

## PRESS RELEASE

### AutoWallis may triple its revenue already in 2021

**Budapest, December 17, 2020 – As a result of the transactions carried out this year, AutoWallis could significantly exceed the expected revenue and EBITDA targets – originally set for 2024 – as early as in 2021. The company listed in the Premium category of the Budapest Stock Exchange could triple its revenue in 2021, which would then exceed HUF 230 billion, while its EBITDA could be over HUF 6 billion. This extraordinary increase is achieved by the corporation through organic growth and the six acquisitions and business developments announced this year. For the purpose of financing its growth plans, the company has carried out a capital increase of HUF 1.4 billion with the participation of three renowned Hungarian institutional investors, and plans to raise further funds via public investments also open to the general public.**

**AutoWallis could outperform some of its projections for 2024, announced in its 2019 strategy, much sooner than planned, already in the next year:** its revenue could rise above HUF 230 billion, which is more than triple of its 2018 revenue of HUF 65.5 billion, while its EBITDA (earnings before interest, tax, depreciation and amortization), which the management considers to be the best indicator of AutoWallis's profitability, could increase to more than double of the 2018 results, that is, to more than HUF 6 billion. **The sharp increase is due to six acquisitions and business developments announced and already realized this year** (the ongoing and additionally planned transactions could mean further growth), which could increase AutoWallis's revenue by as much as HUF 165 billion in 2021, if all plans are realized. (In its strategy, AutoWallis calculated with one acquisition per year and tripling its revenue by 2024 via these acquisitions.) Partly for the financing of its already announced transactions, AutoWallis carried out a capital increase of HUF 1.4 billion with the participation of three institutional investors.

**The largest transaction contributing to the increased planned figures for 2021 is acquiring the importer rights of the Opel brand first in three countries of the region (Bosnia and Herzegovina, Croatia, Slovenia), then also in Hungary,** which could increase AutoWallis's revenue by more than HUF 100 billion next year. **The second largest transaction is acquiring majority ownership in Inicial Autóház, a significant company of the Western Hungarian region involved in the sales and after-sales services of seven vehicle brands,** which could contribute HUF 18 billion to the company's growth next year. According to the plans, the acquisition of the largest Slovenian BMW dealership (**Wallis Motor Ljubljana**), as well as obtaining the exclusive importer rights of **Jaguar and Land Rover** vehicles and spare parts and beginning their distribution in Hungary could contribute about HUF 24 billion to the corporation's revenue. The acquisition of **Wallis Kerepesi**, the operating company of the largest Opel and third largest KIA dealership in Hungary could result in an additional revenue of more than HUF 8 billion for AutoWallis.

**In order to partially finance the already announced transactions and provide for the further growth plans, the Board of Directors of AutoWallis decided to carry out a closed capital increase, thus involving funding directly from the capital market for the first time in the company's history.** Three renowned institutional investors (Széchenyi Alapok, Generali Alapkezelő Zrt., Dialóg Befektetési Alapkezelő Zrt.) carried out a capital increase of about HUF 1.4 billion on quoted value, resulting in a HUF 206 million total nominal value increase of AutoWallis's share capital, which rose from HUF 3.85 billion to HUF 4.05 billion. The capital increase matching the maximum number of issuable shares in accordance with the previously approved issuance

prospectus takes place on a quoted value of HUF 83, which substantially equals the current stock quotation, as well as the average price of the previous 30 days. **Regarding this, Gábor Székely, the chief investment officer of AutoWallis said the following: the fact that the institutional investors did not require a discount during the capital increase shows that the stakeholders count on appreciation of the current stock price and trust the strategy of AutoWallis as well as the realization of its plans.**

**Gábor Ormosy, CEO of AutoWallis added that the company wished to finance the robust growth and the possible further acquisitions in various ways:** on the one hand, the company is planning on a new bond issuance, and on the other hand, provided that the market conditions are suitable, the plans for 2021 include a public capital investment with the participation of institutional investors, as well as regular investors of the general public. **Regarding the market conditions and future plans, Zsolt Müllner, president of AutoWallis's Board of Directors, explained that the economic downturn caused by the COVID-19 epidemic has created new acquisition and business development opportunities for AutoWallis, which they were planning to fully capitalize on, so they were exploring further opportunities for growth and acquisitions. He emphasized that by now a consolidation platform had been formed within AutoWallis, which could bring a competitive edge and stability for all newly joined stakeholders.**

Regarding the transaction, **Róbert Pallag, investment manager of Generali Alapkezelő Zrt.**, pointed out that the fund manager company was continuously looking for attractive investment targets of the Hungarian capital market, so they had been monitoring AutoWallis's operations from the beginning, investigating the possible investment opportunity. Their strategy announced in 2019, their performance in the period since then, as well as the business developments and acquisitions carried out by the management convinced the fund manager company about the favorable prospects.

**Ferenc Szöllősi, the chief executive officer of Dialóg Befektetési Alapkezelő Zrt.**, talked about that important acquisitions had been realized over the previous years under the experienced, dynamic management, which had strengthened AutoWallis's market position. Via this capital increase, they can become part of an outstanding growth story, and as investors, they can help to make AutoWallis one of the main actors of the BSE.

Regarding the capital increase, **Dénes Jobbágy, CEO of Széchenyi Alapok**, explained that the fund manager company was striving to strengthen the Hungarian capital market and the capital market ecosystem, in order to support value-creating and long-term investments that could help in developing the domestic capital market and further strengthening the Hungarian small, medium-sized and large enterprises both in terms of size and performance. The plans of AutoWallis are well suited to these objectives and thus they decided on a 70% participation in the capital increase. Széchenyi Alapok has developed a close professional cooperation with the Budapest Stock Exchange, and it has carried out transactions worth close to HUF 7 billion in support of the stock exchange development. It is planning further significant transactions for the following year, possibly even several times the value of this year's undertakings.

#### **AutoWallis Plc.**

AutoWallis Plc., a company listed in the Premium category of the Budapest Stock Exchange, as well as in the BUX and BUMIX indices, aims to become a major mobility service provider in the Central and Eastern European region by 2029. By 2024, the company is planning to double its 2018 consolidated revenue of HUF 65.5 billion calculated on the basis of IFRS (International Financial Reporting Standard) standards, which it hopes to achieve primarily via its organic growth. In addition, the company intends to operate as an asset management company that represents a traditional, conservative business policy through the continuous, acquisition-based expansion of its portfolio focusing on automotive investments. The AutoWallis group is present in 14 countries of the Central and Eastern European region (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia), where it is engaged in the retail and wholesale of vehicles, parts, and accessories, in repair and maintenance

services, as well as in short- and long-term vehicle rentals. The group includes Wallis Automotive Europe, Wallis British Motors, Wallis Motor Pest, Wallis Motor Duna, Wallis Kerepesi, Wallis Autókölcsönző, as well as Inicial Autóház. The brands represented by the group include BMW cars and motorbikes, Citroën, Dacia, Isuzu, Jaguar, Land Rover, Maserati, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, and Toyota, as well as Saab spare vehicle parts, and Sixt rent-a-car. [www.autowallis.hu](http://www.autowallis.hu)

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