

PRESS RELEASE

AutoWallis acquires majority ownership in Inicial Autóház

Budapest, August 6, 2020 – AutoWallis Plc. acquires an additional 20 percent share in Inicial Autóház Kft., increasing its ownership to 60 percent in this significant company of the Western Hungarian region involved in the sales and after-sales services of seven vehicle brands.



AutoWallis Plc. will acquire an additional 20 percent ownership in Inicial Autóház Kft. (Inicial), this dynamically growing company with over 115 employees, making the corporation listed in the Premium category of the Budapest Stock Exchange the 60 percent owner of Inicial, upon receiving approval from the Hungarian Competition Authority. Having established a cooperation agreement last year with the Inicial Group, known for its 25 years of

experience in the field of vehicle sales, AutoWallis increased its share now after acquiring 40 percent of Inicial in the beginning of July, as part of the agreement. Inicial is involved in the sales and after-sales services of seven vehicle brands (Dacia, Nissan, Opel, Peugeot, Renault, Suzuki and Toyota) in four sites (Győr, Mosonmagyaróvár, Sopron, and Szombathely), and the company's revenue was HUF 19.3 billion last year. **AutoWallis acquires the 20 percent share as part of the contribution in kind of HUF 868 million decided today by the Board of Directors.** Based on the earlier authorization of the corporation's shareholders, the rate per share of the 10,049,568 AutoWallis shares to be newly issued in this private placement is the average stock exchange rate of the previous 30 days, that is, HUF 86.4. **Regarding the shares received as contribution in kind, the sellers have secured a lock-up commitment:** no shares may be sold until May 31, 2021; and in the following 5 years the shares may only be sold in limited quantity, on a fixed schedule and quoted value, and in the predetermined manner. Zsolt Taródy, the seller's representative, talked about that their sole financial advisor during the transaction was KPMG.

Having developed a long-term, stable cooperation with AutoWallis over recent months, he continues to fulfil the position of managing director and professional manager of the Inicial Group even after the acquisition of the majority ownership. **Regarding Inicial Autóház, the founder Zsolt Taródy explained that after joining the AutoWallis group, they would continue on the road started 25 years ago, as it has led Inicial to become a significant actor in its region, compliant in all aspects with any importer expectations.** The transaction will add further fleet brands of significant position to the brands already sold by members of the AutoWallis group, which is in line with the strategy announced last year, aiming to make the company a major mobility provider for the Central and Eastern European region by 2029. **Gábor Ormosy, CEO of AutoWallis, pointed out that the acquisition supported another important strategic objective of AutoWallis, in addition to increasing the number of brands sold, as the number of the group's sales points in the Hungarian market also grows, in addition to the international expansion announced in recent months.** He added that with the growing number of sales and after-sales servicing points, AutoWallis may see an increase in the volume of the more profitable services as well within its revenue.

For further information on the Inicial Group: www.inicial.hu

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 Autókölcsház, 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

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