



## Extraordinary Disclosure

**about the Opinion of the Board of Directors of WABERER'S INTERNATIONAL Nyrt. according to Section 73/A. (4) of Act CXX of 2001 on the Capital Market in connection with the public offer made by HIGH YIELD Zrt. and MHB Optimum Zrt. (together as Offerors) for WABERER'S INTERNATIONAL Nyrt.'s ordinary shares**

WABERER'S INTERNATIONAL Nyrt. (hereinafter referred to as the "Company" or the "Target Company") has informed in its investor release published on 1 July 2022 that the above Offerors together with Trevelin Holding Zrt. (registered seat: H-1148 Budapest, Kerepesi út 52.; registration number: Cg. 01-10-140611) and Geraldton Invest Zrt. (registered seat: H-1148 Budapest, Kerepesi út 52.; registration number: Cg. 01-10-049344) have made a public offer (hereinafter referred to as the "First Offer") on 1 July 2022 for the ordinary shares of Series "A" with a nominal value of EUR 0.35 each (i.e. thirty-five euro cents) issued by the Company, with ISIN HU0000120720. The consideration offered is HUF 2,336.00 (two thousand three hundred and thirty-six forints) per share for all shareholders with voting rights.

The Offerors have made a new, amended public offer (hereinafter referred to as the "Revised Offer" or "Offer") on 19 September 2022 for the ordinary shares of Series "A" having a nominal value of EUR 0.35 each (i.e. thirty-five euro cents) issued by the Company, with ISIN code HU0000120720. The consideration offered remains HUF 2,336 (two thousand three hundred and thirtysix forints) per share for all shareholders with voting rights. In the Revised Offer, Trevelin Holding Zrt. and Geraldton Invest Zrt. do not qualify as Offerors, however they remain participants of the Coordination Agreement. The public offer does not apply to the shares of companies participating in the Coordination Agreement.

The First Offer and the Revised Offer - in accordance with the provisions of Act CXX of 2001 on Capital Markets (hereinafter referred to as "Capital Market Act") - was submitted to the Hungarian National Bank (hereinafter referred to as "MNB"), the money and capital market supervisor, for preliminary approval and sent to the Board of Directors of the Company and they were published on 1 July 2022 and on 19 September 2022. The entry into force of the Revised Offer is subject to the approval of the insurance supervisory authority of the acquisition of the indirect ownership by the Offerors and their owners due to the fact that the Company wholly owns Wáberer Hungária Biztosító Zrt., as well as the approval of the Hungarian National Bank on the Revised Offer.

*After receiving the insurance supervision authorisations (H-EN-II-135/2022, H-EN-II-136/2022, H-EN-II 153/2022, H-EN-II-154/2022, H-EN-II-155/2022, H-EN-II-156/2022), the MNB had approved the Revised Offer in its Resolution No. H-KE-III-617/2022 dated 15 October 2022, which was received by the Company through the Transactor on 17 October 2022 and published on the same day.*

The Company hereby publishes

- its opinion in connection with the revised public offer (Revised Offer);
- the assessment of the independent financial adviser; and
- the opinion of the employees.

The Company draws the attention of the Respected Shareholders that they can contact the employees of EQUILOR Befektetési Zártkörűen Működő Részvénytársaság, acting as Transactor

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during the opening hours set out in the Revised Offer or by phone at +36-1-430-3980 with their questions regarding to the public takeover offer.

## **1. The name, seat and other essential data of the Target Company**

Name: WABERER'S INTERNATIONAL Nyilvánosan Működő Részvénytársaság

Seat: H-1239 Budapest, Nagykőrösi út 351.

Capital stock: 6,192,807 EUR, which consists of 17,693,734 pieces, i.e. seventeen million six hundred and ninety-three thousand seven hundred and thirty-four pieces dematerialised ordinary shares of series A, each with a nominal value of EUR 0.35, i.e. thirty-five euro cents, in registered form, with equal rights for all shareholders.

## **2. The summary of the public offer**

The terms indicated in capital letters in this opinion have the meaning indicated in the Revised Offer, unless otherwise stated.

### The Offerors:

- HIGH YIELD Vagyonkezelő Zártkörűen Működő Részvénytársaság (registered seat: 1055 Budapest, Kossuth Lajos tér 18. A. lház. 4. em. 2/A.; registration number: Cg. 01-10-047626),
- MHB Optimum Zártkörűen Működő Részvénytársaság (registered seat: 1037 Budapest, Montevideo utca 5.; registration number: Cg. 01-10-141073),

as Common Offerors (together: Offerors).

