

PRESS RELEASE

AutoWallis decided to increase capital and purchase treasury shares

Budapest, November 30, 2020 – The AutoWallis Board of Directors decided about a number of matters at today’s meeting, including the possibility to increase the company’s share capital to a maximum of HUF 6 billion and the authorization to purchase treasury shares. The purpose of these moves is to advance the continued realization of the stock exchange automotive company’s growth strategy launched last year. According to the decision made today, under suitable market conditions, AutoWallis may – for the first time – involve funding from institutional and private investors of the capital market. In addition, the Board of Directors elected two new members of the Supervisory and Audit Board, and concluded the acquisition of the majority ownership of Inicial Autóház.

Due to the regulatory restrictions introduced in connection with the coronavirus epidemic (COVID-19), all matters on the agenda of the extraordinary general meeting originally called for today were decided by the AutoWallis Board of Directors, in line with preliminary proposals (in accordance with Section 9(3) of Government Decree 502/2020. (XI. 16.) on reintroducing different provisions regarding the operation of personal and capital pooling organizations during the emergency). **At today’s meeting, the Board of Directors decided about the possibility of increasing capital from the current HUF 3.7 billion to a maximum of HUF 6 billion through issuing new shares.** This authorization provides AutoWallis with the possibility to involve funding from institutional and private investors of the capital market for the first time, under suitable market conditions. **The decision is in line with the growth strategy launched by AutoWallis last year, with plans to double the corporation’s 2018 revenue (HUF 65.5 billion) by 2024, and to become a major mobility service provider in the Central and Eastern European region by 2029.** Despite the COVID-19 epidemic, the realization of the strategy is on track; the company listed in the Premium category of the Budapest Stock Exchange has already announced six major business developments and acquisitions this year, which have been financed primarily via funding already at disposal and a capital increase based on earlier authorization. **AutoWallis is continuing to look for further growth opportunities beyond the already announced transactions even in the current, volatile economic environment. The corporation believes that the economic downturn caused by the coronavirus epidemic has created new investment, acquisition, market acquisition and business development opportunities. AutoWallis intends to utilize these opportunities to the fullest extent, given that following the company’s strategy, a consolidation platform has been formed in the corporate group that can ensure a competitive edge and stability for all joining entities.**

In addition to adopting technical amendments to the statutes, the AutoWallis Board of Directors decided about a new mandate for the future purchase and selling of treasury shares and equity bonds, and even of convertible bonds, in order to make it possible for the company to buy treasury shares and use them for launching a new Employee Share Ownership Program (ESOP). The Board also elected two new members of the Supervisory and Audit Board: Ferenc Karvalits, director of Wallis Asset Management Zrt., and Bence Buday, managing director of Wallis Autómegosztó Kft. (SHARE NOW). Furthermore, the transaction involving the acquisition of 20 percent ownership in Inicial Autóház Kft., already approved by the Hungarian Competition

Authority, was concluded at the meeting, with the corporation thus becoming the 60 percent owner of Inicial.



Ferenc Karvalits graduated as an economist from the University of Economics of Budapest in 1988, where he later worked as lecturer and researcher at the Department of Finance. He started his banking career in 1990: in 1996, he became head of the Banking Relations Department at the National Bank of Hungary (MNB), after which he served as managing director and member of the Executive Board between 1998-2001. He then became deputy CEO of Wallis Zrt., and held the position until 2002. While remaining a Board member at Wallis Zrt., between 2002-2005, he worked as co-CEO of CIB Bank. In April 2005, he was appointed president of FHB Bank. In the period between 2007-2013, he acted as vice president of the MNB responsible for monetary policy and reserve management, and was also a member of the Monetary Council. He has been the director of strategy at Wallis Asset Management Zrt. since 2013, and since 2014, he has also participated in the work of Venturio VC Fund Management Co. and PERION VC Fund Management Co., first as strategic advisor, then as Board member for both companies.



Bence Buday graduated as an economist from the Corvinus University of Budapest, Department of Management and Organization, in 2010. In 2014, he completed the MBA program of INSEAD with distinction in Singapore and France. He started his career in 2010 in the Budapest office of McKinsey & Company, where he participated in the strategy design and transformation of larger corporations in a variety of industries, including banking, telecommunication and pharmaceuticals, both in Hungary and in a number of European countries. Between 2016-2019, he held various management positions in commercial areas at Vodafone Hungary, and was responsible for leading the integration planning and the ensuing acquisition of UPC Hungary. Working as managing director of Wallis Autómegosztó Kft. (SHARE NOW) since 2020, he has been engaged in extending the modern and sustainable mobility services offered by car-sharing to an increasing number of private and corporate users in Budapest, thereby contributing to the creation of a more liveable city.

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 Autókölsönző, 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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