 981)
Direct wages, benefits & allowances	**20**	(4 940 676)	(8 038 302)
Fuel cost	21	(3 603 064)	(6 201 215)
Toll Fees & Transit Costs	22	(24 743 311)	(29 380 711)
Repair & maintenance	23	(12 104 931)	(13 575 529)
Insurance costs	23	(1 837 503)	(2 084 129)
Direct Rent	23	(927 400)	(787 551)
Other contracts	23	(1 107 716)	(1 116 309)
Vehicle weight tax and other transport related taxes	23	(302 550)	(323 226)
Total direct costs		**(457 010 274)**	**(457 460 458)**
Net gain on fleet sales		**3 470 675**	**3 203 060**
Gross Profit		**42 848 625**	**30 947 886**
Indirect Wages & Benefits		(14 228 687)	(15 064 033)
Other services		(9 204 562)	(9 385 934)
Selling, General and Administrative costs	24	**(23 433 249)**	**(24 449 967)**
Other operating income	25	**4 932 010**	**2 323 028**
Other operating expense	26	**(4 028 314)**	**(4 071 298)**
Profit before interest, tax, depreciation and amortization(EBITDA)		**20 319 072**	**4 749 649**
Depreciation		(17 103 705)	(18 423 396)
Profit before interest (EBIT)		**3 215 367**	**(13 673 747)**
Interest	27	(3 745 552)	(13 489 727)
Profit(loss) before income tax		**(530 185)**	**(27 163 474)**
Income Tax	28	**(287 502)**	**(3 049 703)**
Profit after Tax		**(817 687)**	**(30 213 177)**
DISCOUNTINUED OPERATION Profit/loss from discountinued operation (decreased with deferred tax)			
CURRENT YEAR PROFIT/LOSS		**(817 687)**	**(30 213 177)**
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME		**(817 687)**	**(30 213 177)**

Date: Budapest, 13 March 2019

WABERER'S International NyRt.

STATEMENT OF CASH FLOWS

data in EUR

Description	Note	2017	2018
Profit/loss before tax		**(817 687)**	**(27 163 474)**
Non-realised exchange loss/gain on FX assets and liabilities (-)	29	(188 574)	3 683 116
Fair vulue difference related to financial instruments	29	-	1 123 737
Booked depreciation and amortisation	5	17 103 705	18 423 396
Impairment	11	5 518 487	5 718 245
Interest expense	25	3 826 596	3 258 984
Interest income		(245 162)	(337 366)
Difference between provisions allocated and used	17	469 492	(349 899)
Result from sale of tangible assets	24	(3 470 675)	(3 203 060)
Net cash flows from operations before changes in working capital		***22 196 182***	***1 153 680***
Changes in inventories	9	207 757	(250 773)
Changes in trade receivables	10	3 114 642	2 211 594
Changes in receivables from related parties		(45 593 454)	(38 398 460)
Changes in other current assets and derivative financial instruments	12	3 518 925	(4 067 545)
Changes in trade payables	29	(3 615 109)	3 131 883
Changes in liabilities from realted parties		71 105 504	84 266 322
Changes in other current liabilities and derivative financial instruments	19	609 456	659 560
Income tax paid	27	(790 742)	(1 169 478)
I. Net cash flows from operations		***50 753 161***	***47 536 783***
Tangible asset additions	5	(4 145 409)	(8 830 884)
Income from sale of tangible assets	13	22 886 687	21 644 572
Changes in other non-current financial assets	8	813 690	82 146
Changes in Financial investments		(35 237 642)	-
Interest income		245 162	337 366
II. Net cash flows from investing activities		**(15 437 511)**	**13 233 199**
Loan increase	***29***	0	6 848 821
Lease payment	29	(47 535 471)	(45 687 640)
Lease payment related to sold assets	16	(18 972 250)	(17 762 206)
Interest paid	25	(3 826 596)	(3 258 984)
Dividend paid		-	-
Acquisition of treasury shares		(2 593 425)	0
Received dividend from related companies		2 452 538	0
Capital increase		50 218 980	0
Addidiontal payment to subsidiaries		0	(12 712 598)
Acquisition of related company		0	(5 368 622)
III. Net cash flows from financing activities		**(20 256 224)**	**(77 941 229)**
IV. Changes in cash and cash equivalents		**15 059 425**	**(17 171 246)**
Cash and cash equivalents as at the beginning of the year	29	16 604 064	29 234 908
Cash and cash equivalents as at the end of the year	29	29 234 908	12 063 662

Date: Budapest, 13 March 2019

WABERER'S International NyRt.
STATEMENT OF CHANGES IN EQUITY

data in EUR

	Note	Share capital	Reserves and retained earnings	Total shareholders' equity
Opening value as at 1 January 2017	15	**5 092 696**	**68 989 215**	**74 081 911**
Other comprehensive income		-	-	-
Profit/Loss for the year		-	(3 246 269)	(3 246 269)
Total comprehensive income		-	(3 246 269)	(3 246 269)
Capital increase with new shares issued		1 063 897	49 155 083	50 218 980
Direct cost realted to capital increase			(3 355 071)	(3 355 071)
Transfer of treasury shares to ESOP organisation		22 613	(2 749 900)	(2 727 287)
Received dividend from related parties			2 452 538	2 452 538
Other movements			(167 418)	(167 418)
Closing value as at 31 December 2017	15	**6 179 206**	**111 078 177**	**117 257 383**
Other comprehensive income		-	-	-
Profit/Loss for the year		-	(27 784 595)	(27 784 595)
Total comprehensive income		-	(27 784 595)	(27 784 595)
Acquisition of treasury shares to ESOP organisation		4 388	117 429	121 817
Other movements			358 716	358 716
Closing value as at 31 December 2018	15	**6 183 594**	**83 769 727**	**89 953 321**

Date: Budapest, 13 March 2019

1. Reporting entity

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

2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The Company's annual financial statements were prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The IFRS comprise accounting standards issued by the IASB and its predecessor, as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor.

The financial statements were approved by the Board of Directors on 13 March 2018.

(b) Basis of measurement

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

The methods used for fair value measurement are detailed in Note 31.

(c) Functional and presentation currency

On 31 December 2012, management decided to change the Company's presentation currency. The Company's sales revenues are generated and its costs incur predominantly in EUR and changes in the local Hungarian economy have very little effect on EUR rates. 95% of the Company's business is done within the European Union. The Company is financed in EUR and, owing to the special and EU-wide nature of the Company's business, the CDS rates for Hungary are barely considered by the Company's funders and creditors when establishing their interest premiums. Accordingly, the financial statements are prepared in EUR which has been the Company's presentation currency since 1 January 2013.

(d) Use of estimates and judgments

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the notes below:

- provisions and contingent items (see Notes 17 and 32)
- measurement of financial instruments (Note 31)
- classification of leases (Note 3. e)
- recording of gain on fleet sales (Note 3. f).

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Company.

New and amended standards adopted

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2018:

- IFRS 9 – Financial instruments
- IFRS 15 – Revenue from Contracts with Customers

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

a) Impact of the adoption of IFRS 15

The Company has generally concluded that:

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

As a result, the adoption of IFRS 15 does not impact significantly the Company's results, financial position or disclosures.

The Company. elected to adopt IFRS 15 – Revenue from Contracts with Customers using the modified retrospective method of adoption.

IFRS 9

At the date of initial application, the Company uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compare that to the credit risk at the date of initial application of the standard. If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, the Company recognizes a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized (unless that financial instrument is low credit risk at a reporting date).

Waberer's chose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9. The Company applies that policy to all of its hedging relationships and retain the existing hedge accounting requirements in IAS 39 for all hedge accounting, until the IASB finalizes the macro hedging project.

(b) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the assets and restoring the site on which they are located. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised to the cost of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from the disposal with the carrying amount of the item and are recognised net in profit or loss among other income.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying value of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and based on the amount of the depreciable asset value. The depreciable amount of an asset is its cost less any residual value. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

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

- buildings — 30 years
- plant and equipment — 7 years
- vehicles — 4-5 years or the term of lease
- other fixtures and fittings — 7 years

The average useful life of the Company's leased trucks is four years during which their acquisition cost is written off on a straight line basis to the residual value in the underlying lease agreement, in case of trailers, the useful life is five years. If the lease term is prolonged for two more years, the residual value changes accordingly so that straight line depreciation applies for two more years to the new residual value.
Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(c) Intangible assets

(i) Other intangible assets

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

(ii) Subsequent expenditure

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

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis, with the exception of goodwill, over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative period are as follows:

- software — 10 years
- rights and concessions — 6 years

(d) Investment property

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

(e) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When lease transactions are classified the risk derived from the change in the residual value of the leased assets is taken into account.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Company's statement of financial position.

Vehicles subleased by the Company to its subsidiaries for the term of the original lease agreements are not presented among vehicles in the Company's standalone financial statements. Liabilities under the original lease agreements are presented in the standalone financial statements as leasing liabilities along with corresponding receivables from related parties.