Detailed introduction of the Offerors is shown in the Public Offer.

### Persons acting in concert:

BDPST Equity Zártkörűen Működő Részvénytársaság (registered seat: 1026 Budapest, Pasaréti út 122-124.; registration number: Cg. 01-10-141811), BDPST Ingatlanforgalmazó és Beruházó Zártkörűen Működő Részvénytársaság (registered seat: 1026 Budapest, Pasaréti út 122 – 124.; registration number: Cg. 01-10-048550), Trevelin Holding Zrt. (seat: 1148 Budapest, Kerepesi út 52.; registration number: Cg. 01-10-140611) and Geraldton Invest Zrt. (seat: 1148 Budapest, Kerepesi út 52.; registration number: Cg. 01-10-049344), and the Offerors concluded a Coordination Agreement on 1 July 2022 and modified on 19 September 2022. The participants of the Coordination Agreement are as set out in Annex 5 of the Revised Offer, and their group members pursuant to Section 5 (1) point 27 of the Act LVII of 1996 on the Prohibition of Unfair Trading Practices and Unfair Competition (Tpvt.).

Detailed introduction of the Persons acting in concert is shown in the Public Offer.

### The subject of the Offer:

Dematerialised Series "A" registered ordinary shares with a nominal value of EUR 0.35 (i.e. thirty-five euro cents) each, with the ISIN code HU0000120720 having voting rights issued by WABERER'S INTERNATIONAL Nyrt. as Target Company – except for the shares owned by the Persons acting in concert (including the appointed Offerors) – (hereinafter referred to as "Share" or "Shares").

### Offer price:

The purchase price offered per Share (the "Offer Price") for all voting shares is HUF 2,336 (i.e. two thousand three hundred and thirty-six forints) which is the price-weighted average stock exchange price of the shares of the Target Company for 360 (three hundred sixty) days prior to

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the submission of the First Offer to the Supervisory Authority pursuant to Section 72 (1) a) ac) points of the Capital Market Act. The method of calculation of the Offer Price is set out in detail in Section 3.2 of the Revised Offer.

#### The Transactor:

EQUILOR Befektetési Zártkörűen Működő Részvénytársaság (registered seat: 1026 Budapest, Pasaréti út 122-124.; registration number: Cg. 01-10-041431; hereinafter referred to as the "Transactor") as investment service provider.

#### Time limit for acceptance of the Revised Offer (Offer time)

The Starting Date is 19 October 2022. 9:00 a.m. and the Closing Date is the 30. (thirtieth) day from the Starting Date, and if that day is a non-working day, it is the first working day thereafter, i.e. 18 November 2022 15:00 p.m. The detailed rules for the acceptance of the Revised Offer are set out in Chapter 5 of the Revised Offer.

#### The manner of the payment

The Offerors shall pay to the Shareholders who validly accept the Revised Offer the purchase price fully in cash (exclusively in Hungarian Forints), within five (5) business days after the Closing Date by transfer to the bank account or securities account held by a Hungarian account manager and indicated in the Acceptance Statement. The purchase price equals to the multiplication of the Offer Price and the number of shares indicated by the Accepting Shareholder in the Acceptance Statement.

#### Proportion of the acquisition of the shares concerned

The Offerors pursuant to their agreement disclosed in the Revised Offer, will acquire the shares offered by the Accepting Shareholders in the following proportions:

- 1.) HIGH YIELD Zrt acquires 1/3 of the Shares offered by the Accepting Shareholders,
- 2.) MHB Optimum Zrt. acquires 2/3 of the Shares offered by the Accepting Shareholders, if the number of shares offered by the Accepting Shareholders will not be divisible by three without a remainder, the remaining one or two shares shall be acquired by MHB Optimum Zrt. after the division.

The Offerors shall acquire ownership of the shares individually, i.e. there shall not be joint ownership over any Shares.

According to the assessment of the Offerors, they are entitled to submit their Offer without initiating proceedings before the Hungarian Competition Authority under the Act LVII of 1996 on the Prohibition of Unfair Trading Practices and Unfair Competition (Tpvt.). The Offerors will not acquire sole or joint control over the Target Company, i.e. no concentration will be deemed to exist.

