

PRESS RELEASE

AutoWallis Group acquires Iniciál Autóház, the dominant car dealer in West-Hungary

Budapest, July 2, 2020. – As a new step in the cooperation established last year with Iniciál Group, having 25 years of experiences in car trade, AutoWallis acquires 40% stake of Iniciál Autóház Ltd., the dominant car dealer in West-Hungarian Region, engaged in selling and servicing seven car brands. Zsolt Taródy, the founder of the Company will remain the managing director of the Ltd. that last year reported HUF 19.3 billion revenue, whereas AutoWallis had HUF 75.3 billion.



As the next step of the cooperation agreement concluded with Zsolt Taródy, the founder of Iniciál Group, the dominant car dealer in West-Hungary, **AutoWallis Plc.** (listed in the Premium category on the Budapest Stock Exchange) **will acquire 40% stake of dynamically developing Iniciál Autóház Ltd. (with more than 115 employees, as the present headcount).** Iniciál is engaged in selling and servicing seven car brands (Dacia, Nissan, Opel,

Peugeot, Renault, Suzuki and Toyota) at four sites (Győr, Mosonmagyaróvár, Sopron and Szombathely). **AutoWallis will acquire this minority share from Iniciál's financial investor through a HUF 1.16 billion capital increase as contribution in-kind, approved by the Board of Directors.** 13.589.503 AutoWallis shares will be issued in a private placement for a share price of HUF 85.36 calculated in accordance with the average share price of the last 30 days, based on the mandate formerly granted by the Company's shareholders. AutoWallis agreed to purchase 8.589.503 new shares from this contribution in-kind on HUF 93 price. Regarding the other shares received for the contribution in-kind, Iniciál Group's former financial investor assumed a lock-up period until 31 May, 2021, declaring that these shares will be regarded and managed as long term investment. AutoWallis intends to use the treasury shares acquired from the transaction for purposes of further acquisitions. The transaction can provide a significant contribution to increasing AutoWallis' 2019 revenue, i.e. HUF 75.3 billion, hence the revenue of Iniciál Autóház Ltd. last year was HUF 19.3 billion.

AutoWallis also plans to acquire a further 20% business share in Iniciál from the founder's family, thus capturing a total 60% share in the Company, provided that the Hungarian Competition Authority approves the acquisition following the current transaction. **Zsolt Taródy will remain Iniciál Group's managing director and professional manager also following the acquisition of the majority shareholding,** as AutoWallis could in the past months establish a long term and stable cooperation with him. **Zsolt Taródy,** founder of Iniciál, having more than 25 years of experience in the car dealer business, **explained that the Group has been successfully expanded and become a dominant player in its region fully in line with the importers' expectations, and could increase its business turnover above the sector's average rate** in the past two years. He added that cooperation between AutoWallis and Iniciál might open new opportunities for the Group he had founded.

Referring to the transaction Gábor Ormosy, AutoWallis CEO pointed out that as a result of this step the premium brands sold by the Group members may be extended with new fleet

brands with dominant position. All these actions fit well to the strategy announced a year ago, aiming to double the Company's 2018 revenue by 2024 through organic channels and other acquisitions. The CEO added that in addition to increasing the number of traded brands, the agreement concluded with Inicial Group last year and **the recently announced acquisition will enable AutoWallis to also implement another key strategic goal of the Group, thus not only the international market share will increase, but also the number of points of sales of the Group in Hungary.** Gábor Ormosy added that the current transaction is important also to increase the number of points of sales and service points leading to increasing volume of the best profit generating services within revenue.

The first step of the cooperation established with Inicial Group was the acquisition of 60% share of ICL Autó Ltd. in February this year. ICL Autó started its operation in February with selling and servicing KIA cars, but its portfolio may be later extended also with other brands. ICL Autó's operation is also focusing onto West-Hungary, and it plans to cover the service portfolio for the total car trade segment, including also servicing and fleet management services.

On the photograph from left to right:

- Gábor Székely, director of investments AutoWallis Plc.
- Zsolt Taródy, founder of Inicial Group
- Gábor Ormosy, CEO of AutoWallis Plc.

Az AutoWallis Nyrt.

A Budapesti Értéktőzsde Prémium kategóriájában, valamint a BUX és BUMIX indexekben jegyzett AutoWallis Nyrt. célja, hogy 2029-re a közép-kelet-európai régió meghatározó mobilitási szolgáltatója legyen. A vállalat 2018-as, nemzetközi pénzügyi beszámolási standardok (IFRS) alapján számított konszolidált 65,5 milliárdos árbevételének duplázását tervezi 2024-re, melyet elősorban organikus úton akar elérni. A vállalat célja emellett, hogy az autópári befektetésekre fókuszáló befektetési portfóliójának folyamatos, akvizíciós úton történő szélesítésével klasszikus, konzervatív üzletpolitikát képviselő vagyongazdálkodóként működjön. Az AutoWallis csoport a közép-kelet-európai régió 14 országában (Albánia, Bosznia-Hercegovina, Csehország, Bulgária, Horvátország, Koszovó, Lengyelország, Románia, Szerbia, Szlovákia, Szlovénia, Észak-Macedónia, Magyarország, Montenegró) gépjármű- és alkatrész kis- és nagykereskedelemmel, szerviz szolgáltatásokkal, rövid- és hosszú távú gépjármű-kölcsönzéssel van jelen. A csoport tagjai közé tartozik a Wallis Automotive Europe, a Wallis British Motors, a Wallis Motor Pest, a Wallis Motor Duna, valamint a Wallis Autókölcsönző. A csoport által képviselt márkák közé tartoznak a BMW személyautók és motorkerékpárok, a MINI, az Isuzu, a Jaguar, a Land Rover, a Maserati, a Ssangyong, a Saab alkatrészek utánpótlása és a Sixt rent-a-car, melyek közül a BMW a prémium autópiacon, míg a Sixt az autókölcsönző piacon foglal el domináns pozíciót. www.autowallis.hu

További információ:

R. Kovács Dániel, Financial Communications

Mobil: 06-20-771-8710

E-mail: r.kovacs@fincomm.hu