(f) Gain on fleet sales

The net gains on the sale of fleet vehicles are recognized in the gain or loss on vehicle disposals line.

(g) Inventories

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

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

(h) Impairment loss

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses for available-for-sale financial assets are calculated at fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Companys that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. If impairment must be recognised, any cumulative loss that had been recognised directly in equity in relation to available-for-sale financial assets is recognised in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

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

(i) Non-current assets held for sale

Non-current assets (or disposal Companys comprising assets and liabilities) whose carrying amount will be recovered principally through a sale transaction rather than through continuing use are considered to be non-current assets classified as held for sale. Immediately prior to the classification as held for sale the assets (or components of the disposal Company) are re-measured in accordance with the Company's accounting policies. Thereafter, the assets (or disposal Company) are measured at the lower of the carrying value and the fair value less cost to sell.
Impairment losses related to a disposal Company are allocated initially to goodwill and then proportionally to the other assets, apart from inventories, financial assets, deferred tax assets, employee-benefit related assets and investment properties, to which losses are not allocated, and which are still measured in accordance with the Company's accounting policies. Impairment losses related to the initial classification as held for sale and any subsequent gains or losses following re-measurement are recognised in profit or loss. Gains are recognised up to the amount of any cumulative impairment loss.
When classifying the assets back, the Company compares the carrying value less impairment of the assets held for sale with the value that would have prevailed if the assets had been depreciated when carried as held for sale, before proceeding to use the lower figure, if this was not higher than the recoverable amount of the asset.

(j) Employee benefits

(i) Defined contribution plans

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

(ii) Termination benefits

Termination benefits are recognised as expense when the Company is demonstrably committed to a detailed formal plan to terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy, without a realistic possibility of withdrawal. Termination benefits for voluntary redundancies are recognised as expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the

Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Revenues

Net sales revenues include amounts billed to customers for products or services delivered during the financial year. Net sales revenues are recognised when the amount of revenues becomes evident or when it is probable that the Company will be able to realise the billed amount. Sales revenues include the billed amounts less VAT and any applicable discounts.

(i) Services

Revenues from services rendered are recognised in profit and loss in accordance with the percentage of completion of the transaction on the reporting date. The percentage of completion is determined by assessing the work performed.

(ii) Rental revenue

Revenue from renting investment property is recognised evenly in profit and loss over the term of the rental. Rental incentives provided are recognised as an integral part of the total rental revenue over the term of the rental. The Company did not realise such revenue.

(m) Lease payments

Lease payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.
Minimum lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Gains or losses on the disposal of assets held for sale

Gains or losses on the disposal of assets held for sale are recognised net as other income or other expense.

(o) Finance income and expense

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

Foreign exchange gains and losses are recognised net.

(p) Income tax

Income tax expense comprises current and deferred income taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

The Hungarian municipal business tax and innovation contribution are also presented as income taxes.

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Standards issued but not yet effective

- **IFRS 16: Leases**
  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The Company has assessed the requirements of the standard and its impacts on the financial statements. The assessment identified contracts worth EUR 52 million which would qualify as lease as a result of the standard amendments. The prospective impacts of the amendment on the financial statements will include an increase in properties and a corresponding increase leasing liabilities, and a reduction in rents paid with a corresponding increase in depreciation and interest paid.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**
  The amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The Company has assessed the requirements of the standard and has decided against early application.

- **IFRS 17: Insurance Contracts**
  The standard is effective for annual periods beginning on or after 1 January 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The standard has not been yet endorsed by the EU. The Company has assessed the requirements of the standard and has decided against early application.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendment)**

The amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The amendment relates to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendment clarifies that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. The amendment has not yet been endorsed by the EU. The Company has assessed the requirements of the standard and does not wish to apply it.

- **IFRC 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Company has assessed the requirements of the standard and believes that the standard has no impact on the Company's financial statements.

- **IAS19 19: Plan Amendment, Curtailment or Settlement (Amendment)**
  The amendment is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendment requires entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendment also clarifies how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The amendment has not yet been endorsed by the EU. The Company has assessed the requirements of the standard and does not wish to apply it.

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

- **IFRS 3: Business Combinations (Amendments)**
  The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a Company of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Company has assessed the requirements of the standard and has decided against early application.

- **IAS1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments):**
  The amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. The Company has assessed the requirements of the standard and has decided against early application.

4. Adjustment of errors

The Company has not identified any signficant errors which can have impact on the financial statement of current and prior years.

5. Earnings per share

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

The issued share capital of Waberer's International Nyrt. was EUR 6,192,807 at 31 December 2018, of which EUR 9,213 was treasury shares. EPS is calculated based on the net profit for the year and the weighted average number of ordinary shares.

Earnings per share	**2017**	**2018**
Net profit after tax EUR	(817 687)	(27 784 595)
Weighted average of ordinary shares	16 023 885	17 661 143
Earnings per share EUR	(0,05)	(1,57)
Diluted earnings per share EUR	(0,05)	(1,57)

As there is no diluting effect on earnings, diluted earnings per share was the same as normal EPS in both 2017 and 2018.

6. Intangible assets

Opening at 1 January 2017	**Intangible assets**
Gross value	11 952 705
Cumulative amortisation and impairment	(10 039 239)
Net value	**1 913 466**
Changes in 2017	
Additions and capitalisations	4 135 046
Amortisation	(1 445 324)
Closing net value	**4 603 188**
Closing at 31 December 2017	
Gross value	16 087 751
Cumulative amortisation and impairment	(11 484 563)
Net value	**4 603 188**

Changes in 2018	
Additions and capitalisations	7 581 809
Amortisation	(1 647 729)
Disposals	-
Closing net value	**10 537 268**
Closing at 31 December 2018	
Gross value	23 669 560
Cumulative amortisation and impairment	(13 132 292)
Net value	**10 537 268**

(a) Intangible assets with indefinite useful lives

The Company has no intangible assets with indefinite useful lives.

7. Tangible assets

	Properties	Fixed assets not yet capitalized	Vehicles	Other equipment	Total
Opening at 1 January 2017					
Gross value	18 577 949	1 703 971	84 124 443	6 252 622	110 658 985
Cumulative depreciation and impairment loss	(6 275 702)	-	(27 102 775)	(4 814 852)	(38 193 329)
Net value	**12 302 248**	**1 703 971**	**57 021 668**	**1 437 770**	**72 465 656**
Changes in 2017					
Additions and capitalisations	424 007	5 696 167	29 252 532	3 721 402	39 094 108
Depreciation, impairment	(1 199 599)	-	(13 079 148)	(1 272 771)	(15 551 519)
Derecognition	-	-	(5 285 134)	-	(5 285 134)
Capitalisation	-	(4 145 409)	-	-	(4 145 409)
Closing net value	**11 526 656**	**3 254 729**	**67 909 918**	**3 886 400**	**86 577 703**
Closing at 31 December 2017					
Gross value	19 001 957	3 254 729	100 033 393	9 920 896	132 210 975
Cumulative depreciation and impairment loss	(7 475 301)	-	(32 123 475)	(6 034 496)	(45 633 272)
Net value	**11 526 656**	**3 254 729**	**67 909 918**	**3 886 400**	**86 577 703**

Changes in 2018					
Additions and capitalisations	66 966	690 231	21 593 837	623 265	22 974 299
Depreciation, impairment	(1 214 004)		(14 181 375)	(1 380 288)	(16 775 667)
Derecognition	-		(2 391 231)	-	(2 391 231)
Capitalisation	-	(2 361 039)		-	(2 361 039)
Closing net value	**10 379 618**	**1 583 921**	**72 931 149**	**3 129 377**	**88 024 065**
Closing at 31 December 2018					
Gross value	19 064 617	1 583 921	115 161 567	10 544 161	145 354 266
Cumulative depreciation and impairment loss	(8 684 999)	-	(42 230 418)	(7 414 784)	(58 420 201)
Net value	**10 379 618**	**1 583 921**	**72 931 149**	**3 129 377**	**88 024 065**

(a) Properties

The following table includes the Companys' most significant properties as at 31 December 2018.

Property location	Country	Usage	Net value
Budapest, Nagykőrösi út 349-351	Hungary	Head Office	6 483 266
Balatonvilágos Hotel	Hungary	Hotel	2 382 311
Mosonmagyaróvár	Hungary	Business site – workshop	1 236 041
Pécs	Hungary	Logistics Warehouse	276 698

(b) Movements in tangible assets

The gross value of properties increased by EUR 67 thousand in 2018. Most of this increase was due to office building works at the Company's site in Nagykőrösi út, Budapest. The increase in other equipment totalled EUR 623 thousand in 2018 as a result of IT and security asset acquisitions during the year.

(c) Mortgaged assets

The Company has no mortgage assets.