#### The acquisition of the MHB Optimum Zrt.

A Share Purchase Contract was concluded on 1 July 2022 between the sole shareholder of MHB Optimum Zrt., Ferenc Mike (address: H-5530 Vésztő, Kossuth Lajos u. 38.; mother's maiden name: Erzsébet Jenő) as seller and the BDPST Equity Zrt. (registered seat: H-1026 Budapest, Pasaréti út 122-124.; registration number: Cg. 01-10-141811) as buyer for the purchase of all shares of MHB Optimum Zrt. (hereinafter referred to as the "MHB Transaction"). The condition of the implementation of the MHB Transaction is, among other requirements, the settlement of the consideration for the Shares acquired based on the Amended Offer in accordance with Section 74 (6) of Capital Market Act, and that the Supervisory Authority approves BDPST Equity Zrt.'s and István Ferenc Tiborcz's acquisition of qualifying influence pursuant to Section 258 (1) of Act LXXXVIII of 2014 on the Business of Insurance (Bit.), because the Target Company is the

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sole shareholder of Wáberer Hungária Biztosító Zártkörűen Működő Részvénytársaság (registered seat: H-1211 Budapest, Szállító u. 4.; registry number: Cg. 01-10-046203; hereinafter referred to as the "Wáberer Biztosító") and as a result of the implementation of the MHB Transaction BDPST Equity Zrt. and István Ferenc Tiborc directly acquires qualifying influence in Wáberer Biztosító. With decision nr. H-EN-II-153/2022 and H-EN-II-154/2022 dated 10 October 2022, the Supervisory Authority approved the acquisition of qualifying influence to BDPST Equity Zrt. and to István Ferenc Tiborc in Wáberer Biztosító, which exceeds the 33% threshold but not reaches the 50% threshold based on indirect ownership.

#### The conclusion of the Share Purchase Contract

The Share Purchase Contract between the Offerors and the Accepting Shareholders shall, subject to the fulfilment of the conditions set out in the Revised Offer, be concluded, and enter into force on the Closing Date with the content set out therein, in consideration of the fact that all parties concerned have received the necessary approvals for the acquisition of qualifying influence in Wáberer Biztosító. In addition to the approvals indicated in the paragraph above regarding the acquisition of MHB Optimum Zrt. High Yield Zrt. and Mr György Waberer were granted the necessary authorization by decisions no. H-EN-II-135/2022 and H-EN-II-136/2022 dated 24 August 2022, while MHB Optimum Zrt. and Ferenc Mike were granted the necessary authorisations by decisions H-EN-II-155/2022 and H-EN-II-156/2022 dated 10 October 2022.

### **3. A declaration as to whether any of WABERER'S INTERNATIONAL Nyrt.'s executive officers hold any management position or have any influence over or other relationship with the Offerors or those with influence over the Offerors**

Among the members of the Board of Directors of the Target Company, György Péter Waberer holds a management position and has influence over HIGH YIELD Zrt. as the Offeror.

Name	Position with the Target Company	Position with one of the Offerors
György Péter Waberer	member of Board of Directors	Chairman of the Board of Directors and sole shareholder of HIGH YIELD Zrt.

### **4. Ownership structure of WABERER'S INTERNATIONAL Nyrt., list of persons holding a minimum of five percent of the voting rights, number of their shares and number of their votes**

The share capital of the Target Company consists of 17,693,734 ordinary shares, the ownership structure of which is based on the share register dated 23/09/2022.

Name	Quantity of shares (pieces)	Quantity of direct votes (pieces)
Trevelin Holding Zrt.	4,599,523	4,599,523
MHB Optimum Zrt.	3,715,684	3,715,684
HIGH YIELD Zrt.	3,538,746	3,538,746
Geraldton Invest Zrt.	883,838	883,838
other institutional and retail investors	4,741,244	4,741,244
own/treasury shares	214,699	0

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Apart from the Shareholders listed above, there are no other shareholder in the Target Company with a minimum of five percent of the voting rights. Each ordinary share carries one vote. Under the provisions of the Civil Code, the Company may not exercise any shareholder rights, including voting rights, with ordinary shares held in treasury.

#### **5. How does qualifying influence affect the employees of the joint-stock company**

The Offerors have declared that they do not plan to change the conditions of the employment of the Target Company. The Offerors intend to support the operation of the Target Company with its human resource base and the contribution of its current employees. The Offerors are convinced that the existing corporate governance and management system and the organisational and operational structure of the Target Company properly ensure stable and effective operations.

