

PRESS RELEASE

The competition authority approved AutoWallis's acquisition of majority ownership in Iniciál Autóház

Budapest, November 20, 2020 – The Hungarian Competition Authority has approved the majority ownership of AutoWallis in Iniciál Autóház Kft., a significant company of the Western Hungarian region with a revenue of HUF 19.3 billion, which is involved in the sales and after-sales services of seven vehicle brands. In addition to the international transactions announced in recent months, such as the acquisition of the four-country importer right of the Opel brand, this acquisition of ownership is a major milestone in the history of AutoWallis, as parallel to the increase in the number of brands sold, the number of sales points of the group is also growing.



The Hungarian Competition Authority has approved AutoWallis Plc.'s acquisition of an additional 20 percent ownership in Iniciál Autóház Kft. (Iniciál), this dynamically growing company with over 130 employees, making the corporation listed in the Premium category of the Budapest Stock Exchange the 60 percent owner of Iniciál. Last year, AutoWallis established a cooperation agreement with Iniciál Group, known for its 25 years of experience in the field

of vehicle sales; as a first step, it acquired 40% of Iniciál in the beginning of July, and then in August an additional 20%, now approved, so it is now the 60% owner of the company. **Iniciál 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 acquired the 20% Iniciál share in the second step as part of a contribution in kind of HUF 868 million. Based on the earlier decision of the corporation's Board of Directors regarding the capital increase, the rate per share of the 10,049,568 AutoWallis shares to be newly issued in a private placement following the approval of the Hungarian Competition Authority 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.

Having developed a long-term, stable cooperation with AutoWallis, Zsolt Taródy continues to fulfil the position of managing director and professional manager of the Iniciál Group even after the acquisition of the majority ownership. **After joining the AutoWallis group, Iniciál Autóház will continue on the road started 25 years ago, as it has led Iniciál to become a significant actor in its region, compliant in all aspects with any importer expectations.** The transaction has added 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. **The acquisition supports 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.** 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 Autókölcsonzó, 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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