(d) Leased assets

Tangible assets contain assets acquired by the Company as a result of financial leases. Among leased assets the trucks are leased to the Company's subsidiaries with unchanged conditions which causes an intercompany receivable equal to the leasing liability. The Company operated 187 trucks and 3,650 trailers are presented among vehicles against leasing liabilities.

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

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

8. Investments in subsidiaries and joint ventures

Company	Country	Scope of activities	Ownership ratio 2017	Ownership ratio 2018
Waberer's - Szemerey Logisztika Kft.	Hungary	inland transportation and forwarding, logistics	60,00%	100,00%
Delta Rent Kft.	Hungary	vehicle trade	100,00%	100,00%
Waberer's Románia SA	Romania	international transportation and forwarding	100,00%	100,00%
Waberer's Deutschland GmbH	Germany	international transportation	100,00%	100,00%
Waberer's Espana	Spain	international transportation	100,00%	100,00%
Waberer's Polska	Polans	international transportation	100,00%	100,00%
Waberer's Slovakia	Slovakia	logistics	100,00%	100,00%
Waberer's France	France	trading agent	100,00%	100,00%
Waberer's UK Limited	UK	trading agent	100,00%	100,00%
Waberer's Benelux B.V.	Holland	trading agent	100,00%	100,00%
Waberer's Italia SRL	Italy	trading agent	100,00%	100,00%
Cseri Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Simon Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Molnár S Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Kovács Á Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Molnár N Intersped Kft.	Hungary	international transportation	51,00%	100,00%
Réthi Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Vágenhoffer Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
VT Intertrans Kft.	Hungary	international transportation	100,00%	100,00%
Pálinkás Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Székely Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Szabó Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Kerekes Intertrans Kft.	Hungary	international transportation	100,00%	100,00%
Veres Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Zsemlye Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Bódi Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
S Tóth Intertrans Kft.	Hungary	international transportation	51,00%	100,00%
Vándor Intertrans Kft.	Hungary	international transportation	100,00%	100,00%
Transport Hungária Kft.	Hungary	international transportation	100,00%	100,00%
Kanczler Intertrans Kft.	Hungary	international transportation	100,00%	100,00%
TT Intertrans Kft.	Hungary	international transportation	100,00%	100,00%
Euro-Unió Trans Kft.	Hungary	international transportation	100,00%	100,00%
Rapid Teherautószerviz	Hungary	vehicle repairs	51,00%	51,00%
Waberer's Network Kft.	Hungary	international Companyage forwarding	99,00%	99,00%
Gervin Trans Kft.	Hungary	international transportation	51,00%	100,00%
MIS Transport Kft.	Hungary	international transportation	51,00%	100,00%
Crossroad Transport Kft.	Hungary	international transportation	51,00%	100,00%
Cosmos-Transport Kft.	Hungary	international transportation	51,00%	100,00%
Lean Logistic Kft.	Hungary	international transportation	51,00%	100,00%
Del af Europa Transp. Kft.	Hungary	international transportation	51,00%	100,00%
PM Intersped Kft.	Hungary	international transportation	100,00%	100,00%
Return Transport Kft.	Hungary	international transportation	100,00%	100,00%
VB-Transport Kft.	Hungary	international transportation	100,00%	100,00%
JIT Euro Trans Kft.	Hungary	international transportation	51,00%	100,00%

Tracking Transport Kft.	Hungary	international transportation	51,00%	100,00%
Mojo Trans Kft.	Hungary	international transportation	51,00%	100,00%
WM Log Kft.	Hungary	international transportation	51,00%	100,00%
SZ-M Cargo Kft.	Hungary	international transportation	51,00%	100,00%
SOLID Transport Kft.	Hungary	international transportation	100,00%	100,00%
Cargo Hungária Kft.	Hungary	international transportation	100,00%	100,00%
Szala Transport Kft.	Hungary	international transportation	51,00%	100,00%
TMT International Kft.	Hungary	international transportation	100,00%	100,00%
Wáberer Hungária Biztosító Zrt.	Hungary	insurance	100,00%	100,00%
Közdűlő Invest Kft.	Hungary	property rental	98,55%	98,55%
WB Station et Services	Belgium	vehicle repairs	100,00%	100,00%
LINK Sp. z o o.	Poland	international transportation	100,00%	100,00%
LINK Services Sp. z o o.	Poland	workforce agency	100,00%	100,00%

In 2014, the Company's management decided to open trade agencies across Europe, with the first in Paris, the second in Warsaw and the third in London successfully started their activity. Further trading agencies were opened in 2016 in Amsterdam and in Milan. In Q1 2017, the Company's management discontinued the operations of the trading offices abroad but the legal entity has been maintained.

On 28 December 2015 Waberer's International Nyrt. entered into a sales contract with the owners of Waberer Hungária Biztosító Zrt. As per the sales contract the sale of shares was bound to approval of the Hungarian, Slovakian regulator and MNB (Hungarian National Bank). After undergoing the approval procedure on 4 May 2016 the 4 billion HUF advance already paid in previous years was used to purchase the ownership for 4 billion HUF by the Company.

In August, 2016 the Company established WB Station at Services in Belgium. The main activities are covers the repairs of the international fleet, and to ensure parking and fuel supplies. In 2017, the parent company's management discontinued the vehicle repair workshop in Belgium due to market changes in 2017, as a result of which the location of the workshop was no longer optimal for our transportation services.

Owing to the available funds raised from the floatation of shares in July 2017, Waberer's International Nyrt. managed to continue its strategic inorganic growth plan and acquired a Polish transportation company along with its workforce agent partner.

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

The recoverable amount is the calculated based on the discounted cash flow attributable to equity holder of the parent. The basis of the cash flow calculation is the strategic plan approved by the management.

The impairment tests performed by the management are based on the following assessments:
1. Recoverable amount is calculated with the assumption of using the assets in long-term in the future.
2. Discount rates: the value in use calculations take into account the time value of money, the risks specific to the asset and the rate of return that would be expected by market for an investment with similar risk, cash flow and timing profile. The Company use the following discount rates: 2.5%.
3. The management expects increasing revenue. In case of Szemerey and Hungarocamion goodwill the expected growth rate is 7%, in case of LINK Sp. Z o.o. the expected growth rate is 8%.

Based on the estimation and calculation the Company recognized EUR 5 953 932 impairment on Waberer's Romania at 31 December 2017. As the Romanian subsidiary had profits for 2018, no further impairment loss had to be recognised.

The goodwill of LINK Sp. Z o.o., a separate legal entity, is derived from its future cash flows plans.
The method to determine the goodwill of Hungarocamion is similar to the method described for Szemerey.

The impairment tests performed by management are based on the following assessments:

1. Recoverable amount is calculated with the assumption of using the assets in long-term in the future.
2. Discount rates: the value in use calculations take into account the time value of money, the risks specific to the asset and the rate of return that would be expected by market for an investment with similar risk, cash flow and timing profile. The Group use the following discount rates: 2.5%.
3. Management expects increasing revenue. In case of Szemerey and Hungarocamion goodwill the expected growth rate is 7%, in case of LINK Sp. Z o.o. the expected growth rate is 8%.

The plan for the years 2018 to 2020 was prepared in EUR. Where necessary, items incurring in HUF were translated to EUR at a 310 HUF/EUR rate. The basis year is 2018 which was only forecast at the time of planning.
Main changes expected at Group level in comparison to 2017 used for the 2018 planning:

- 8.1% decrease in fleet
- 4.3% increase in the number of kilometres driven
- 4.0% increase in fees
- 1.4% increase in fuel prices (in EUR)
- 0.7% increase in driving cost
- 0.2% increase in truck load

Changes in main factors at EBIT level:

- an increase in fuel prices by 1 euro cent would cause a cash decrease of EUR 1.2 million.
- an increase in the number of kilometres driven by 1 million kilometres would raise the cash generating ability by EUR 0.23 million
- one euro cent increase in fees would improve the cash generating ability by EUR 4.2 million

Based on the impairment recoverability calculation, EUR 5 790 246 impariment loss was accounted.

9. Other non-current financial assets

	31 December 2017	31 December 2018
Loan to franchise owners	492 332	28 395
Other	(381 788)	3
Total	**110 544**	**28 398**

Other non-current financial assets include shares allotted to Waberer's International Nyrt's employee share scheme organisation and benefits in kind other than capital contributions less the discounted redemption value of bonds.
For the information of the market value of the other non-current assets refer to section 31. As the bonds matured on 31 December 2018, these were reclassified to other current liabilities.

10. Inventories

Inventories	**31 December 2017**	**31 December 2018**
Fuel	330 398	418 427
Spare parts, tyres, lubricants, other materials	350 712	490 133
Other materials	55 617	64 672
Total:	**736 727**	**973 232**

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

- inventory at filling station by means of a physical stock count
- fuel in lorries using an estimate based on the data in the route registration system.