Based on the Operating Plan prepared and published by the Offerors, the acceptance of the Revised Offer by the relevant shareholders will not affect the employees of the Target Company.

#### **6. The name of the independent financial adviser appointed by the Board of Directors of WABERER'S INTERNATIONAL Nyrt. and the declaration by the adviser concerned that it has no conflict of interest which may affect its ability to give an impartial report**

In consideration of the fact that the Revised Offer was made as a result of the cooperation of persons acting in concert, the Board of Directors of the Target Company is not obliged to appoint an independent financial advisor to provide expert assessment of the Offer pursuant to Section 73/A (5) of the Capital Market Act. Regardless of this, the Board of Directors of the Target Company has requested Concorde Értékpapír Zrt. (seat: H-1123 Budapest, Alkotás utca 55-61. 7. emelet; registration authority: Company Registry Court of Budapest-Capital Regional Court; registration number: 01-10-043521 hereinafter referred to as "Concorde") to assess the Revised Offer and to provide an independent financial expert opinion about the Revised Offer. Concorde - based on its own declaration - has a supervisory license authorizing the performance of the activities specified in Section 5 (1) e), f) and g) and Section 5 (2) d) and e) of Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (Bszr.). Concorde in its independent financial expert opinion declared that it has no present or future interest in the Company and has no conflict of interest that would affect its ability to give an impartial opinion on the Revised Offer. The content of the independent financial expert opinion is irrespective of the level of remuneration, and the remuneration is not conditional on the achievement of any predetermined analytical result. Concorde - based on its own declaration - is independent from the Offerors, the Transaction and further management and owners of the Target Company.

Concorde's independent financial expert opinion, published simultaneously with this Board Opinion, concludes that the Offer Price is in compliance with the applicable regulations of the Capital Market Act, but is below the estimated value of the Target Company's shares of HUF 3,990.00. Accordingly, the Offer Price is below the estimated value.

#### **7. The proposal by the Board of Directors of the WABERER'S INTERNATIONAL Nyrt. to accept or reject the public offer, with the detailed reasons for the proposal**

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Based on the available documents and information, the Board of Directors of the Company does not recommend accepting the Revised Offer. The Board members - participating in the decision - unanimously agreed with the Board's proposal.

The detailed justification of the proposal:

The Board of Directors of the Company reviewed the First Offer, the Revised Offer and the independent financial expert opinion related to the Revised Offer. The Board of Directors agrees with the conclusion of the independent expert opinion that the Offer Price is in accordance with the legal regulations, but below the fair value of Waberer's shares. The experience of the past years - and the current situation - shows that the stock exchange price of the Shares is typically below the estimated share price based on the Company's fundamentals and results.

Furthermore, the evaluation of the Revised Offer cannot ignore current macroeconomic factors, in particular the negative impact of the armed conflict in Ukraine and the coronavirus pandemic on supply chains, the increase in inflationary costs and a possible recession crisis. These factors may directly or indirectly involve significant risks on one hand to the Company's operations and the value of its shares, and on the other hand to the overall stock market.

The Board of Directors of the Company assessed that the Operating Plan prepared and published by the Offerors is consistent with the current publicly available business objectives of the Waberer's Group. Accordingly, as a result of the cooperation with the Offerors, it will be possible to operate the portfolio owned by the Target Company and other member companies of the Group more efficiently, to maintain its competitiveness and even to support their entry into new market segments.

It is in the Company's interest to retain as many shares as possible publicly traded to ensure broad shareholder control, the Company's continued long-term presence on the stock exchange and the publicity of its operations.

Based on the stock exchange reports and publications, the shareholders can continuously monitor the performance of the Offeror's objectives. If the planned developments are realised and the companies in the portfolio operate profitably, our shareholders could also benefit directly through a continuous increase in the market value of the shares they own.

In view of the above, the Board of Directors of the Company draws the attention of shareholders who are not acting in concert to the fact that they should make their decision on acceptance of the Public Offer after careful consideration of all aspects and, if necessary, after consulting with their own investment advisor.

#### **8. Opinion on the public offer by the Works Council of the WABERER'S INTERNATIONAL Nyrt.**

In consideration the fact that no change in the employment conditions of the employees is expected as a result of the First Offer and of the Revised Offer, according to the preliminary declaration of the Offerors, the representatives of the Works Council agreed with the Offer and did not see any obstacle to completion of the transaction.

**Board of Directors of WABERER'S INTERNATIONAL Nyrt.**

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