

PRESS RELEASE

AutoWallis has received the credit rating necessary for the participation in the Bond Funding for Growth Scheme

Budapest, September 18, 2019 – AutoWallis is seriously considering the possibility of participating in the Bond Funding for Growth Scheme (BGS) launched by the Hungarian National Bank (MNB), and it has only acquired the credit rating necessary as a prerequisite. Upon the request of the MNB, Scope Ratings carried out the rating of the corporation, giving it a B+ rating. AutoWallis is considering various fundraising options for realizing its strategy announced in spring, and finds the BGS as a favorable opportunity.

In its strategy announced in spring, AutoWallis is planning on a robust increase of its revenues: by 2024, it counts on more than doubling its HUF 65.5 billion revenue – according to the IFRS (International Financial Reporting Services) standards and without the effect of acquisitions – from last year, hoping to achieve HUF 142 billion, while calculating with a nearly threefold increase to HUF 187 billion, with the acquisitions included. All this could increase the earnings before interest, tax, depreciation and amortization even more: the EBITDA could be nearly quadrupled to HUF 7.9 billion due to the organic growth, while it could present a 4.5-fold increase to HUF 9.5 billion, with acquisitions. AutoWallis wishes to finance this growth in various ways. **It is planning to reinvest part of the earnings resulting from its operations, but also to build on credit financing and capital raising, in which it counts on the participation of institutional investors as well.** The acquisitions could take place via contribution in kind, but could also be financed by individual project loans, bonds, closed capital increase, a public offering, or even the returning of the dividend paid to the main owner of AutoWallis, Wallis Asset Management (WAM), in the form of a capital increase.

Gábor Ormosy, CEO of AutoWallis emphasized that the company was presently exploring the Hungarian and regional acquisition opportunities, and they would decide about their financing based on the characteristics of the specific investment target, as well as the available fundraising options. He considers the BGS program announced by the MNB a favorable resource, so he is looking into the possibility of issuing bonds worth of about HUF 3 billion within the framework of this program, given that it is necessary for the optimization of the group's credit structure. One of the conditions of participating in the BGS program is that they acquire an appropriate rating for the bonds to be issued by a credit rating agency registered at the European Securities and Markets Authority (ESMA). Upon the request of the MNB, Scope Ratings carried out the rating of AutoWallis, giving the company a B+ rating. **Related to this, Gábor Ormosy explained that acquiring the rating was an important milestone for the corporation,** supporting the realization of the strategy, but he also pointed out that AutoWallis would probably make any decisions regarding the details of the possible bond issuance and its utilization only late autumn.

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 Motor Pest, Wallis Motor Duna and Wallis Autókölcsonzó. The vehicles represented by the group include BMW cars and motorbikes, Saab spare vehicle parts, as well as the following brands: MINI, Isuzu, Jaguar, Land Rover, Maserati, Ssangyong, and Sixt rent-a-car. Out of these, BMW holds a dominant position in the premium car market, while Sixt is a leader in the car rental market. www.autowallis.hu

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