11. Receivables

	31 December 2017	**31 December 2018**
Trade receivables	59 630 081	57 263 622
Impairment loss on doubtful receivables	(875 873)	(732 781)
Total	**58 754 208**	**56 530 841**

The trade receivables decreased significantly compared to 2017 because the debtors rotation rate further decreased from 65,5 days to 64,1.

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

Impaired receivables decreased by EUR 143 thousand which is 0,029% of annual revenues in 2018.

12. Impairment

	Receivables	Inventories	Other impairment
1 January 2017	**(978 062)**	**(217 334)**	**(1 485 963)**
Increase	(258 665)		
Decrease	360 854	107 523	225 733
31 December 2017	**(875 873)**	**(109 811)**	**(1 260 230)**
Increase	(138 496)	(14 268)	(5 928 094)
Decrease	281 588		81 025
31 December 2018	**(732 781)**	**(124 079)**	**(7 107 299)**

The impairment loss on trade receivables decreased due to the reasons mentioned above.

At 31 December 2017, the Company examined the sale options of previously impaired parts. As a result 50% of the impaired assets were sold. In line with the sold spare parts EUR 107,523 impairment loss was derecognized.

In 2018, the Company's management assessed the inventories in its repairs workshop in view of the technological manuals of the vehicles acquired in the previous two years and recognised an impairment loss of EUR 14,268 on parts that can no longer be fitted into the vehicles used by the Company.

Other impairment loss is recognised on other current assets primarily receivables from former employees, insurance claims and loans granted. Other impairment loss increased overall due to a combination of a number of factors. On the one hand it increase due to uncertainties about the collection of some of the loans granted which therefore had to be impaired. On the other hand, some of the impairment loss on amounts due from employees was released as a result of a significant reduction in driver fluctuation and a concurrent improvement in our collection practices.

13. Other current assets and derivative financial instruments

	31 December 2017	31 December 2018
Foreign VAT and excise tax	1 912 039	2 907 994
Tax receivables	3 443 161	4 593 030
Loans granted	1 442 407	104 371
Receivables from employees	434 430	392 037
Advances receivable	(164 486)	-
Accruals	5 302 741	4 471 570
Other	(138 824)	96 803
Derivative transactions	1 756 682	1 402 551
Total	**13 988 150**	**13 968 356**

Most other current assets include foreign VAT and excise tax assets on services used and fuel purchased abroad receivable from foreign tax authorities.

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

Among accruals the Company represents contracted discounts from the fuel, motorway and ferry providers.

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

As at 31 December 2017, the Company had the following open derivative (sale EUR) contracts:

Partner bank	Contract type	Currency	Amount of trade
ING Bank N.V	Forward	kHUF	10 698 565
Citibank Plc	Forward	kHUF	17 449 473

As at 31 December 2018, the Company had the following open derivative contracts:

Partner bank	Contract type	Currency	Amount of trade
Citibank Plc	Forward	kHUF	11 175 620
ING Bank N.V	Forward	kHUF	14 993 540
K&H	Forward	kHUF	1 590 910
Citibank Plc	Forward	kHUF	8 230 500
K&H	Forward	kHUF	7 697 900
MKB	Forward	kHUF	3 820 800

Information of the market value related to forwards can be found in point 31. Open derivatives indicated above have maturity within a year. As a result of revaluation of derivatives the valuation difference gain is EUR 1 402 551, loss is EUR 1 403 3015.

14. Cash and cash equivalents

Cash and cash equivalents include the Company's petty cash and bank balances. Cash and cash equivalent totalled EUR 12,063,662 at 31 December 2018. The significant decrease in cash-flows in 2018 was a result of the Company's operating losses.

15. Equity

The share capital of Waberer's International Nyrt. at 31 December 2018 comprised 17,693,734 dematerialized shares each with a face value of EUR 0,35. The Company held 26,322 treasury shares at the end of 2018, including 234,377 shares held by Waberer's ESOP organisation.

Further to authorisation by the general meeting, on 29 June 2017, the Board of Directors, decided to increase the share capital by issuing new shares as part of a private offering. As a result, share capital increased from EUR 5,128,910 to EUR 6,192,807. The capital increase was funded from public floatation of the shares at the Budapest Stock Exchange after the Company's transformation into a public company. The subscription period closed on 29 June 2017 and the shares involved in the capital increase were printed on 5 July 2017, then trading with the Company's shares started on the Budapest Stock Exchange in the premium category on 6 July 2017. The related gain of HUF 15,502,500 thousand (3,039,706 new shares at an issue rate of HUF 5,100 each, presented in the financial statements in a total of EUR 50,218,980) was used, further to management decision, to fund acquisitions and, to a lesser extent, to improve operating efficiency.

The costs of transformation into a public company and the related floatation expenses are presented as an EUR 3,355,071 decrease in equity in accordance with the applicable IFRS standards. In July 2017, Waberer's International Nyrt. gained full control over Link sp. z o.o. and Link Services sp. z o.o., Poland, by buying out all the previous owners. The value of the acquisitions, including transaction costs, was EUR 32,962,445 and was funded from the net income from the public floatation of Waberer's shares. The Company gained a controlling interest in the new subsidiaries on 1 July 2017 and has included these entities in the consolidation as of that date. The Company identified a business combination under IFRS 3 and presented goodwill in the consolidate financial statements as described in Note 7.

Reserves include the profits and losses of previous years, the reporting year profit or loss, and the results of transactions with equity holders, as presented in the statement of changes in equity. The reserves row does not represent the earnings distributable by Waberer's International Nyrt. because the dividend is determined based on the figures presented in the stand alone financial statements. Dividends payable to minority shareholders based on the standalone Hungarian statutory annual financial statements are disclosed in the statement of changes in equity in the consolidated financial statements for the year when the dividends payment was approved.

Main rights and obligations of the shareholders

Only those shareholders are entitled to exercise their shareholder rights who are recorded in the register of shareholders. The conditions and method of exercising voting rights at the General Meeting are set out in section 5.6 the Articles of Association. The register of shareholders is updated by KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (hereafter: KELER) on a monthly basis in accordance with the respective provisions of the agreement, made public by the Company, entered into between the Company and KELER in respect of the keeping of the register of shareholders. Failure to be recorded in the register of shareholders does not affect the shareholder's ownership rights.

1. Right to receive dividends

The shareholders are entitled to receive a share from the Company's profit that is available and has been ordered for distribution by the General Meeting in the percentage consistent with the nominal value of their shares. Dividends shall be paid to the shareholders that are listed in the register of shareholders at the date of the shareholder identification relating to the dividend payment date announced by the Company. The date of the shareholder identification relating to the dividend payment date cannot be earlier than the fifth trading date following the general meeting resolving on the dividend payment. Dividends may be paid by means other than cash.

The Company shall pay dividends to the shareholders by way of bank transfer as of the date specified by the relevant resolution of the General Meeting. The dividend payment period shall commence on the date determined in the resolution of the General Meeting on the approval of the annual financial statement prepared in accordance with the Accounting Act and the utilization of after tax profit. However, at least ten business days shall expire between the date of the first publication of the communication containing the resolution of the General Meeting on the amount of dividend to be paid and the date of commencement of dividend payment and the date of commencement of the distribution of dividends.

Shareholders may claim the dividend as from the date of commencement of dividend payment until the expiry of the limitation period specified by law (five years). Thereafter any claim for dividend shall lapse.

Both the general meeting and, pursuant to Section 3:263 (3) of the Civil Code, the Board of Directors is be entitled to adopt a decision on the payment of interim dividends between the approval of two consecutive financial statements, provided that, according to the interim balance sheet, the Company has funds sufficient to cover such interim dividends, the distributable amount does not exceed the amount of available retained earnings plus the profit after tax shown in the interim financial statements, and the Company's adjusted equity would not sink below the issued share capital as a result of the interim dividends payment. A proposal to pay interim dividends is subject to approval by the Supervisory Board.

If according to the annual financial statements prepared after the distribution of interim dividends there was no justification for the payment of dividends, such distribution must be returned by the shareholder when so requested by the Company. Dividends payable in respect of treasury shares shall be considered as distributions due to the shareholders entitled to receive dividends in proportion to the nominal value of their shares. No interest is payable on dividends.

2. Right to information and to attend the general meeting

The Board of Directors shall provide information to the shareholders in respect of the Company, as well as access to the documents and records concerning the Company, provided that the shareholder requesting such access has made a written confidentiality statement. The Board of Directors may refuse to provide information and access to documents, if the foregoing request harmed the confidential business information of the Company, the person requesting such information abuses his right to information, or fails to make a confidentiality statement despite request to this effect. If the person requesting information considers the refusal of such request unjustified, he may request that the competent court of registration demand the Company to provide such information. The Board of Directors shall provide the shareholders all the information necessary for discussing the items on the general meeting's agenda in such manner that, upon written request submitted by the shareholder at least eight days before the date set for the General Meeting, the relevant information could be provided to the shareholder at the latest three days before the date set for the General Meeting.

The Board of Directors shall disclose to the shareholders the key data of the financial statements and the key data of the report of the Board of Directors and the Supervisory Board prepared in connection with the financial statements at least twenty-one (21) days before the general meeting.
Each shareholder is entitled to attend the general meeting, request information, make comments and proposals, and, subject to holding shares with voting right, vote at the general meeting. Only shareholders that they have performed their capital contribution may vote. Shareholders may exercise their shareholder rights through an authorized proxy. Such a proxy cannot be a member of the Board of Directors, a member of the Supervisory Board or the statutory auditor. If a shareholder is represented by several proxies and such proxies vote or make statements differently, all such votes cast or statements made shall be deemed null and void.

A letter of proxy must be either a notarial deed or a private deed of conclusive force and should include the shareholder's clear and expressive statement of authorisation of the representative (proxy), the names of both the shareholder and the proxy; whether the authorisation is valid for one general meeting or for a definite period not exceeding 12 months, including continued representation at a resumed general meeting after suspension or reconvened meeting due to lack of a quorum at the initial general meeting; along with any other applicable limitations.
Shareholders may also appoint a nominee to exercise shareholder rights on their behalf. Once recorded in the register of shares, such a nominee may act in their own right for the benefit of the shareholder.

Only those shareholders or shareholder proxies may attend the General Meeting who were entered into the register of shareholders on the second business day preceding the date of the General Meeting based on the shareholder identification in accordance with KELER's than applicable General Business Conditions. In order to be registered in the Register of Shareholders of the General Meeting the Company will request an owner identification of the ordinary shares without blocking from, with respect to shares issued by the Company. Based on the shareholders' instructions registration of shareholders in the Register of Shareholders shall be ensured by the shareholders' securities account managers who shall forward the shareholders' data to KELER. The Company shall not be responsible for the consequences of any failure on behalf of securities account manager. Each share having a nominal value of EUR 0.35

shall carry one vote. Each shareholder may cast one vote only at any one a time.

The General Meeting shall have a quorum if it was convened in accordance with the relevant rules and regulations, and if the Shareholders representing more than 40% of the registered capital of the Company are present. If the General Meeting fails to have a quorum within one (1) hour from the start time, the Chairman of the General Meeting must announce the date of a reconvened General Meeting as set out in the invitation to the General Meeting. Such reconvened General Meeting may be set at a date not less than at least ten (10) days and not more than twenty-one (21) days after the date of the original General Meeting. The reconvened General Meeting may be held at the same venue or at any other venue specified in the invitation to the General Meeting. A reconvened General Meeting shall have a quorum with respect to the original agenda irrespective of the voting rights represented by those present.

The General Meeting adopts its resolutions by a simple majority of the votes considered upon the establishment of a quorum, except for the matters indicated by the law and specified in section 5.9.1(a)-(d) of the articles of association, in respect of which the General Meeting adopts its resolutions by a three-quarter majority of the votes. Any resolution of the General Meeting which discriminates against the rights carried by a certain series of shares may only be passed if the holders of the affected share series in question grant their explicit consent. Prior to the adoption of the resolution of the General Meeting, the holders of the affected share series present at the general meeting deliver a decision in respect of each series of shares by a simple majority of the votes represented by the shares pertaining to a particular series. In this event, no restriction or exclusion of the voting rights carried by such shares apply, except the prohibition of voting with treasury shares.

3. Minority rights

Those shareholders who control at least 1% of the voting rights may, at any time, request that the General Meeting be convened, indicating the reason and purpose thereof. If the Board of Directors fails to take measures for convening the General Meeting for the earliest date possible within eight days from receipt of the request, the General Meeting shall be convened, upon the request of the shareholders making the proposal, by the court of registry or the court of registry shall empower the requesting shareholders to convene the meeting. The expected costs of such meeting shall be advanced by the requesting shareholders. At the meeting convened upon the request of minority shareholders the General Meeting shall resolve whether the costs incurred are to be borne by the shareholders making the proposal or the Company.

If the General Meeting has refused to consider or put to vote a proposal that the last annual financial statements or any financial event or undertaking which occurred in relation to the activity of the Company in the past two years be examined by an auditor to be specifically entrusted with this task, upon request by the shareholder or shareholders controlling at least 1% of the voting rights, which request is to be submitted within thirty days from the date of the relevant General Meeting under penalty of forfeiture of rights, the court of registry shall order such examination at the cost of the Company and appoint the auditor. The court of registry will refuse to grant the request, if the shareholders submitting such a request abuse their minority rights.

If the General Meeting has refused to consider or put to vote a proposal that a claim by the Company against any shareholder, Board member, member of the Supervisory Board, or the statutory auditor be enforced, the shareholders controlling at least 1% of the voting rights may also enforce such claim themselves on behalf of and to the benefit of the Company within a preclusion term of thirty days from the date of the relevant General Meeting.

If shareholders controlling at least 1% of voting rights in the Company make a proposal to the Board of Directors regarding additions to the agenda in accordance with the provisions on setting the items of the agenda, or a draft resolution concerning any item already on the agenda or to be put on the agenda within eight (8) days from the publication of the notice on the convening of the General Meeting, the Board of Directors shall publish a communication on the supplemented agenda and the draft resolutions submitted by the shareholders upon being notified of the proposal. The issues indicated in the notice shall be deemed to have been put on the agenda.

Shareholders of the Company controlling at least 1% of voting rights and any creditor of the Company with a claim which is not yet due at the time of distribution and reaches 10% of the share capital until the expiry of the one year preclusion period as from the date of distribution may request, upon concurrent prepayment of the related costs, that the court of registry appoint an auditor to examine whether such disbursement is lawful. Any payment to the shareholders made in cash or otherwise shall be construed as a distribution, with the exception of employee shares provided without compensation or at a discounted price, as well as shares provided without compensation from the share capital increased by the conversion of assets which do not form part of the share capital into share capital.

16. Leasing liabilities

The Company acquires the vehicles it needs for its basic operations using finance leases. For trucks, the maturity of the Company's lease contracts increased from 4 years to 5 years, while for trailers it remained 5 years. The Company acquires the vehicles directly from the manufacturers that provide a repurchase guarantee not only for the end but also during the term of the lease.

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

	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total
31 December 2017						
Finance lease liabilities, capital	27 019 351	34 142 148	63 908 143	88 413 991	0	213 483 633
Finance lease liabilities, interest	1 459 991	1 214 337	1 608 158	1 766 637	0	6 049 123
Total	**28 479 342**	**35 356 485**	**65 516 301**	**90 180 628**	**0**	**219 532 756**
31 December 2018						
Finance lease liabilities, capital	43 142 063	36 365 165	27 834 308	103 498 157	14 824	210 854 517
Finance lease liabilities, interest	1 266 583	1 057 211	1 578 741	1 725 460	265	5 628 260
Total	**44 408 646**	**37 422 376**	**29 413 049**	**105 223 617**	**15 089**	**216 482 777**

The table shows the maturity and interest payments of lease liabilities at the end of 2017 and 2018, but does not reflect the continuously replacement of the assets as the maturing lease agreements are constantly replaced with new ones. Interest charged on the lease liabilities is calculated based on the EURIBOR index valid at 31 December of the reporting year plus the increased interest premiums.

17. Provisions

	Litigation	Other	Bonus	Total
Opening at 1 January 2017	**241 106**	**148 107**	**1 803 117**	**2 192 330**
Allocation and review of previous estimates	202 057	95 030	1 951 308	2 248 395
Release	(172 660)	-	(597 404)	(770 064)
Use	(131 828)	(148 107)	(728 904)	(1 008 839)
Closing at 31 December 2017	**138 675**	**95 030**	**2 428 118**	**2 661 823**
Allocation and review of previous estimates	41 943	446 045	1 124 520	1 612 508
Release	(99 656)	(52 530)	(7 057)	(159 243)
Use	(48 339)	(42 500)	(2 761 639)	(2 852 478)
Closing at 31 December 2018	**32 623**	**446 045**	**783 942**	**1 262 610**

Short-term portion 2017	0	95 030	2 428 118	**2 523 148**
Long-term portion 2017	138 675	0	0	**138 675**
Short-term portion 2018	0	446 045	783 942	**1 229 987**
Long-term portion 2018	32 623	0	0	**32 623**

At 31 December 2017, the Company made a provision of EUR 138,675 for contingent liabilities from ongoing litigations. In 2018, in most of these cases, the insurance company paid damages to the customers based on a CMR policy. As a result, provisions of EUR 99,656 were released and EUR 48,339 was used from the provision made for uninsured claims. The Company reviewed the progress of its legal cases on a quarterly basis and a total provision of EUR 41,943 was made for brought forward and new cases in 2018. Any contingent liability is expected to incur after more than one year, therefore these are presented among long-term liabilities.

In view of the Company's performance in 2017, management approved an employee bonus payment. Accordingly, the Company made a provision of EUR 736,671 for employee bonuses plus related taxes in 2017. The bonus was paid in the first half of 2018. In 2018, management approved employee bonuses totalling EUR 783,942.

The owners of the Company started an Employee Share Option Program organization with the aim of handling the financial instruments according to the remuneration policy framework following the acquisition of the leading influence in the acquired subsidiary. "ESOP" is a new form of employee remuneration program in Hungary introduced by the State, which ensures a favourable taxation for employers and/or employees. Although ESOP Organization is an independent legal entity duly registered by the Companies Court, it does not qualify a business enterprise as its existence does not serve a tangible economic purpose and, in this particular case, acts merely as an "intermediary" between Waberer's and its employees under Waberer's Compensation and Rewards Policy. At the same time, an ESOP Organization is not in the scope of IFRS 10 but is in the scope of IAS 19 as it is another long-term employee benefit plan (i.e. any reward extended by the ESOP Organization qualifies as other long-term employee benefit. All employee benefits in the ESOP organization are considered fringe benefits, except for short-term employee benefits, post-employment benefits or termination benefits).

The Company reviewed the ESOP programmes matured in 2018 and decided to fully pay the related benefits. The payment was made from previous year's provisions of EUR 1,294,197 plus an EUR 340,578 provision made in 2018.

The Company made a provision of EUR 95,030 for untaken employee holidays in 2017 which was partly released and partly used in 2018. According to payroll records at 31 December 2018, leave benefits plus related taxes totalled EUR 122,043 for which the Company has made a provision.

The rest of other provisions include provisions made for redundancy payments, severance pay and related taxes in connection with the planned staff cuts totalling EUR 324,002.

18. Other long-term liabilities

	31 December 2017	31 December 2018
Loans from third parties	4 744 530	
Total	**4 744 530**	-

On 30 June 2009, the Company received a loan of EUR 4 million with a term of 4 years from one of their main suppliers. In the hope of a fruitful co-operation, the loan was further prolonged in 2017 until 31 December 2019.

Management started negotiations about the prolongation of the agreement due to mature at the end of 2019. The negotiations are expected to end in the first half of 2019. In the meantime, the loan is reclassified to short-term loans and borrowings.

The related borrowing costs are included in the fee for the regular monthly services supplied by the lender.

19. Other current liabilities and derivative financial instruments

	31 December 2017	31 December 2018
Payments to personnel	1 639 748	2 168 741
Taxes	54 004	37 781
Accruals	165 306	56 037
Other liabilities	11 190	267 249
Derivative contracts	522 570	1 403 315
Total	**2 392 818**	**3 933 123**

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

Liabilities from derivative contracts include revaluation losses as presented in Note 15.

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

	2017	2018
Own fleet transportation revenues	11 846 508	18 503 753
Subcontractor revenues	401 210 148	389 795 839
Other revenues	83 331 577	76 905 692
Total sales revenue	**496 388 233**	**485 205 284**

The Company has outsourced significant part of the own fleet transportation activities to the franchise companies between 2011 and 2016. In 2017, the Company has 103 trucks, and in 2018 has 193 trucks, which means a 87% increase in the number of own trucks. The number of own fleet kilometres driven per truck fell considerably by 12,3% compared to 2017, whilst transportation revenue per kilometre dropped by 4,7 % The main reason is the decrease of fuel price, which has the most significant effect on the pricing.
The Company's most significant revenue stream is through the subsidiaries and transportation with third party/franchise company's vehicles.

Forwarding revenues dropped by 3% on the previous year. Forwarding margin increased slightly on 2017 as a result of fewer assignments and kilometres driven by our franchise fleet.

Other revenues are from rented assets, fuel, repairs, central administration and IT services provided to the subsidiaries for their transport operations and account for 91-92% of total other revenues.

Item	2017	2018
Vehicle rental revenue	42 230 467	35 773 860
Revenues from fuel sold	20 962 867	22 244 076
Repairing services	6 530 545	6 291 211
Revenue from goods sold	2 770 096	2 437 306
Financial services	2 293 727	2 334 892
IT services	1 598 245	1 560 479

The cost of goods sold increased from EUR 24.9 million to EUR 27 million in 2018 and includes the cost of fuel sold to the subsidiaries, AdBlue lubricants, parts sold, loading and other materials.

21. Direct payroll costs and related taxes

Item	2017	2018
Direct payroll costs and related taxes	**2 955 086**	**4 483 243**
Salaries and taxes	1 930 319	3 255 325
Variable wages and taxes	1 024 767	1 227 918
Fringe benefits	**1 985 589**	**3 555 059**
Direct payroll costs, benefits and related taxes	**4 940 676**	**8 038 302**

Payroll costs and related taxes reflect the wages, salaries and fringe benefits paid to the Company's domestic drivers, servicing personnel, and warehouse staff, and the related taxes and social security contributions. The increase in direct payroll costs was the higher number of staff due to an increased fleet.

22. Fuel costs

	2017	2018
Fuel costs	3 603 064	6 201 215

Fuel cost increased by 72.1% compared to 2017 due to a 65% increase in the number of kilometres driven and a 2.3% cut in fuel consumption versus a 6.8% increase in fuel prices.

23. Road tolls & transit costs

	2017	2018
road tolls	2 509 242	4 180 491
ferry	21 961 831	22 633 960
services used	251 445	340 051
other transit costs	20 794	2 226 209
Road tolls and transit costs	**24 743 311**	**29 380 711**

Within road tolls, the Company presents the own fleet road toll fee without any rebates. Increase in road toll costs is the combined effect of an increased fleet and more kilometres driven and to a 13.4% specific increase in road tolls and fees.

Within crossing costs, the Company presents the cost of ferry and ferry fees incurred at the own fleet and the subsidiaries. Based on the contract between the Company and the transportation subsidiaries all additional costs incurred during delivery (crossing fees, licences, parking, auxiliary contract fees). Crossing fees are presented without any retrospective discount, as such discounts are considered other transit costs by the Company's management. The 3% increase in crossing fees is partly due to the growth in the subcontractor fleet and partly to the increase in fees.

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

24. Other costs

	2017	**2018**
Repair, installation costs	12 104 931	13 575 529
Insurance costs and expenses	1 837 503	2 084 129
Direct rental costs	927 400	787 551
Other services	1 107 716	1 116 309
Vehicle weight tax and other transportation taxes	302 550	323 228
Other costs, total	**16 280 101**	**17 886 746**

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

The significant decrease in the insurance cost was due to a significant decrease in the compulsory vehicle liability insurance of trailers. The operator of the trailers is the Company and not the subsidiaries. The subsidiaries have been renting the trailers on a daily basis from the Company since 1 January 2016.

25. Selling, general and administrative cost

The details of indirect costs are as follows:

	2017	**2018**
Indirect wages and payments	**14 228 687**	**15 064 033**
Other services	**9 204 562**	**9 385 934**
Property maintenance, utilities and rent	1 187 724	1 152 840
Specialists	2 991 799	2 279 552
IT costs	1 571 138	1 731 473
Communication costs	192 360	165 602
Company cars	685 724	897 519
Marketing costs	329 637	615 939
Other costs	2 246 181	2 543 009
Selling, general and administrative cost	**23 433 249**	**24 449 967**

26. Other income

	2017	2018
Provisions released	258 679	108 508
Damages received	1 676 447	1 020 746
Fines, penalties, default interest	1 435 694	474 304
Employee refunds	20 573	37 460
Government grant	0	0
Reversed impairment on debtors	703 846	377 310
Reversed impairment loss on inventories	107 523	0
Other miscellaneous income	729 249	304 700
Total	**4 932 010**	**2 323 028**

Based on the contracts between the Company and the subsidiaries, carriers that arrive late at a landing point have to pay a penalty. In 2017, the subsidiaries paid a total penalty of EUR 1,053 thousand to the Company. Punctuality significantly improved in 2018, hence penalties totalled only EUR 187 thousand.

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

27. Other expenses

	2017	2018
Damages paid	1 317 128	1 179 166
Provisions	14 775	69 513
Impairment on debtors	536 550	462 411
Penalties, fines	634 454	568 556
Impairment on inventories	0	14 268
Credit loss	15 400	34 352
Other miscellaneous expenses	1 510 008	1 743 032
Total:	**4 028 314**	**4 071 298**

Income and expenses related to damage comprise damages in vehicles and goods during transport and the associated insurance pay-outs.

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

	2017	2018
Penalties, late payment interest and fines to third parties	427 910	548 155
Penalties to subsidiaries	206 544	20 401
Penalties, late payment interest and fines total	**634 454**	**568 556**

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

The most significant item within other miscellaneous expenses is related to the non-compliance with the „30-day bring home rule" which is agreed to the transportation subsidiaries.

28. Interest

	2017	2018
Interest received	2 668 825	2 391 579
Interest paid	(3 826 596)	(3 258 989)
Realised FX gain or loss	(339 968)	(277 753)
Unrealised FX gain or loss	188 574	(3 683 116)
Realised gain or loss on derivatives	3 286 936	(2 871 202)
Gain or loss on investments	230 608	-
Other	(5 953 932)	(5 790 246)
Total	**(3 745 552)**	**(13 489 727)**

Interest received included an interest of EUR 2,424 thousand in 2017 and EUR 2,054 thousand in 2018 on assets subleased to the subsidiaries. The interest on assets assigned to the subsidiaries equals the interest paid after the original leases. Interest received also includes cash-pool interest, interest on other loans granted, and bank interest on free cash.

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

At the end of 2017, the Company assessed the recoverability of its investments. As a result, an impairment loss of EUR 5,953,932 was recognised in 2017 on the difference in the equity value and the book value of the investment in Waberer's Romania S.A.The Company based on the impairment testing accounted EUR 5,790,246 impairment related to LINK sp.z.o.i investment

Assets and liabilities denominated in foreign exchange are presented in Note 36. c).

29. Income tax expense

The income tax expense disclosed in the financial statements for the Company as at 31 December 2017 and 2018 comprised the following components:

	2017	2018
Current income tax expense	1 736 967	1 748 851
Deferred taxes	(1 449 464)	1 300 852
Total income tax expense	**287 502**	**3 049 703**

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

Upon preparing the financial statements for 2016, the Company reviewed the effective tax rate in view of the changes in corporate taxation in Hungary effective as of 1 January 2017 and determined an effective tax rate of 11.3% - which remained unchanged in 2018.

During the preparation of the financial statements for 2018, based on the strategic plans for 2019-2020, the Company revised the return on deferred tax assets from the loss carried forward. As a result the Company presents a deferred tax asset at the end of 2017. Further to the options allowed by the corporate income tax act, the Company and the Hungarian subsidiaries that use the same functional currency merged into a corporate tax group effective as of 1 January 2019 so that these companies can pay corporate tax on a collective basis.

30. Management of financial risks

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

- credit risk
- liquidity risk
- market risk.

This section contains a brief description of how these risks impact on the Group's exposures and what targets, processes and internal policies the Company has elaborated and applies to measure and manage individual risks.

The Company's Board of Directors is responsible for setting the risk management guidelines and frameworks for the Company. Their task is to design and set up a standard risk management policy and strategy, and continuously monitor that to what risks the Company is exposed. The Board of Directors is also responsible for regularly reviewing risk management policies and strategies, as well as updating and modifying them if market circumstances change.

(a) Credit risk

Credit risk is the risk that the Company will incur a loss due to a client not complying with contractual terms and conditions. From the perspective of the Company this primarily means the non-payment risk of clients.

Trade and other receivables

There is no high concentration of credit risks within the Company. The 10 largest clients account for 18.16% of the total revenue in 2017 and 20.65% of the total revenue in 2018.

The Company drafted a credit risk management policy based on which a review is carried out on all new clients regarding their operations and public information available at the tax authority. Thereafter, the commercial loan limit is determined based on the system of external and internal evaluations. The Company does not ask for any collateral to secure individual trade receivables.

The Company has developed long-term relationships with clients, and losses are not common. The Company monitors existing clients on a monthly basis to check the size of existing exposures and matured items. If the set limits are reached or exceeded the system automatically blocks further transactions. The individual exposures are grouped according to the number of days in default and the legal status of invoices.

The scope of external services and service-providers used for risk management was widened to mitigate future risks. One segment of clients has loan insurance contracts, while a new service-provider was brought in to help rate clients in Central and Eastern Europe more effectively.
There is centralised risk and receivables management for foreign subsidiaries once they join the central IT system.
With a higher headcount in Collection, more emphasis is now placed on proactive client management.
The calculation of impairment reflects an estimate of the likelihood of loss for the Group from exposures to clients. The majority of the impairment loss is from individual impairment charges on individually significant items. The other part

is the group impairment, which is recorded for incurred but yet unidentified losses in groups of similar assets. The allocation of group impairment is facilitated by historic loss figures.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to settle its financial liabilities when they fall due. The purpose of liquidity management is to ensure sufficient resources for the settlement of liabilities when they fall due.

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

With respect to the new asset purchase loans taken by the Group in 2014 and in 2017 as part of an export incentive programme, the lending banks specified the following financial covenants.

Calculation of financial covenants for 2018:

Interest coverage	
Total interest coverage	12,93
EBITDA (EUR million)	63,0
Net of the full interest (EUR million)	4,9
Minimum amount:	4,00

Debt service	
Debt service ratio	1,11
Free Cash-flow (EUR million)	80,2
Full debt repayment (EUR million)	72,3
Minimum amount:	1,05

Net debt service	
Debt coverage ratio	4,33
Net debt [(1)] (EUR million)	272,9
EBITDA (EUR million)	63,0
Maximum amount:	3,50

The table above shows that Waberer's Group met all the three financial ratio requirements on 31 December 2018.

(c) Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and share prices will influence

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

(i) Foreign exchange risk

Of all the market risks, the Company was less affected by exchange rate risk in 2018 as most of the Company's revenues and expenses incurred in its functional currency (EUR).
The Company enters into derivative contracts, but most of the contracts mitigate the risk of the subsidiaries. Therefore the Company does not apply hedge accounting on the standalone level as the documentation requirements and the measurement of hedge efficiency have not been developed at the level of the individual companies yet.

(ii) Interest cash flow risk

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

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

(d) Equity management

The Company aims to establish a strong equity position to retain the confidence of investors, creditors and the market and support the future development of its business activities. Management continuously monitors returns and the level of dividends due to the shareholders.

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

There was no change in equity management processes and methods during 2017 or in 2018.

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

To protect creditors, section 133(2) of Act V of 2013 on the Civil Code prescribes the following in terms of equity compliance: "If a business association's equity is not sufficient to cover the subscribed capital prescribed for its specific corporate form over two consecutive financial years, and the members fail to provide for the necessary equity within a period of three months after approval of the annual account for the second year, the business association shall be required to adopt a decision within sixty days of this deadline for its transformation. Instead of transformation the business association may opt dissolution without succession or for merger."

The Company meets the above statutory capitalisation requirements.

In accordance with government decree 261/2011. (XIII.7.) Korm. the professional conditions and licensing procedures of domestic and international goods transportation, such activities may only be carried out in Hungary with a licence for transporting goods by road, which is subject to the Company verifying its reputation, professional suitability and appropriate financial background.
The financial position is appropriate if the business entity has the necessary equity to start and pursue its activities without any problems:

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

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

31. Financial instruments

(a) Credit risk

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

	31 December 2017	31 December 2018
Other financial investments	110 544	28 398
Trade receivables	58 754 208	56 530 841
Intercompany receivables	231 440 112	311 457 686
Other current assets and derivative financial instruments	8 632 950	6 467 332
Cash and cash equivalents	29 234 908	12 063 662
Maximum credit risk exposure	**328 172 722**	**386 547 919**

The maximum book values of trade receivables affected by credit risk per geographical location of the debtors are as follows:

Impairment loss on trade receivables broken down by maturity:

	31 December 2017		31 December 2018	
	Initial cost	**Impairment**	**Initial cost**	**Impairment**
Not yet due	51 935 091	0	54 781 193	0
overdue 0-90 days	6 506 611	4 310	1 453 924	8 166
overdue 91-180 days	279 087	77 236	177 026	54 451
overdue 181-360 days	82 577	58 491	179 798	99 992
overdue 360 days	826 715	735 837	671 681	570 172
Trade receivables	**59 630 081**	**875 873**	**57 263 622**	**732 781**

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

(b) Liquidity risk

Financial liabilities broken down by maturity:

	31 December 2017				
EUR	within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Financial lease liabilities	27 019 351	34 142 147	63 908 143	88 413 991	0
Long-term loans	0	0	4 744 530	0	0
Short term loans	0	0	0	0	0
Trade payables	35 664 662	0	0	0	0
Other current liabilities and derivative financial instruments	2 392 818	0	0	0	0
Total	65 076 831	34 142 147	68 652 673	88 413 991	0

	31 December 2018				
EUR	within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Financial lease liabilities	38 074 465	36 365 165	32 901 906	103 498 157	14 824
Long-term loans	0	0	4 910 892	0	0
Short term loans	11 759 713	0	0	0	0
Trade payables	38 801 588	0	0	0	0
Other current liabilities and derivative financial instruments	3 933 123	0	0	0	0
Total	92 568 889	36 365 165	37 812 798	103 498 157	14 824

(c) Foreign exchange risk

Exposures of the Company broken down by currency:

	31 December 2017			
	EUR	HUF	other	total
Trade receivables	56 654 002	1 420 793	679 413	58 754 208
Loans and borrowings	0	0	0	0
Other long-term liabilities	(4 744 530)	0	0	(4 744 530)
Finance leases	(213 483 633)	0	0	(213 483 633)
Trade payables	(32 139 901)	(3 362 194)	(162 567)	(35 664 662)
Net position	**(193 714 062)**	**(1 941 401)**	**516 846**	**(195 138 617)**

	31 December 2018			
	EUR	HUF	other	total
Trade receivables	54 381 445	1 779 730	369 666	56 530 841
Loans and borrowings	0	0	0	0
Other long-term liabilities	0	0	0	0
Finance leases	(210 854 517)	0	0	(210 854 517)
Short term loans and borrowings	(11 759 713)			(11 759 713)
Trade payables	(35 779 226)	(2 707 791)	(314 571)	(38 801 588)
Net position	**(204 012 011)**	**-928 061**	**55 095**	**(204 884 977)**

The Company's receivables and liabilities in were translated at the following year-end rates: 321.51 HUF/EUR. The business plan for 2019 was based on a projected rate of 320 HUF/EUR.

Remeasuring the open currency position as at 31 December 2018 in the event of a weakening in the exchange rate of 1 HUF/EUR would produce a foreign exchange loss of HUF 0.9 million (EUR 3 thousand). A reasonably probable foreign exchange fluctuation in the range of 0.26%-1.89% is estimated based on historic figures over a year.

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

The Company enters into derivative contracts to mitigate the exchange-rate risk for the Group . As at 31 December 2018, the positive fair value of derivative transactions based on remeasurements on the reporting date was EUR 1,402,551 the negative fair value difference was EUR 1,403,315. In 2017, the Company presented a total of EUR 1,763,853 net positive fair value difference and EUR 515,399 negative fair value difference in its consolidated financial statements.

(d) Fair value of financial instruments

The following table presents the fair values and carrying values of financial instruments for 2017 and 2018:

	2017		2018	
	Fair Value	Book value	Fair Value	Book value
Other non-current financial assets	110 544	110 544	28 398	28 398
Trade receivables	58 754 208	58 754 208	56 530 841	56 530 841
Intercompany receivables	231 440 112	231 440 112	311 457 686	311 457 686
Other current assets and derivative financial instruments	8 632 950	8 632 950	6 467 332	6 467 332
Cash and cash equivalents	29 234 908	29 234 908	12 063 662	12 063 662
Total financial assets	**328 172 722**	**328 172 722**	**386 547 919**	**386 547 919**

	2017		2018	
	Fair Value	**Book value**	**Fair Value**	**Book value**
Finance lease liabilities	213 483 633	213 483 633	210 854 517	210 854 517
Other long-term liabilities	4 744 530	4 744 530	0	0
Short-term loans	0	0	11 759 713	11 759 713
Trade payables	35 664 662	35 664 662	38 801 588	38 801 588
Intercompany liabilities	109 171 179	109 171 179	193 437 501	193 437 501
Other current liabilities and derivative financial instruments	2 338 814	2 338 814	3 600 026	3 600 026
Total financial liabilities	**365 402 818**	**365 402 818**	**458 453 345**	**458 453 345**

The fair value of financial assets and liabilities is always the same as their value recognised in the statement of financial position.

The fair values of financial instruments were determined as follows:

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

(e) Interest rate risk

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

Cash flow sensitivity review for floating interest financial instruments
Based on our analyses an 10-bp change in the EURIBOR would change the interest on leasing liabilities by EUR 205,688. This change would not affect the Company's equity. This analysis assumed that all other factors (such as foreign exchange rates) remained unchanged.

32. Provision and contingent liabilities

The details of provisions per category and any movements in provisions are presented in Note 18.

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

	2017		2018	
	Litigated amount		Litigated amount	
	Provision presented	Contingent liability	Provision presented	Contingent liability
Total:	**138 674**	**398 106**	**32 623**	**185 886**

A number of long protracted significant legal cases ended in 2018 as a result of agreements with the injured persons. The related expenses are presented among other expenses and the related provisions were concurrently released.

On 19 July 2018, the Company lodged a claim with the local court of Munich by reference to a decision of the European Commission of 19 July 2017 against certain vehicle manufacturers (MAN, Volvo/Renault, Daimler (Mercedes), Iveco and DAF). Further to the decision of the EC, the above vehicle manufacturers formed a cartel between 17 January 1997 and 18 January 2011 (in the case of MAN until 20 September 2010) and violated section 101(1) of the Treaty on the Functioning of the European Union when they synchronised their wholesale list prices, the timing of the introduction of new emission technologies and the recharge mechanism of the related costs onto their customers, and standardised the method of sharing other sensitive commercial information about vans, lorries and trucks across the EEC. On 5 February 2019, the Company upgraded the initial claim to an integral action for a total compensation EUR 47.8 million (damages of EUR 36.4 million plus interest of EUR 11.4 million). The litigated amount is based on a detailed claim assessment prepared by an economist specialised in competition law about the extent of overpricing by the truck cartel.

33. Transactions with related parties

Members of the management at 31 December 2018:

- Lajkó Ferenc, CEO[1];
- Erdélyi Barna, General Deputy CEO

- Members of the Board of Directors:

Name	**Status**	**Date of appointment**
Gerard van Kesteren	independent non-operational (external) member	29/7/2016 -31/5/2021
Dániel Csanád	non independent non-operational (external) member	28/8/2018 - 31/5/2021
Erdélyi Barna	non independent operational member	21/3/2017 - 31/5/2021
Dr. Lakatos Péter	independent non-operational (external) member	29/7/2016 - 31/5/2021
Robert Knorr	independent non-operational (external) member	21/12/2017 - 31/5/2021
Lajkó Ferenc	non independent operational member	21/3/2017 – 31/1/2019
Stefan Delacher	independent non-operational (external) member	31/5/2011 – 7/6/2018

On 31 December 2018 the members of the Board of Directors held the number of Waberer's International Nyrt. shares indicated below:

Gerard van Kesteren	3 049 db shares
Lajkó Ferenc	12 559 db shares

[1] Succeeded by Robert Ziegler effective as of 1 February 2019.

Members of the Supervisory Board:

Name	**Status**	**Date of appointment**
David William Moffat Thompson (AC chairman)	independent	28/8/2018 – 31/5/2021
Székely Sándor	non independent (employees' delegate)	11/5/2017 – 31/5/2021
Szalainé Kazuska Mária	non independent (employees' delegate)	31/5/2017 – 31/5/2021
Philip Anthony Marshall (AC member)	independent	31/5/2017 – 31/5/2021
Nagy Gábor Béla (AC member)	independent	31/5/2017 – 31/5/2021
Dr Bodnár Zoltán György (AC member)	independent	31/5/2017 – 31/5/2021
Peter Michael Vincent Grace	independent	15/7/2016 – 28/8/2018

Transactions with management and those exercising ultimate control

There was no changes in key management personnel either in 2017 or in 2018. The details of their remuneration are presented below:

	2017	**2018**
Payroll	1 071 370	691 865
Benefits	0	0
Total:	1 071 370	691 865

The members of the Board of Directors are paid EUR 50 thousand, the members of Supervisory Board are paid EUR 10 thousand, and the members of the Audit Committee are paid EUR 5 thousand per annum for their contribution.

Transactions with companies governed by the ultimate parent

In 2017, the parent company, CEE Transport HOLDING B.V.,, who owns the 72% of shares, supported the Group's new governing function with technical knowledge sharing under a management agreement until the public offering of Waberer's International Nyrt. Once public floatation started, this management agreement was cancelled by the Budapest Stock Exchange.

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

Transaction (purchases) with related parties outside of the Group:

	2017	**2018**
CEE Transport HOLDING B.V	825 000	0
LAKATOS, KÖVES ÉS TÁRSAI ÜGYVÉDI IRODA	801 985	138 530
Total	**1 626 985**	**138 530**

34. Subsequent events

Except for the matter below, there had been no economic event or management decision until the preparation of the Group's financial statements as at 31 December 2018 which should have been presented as a subsequent event.

On 1 February 2019, Lajkó Ferenc, CEO of Waberer's International Nyrt. resigned and was succeeded by Robert Ziegler.

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

35. Auditor independence – non-audit services

Group management engaged the auditors, Ernst&Young Audit Kft., for non-audit services supplied to its related parties as shown below. Such non-audit services totalled EUR 286 thousand and remained within the range approved by the Supervisory Board (i.e. the total of non-audit services provided by EY may not exceed the value of audit services).

Service type	**Description of service**	**Contract date**	**Amount invoiced in 2018 (EUR)**
Tax Advisory	Local Business Tax & R&D advisory	2017.06.01	58 690
	ESOP Advisory - tax advisory	2016.07.04	24 880
Transaction Advisory	M&A due diligence	2018.09.25	33 000
Tax compliance	Excise duty related advisory	2017.08.25	53 000
	Transfer pricing	2017.06.01	94 050
Accounting advisory	IFRS 16 standard's effect analysis	2017.12.11	17 650
	M&A assessment of associate	2018.04.17	4 800
Total			**286 070**

Non audit fees	286 070
Group audit fees	289 420
Ratio	98,8%

WABERER'S
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