

14 October 2021

Strategy 2025 and vision 2030

We are building the leading car
distributor and mobility service
provider in the Central and Eastern
European region
Investor presentation

AutoWallis
GROUP



Agenda – strategy and vision

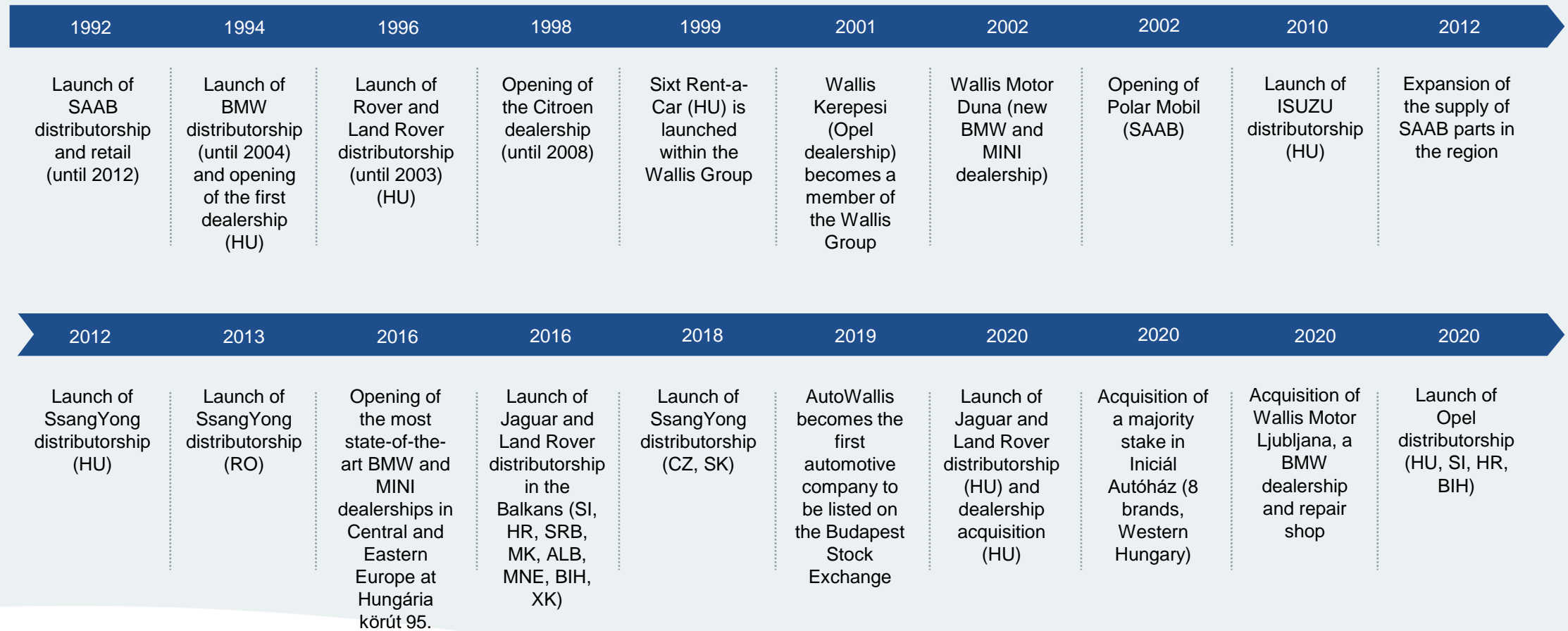
- | | |
|--|----|
| 1. AutoWallis Group | 3 |
| 2. Changing automotive industry | 9 |
| 3. Environmentally conscious growth strategy | 14 |
| 4. Accelerating growth | 16 |
| 5. Results and projections for 2021/2025 | 19 |
| 6. Capital market strategy | 23 |
| 7. Use of Funds | 26 |
| 8. Public offering in 2021 | 28 |

1. The AutoWallis Group

We are building the leading car dealership and mobility service provider in the Central and Eastern European region

AutoWallis
GROUP

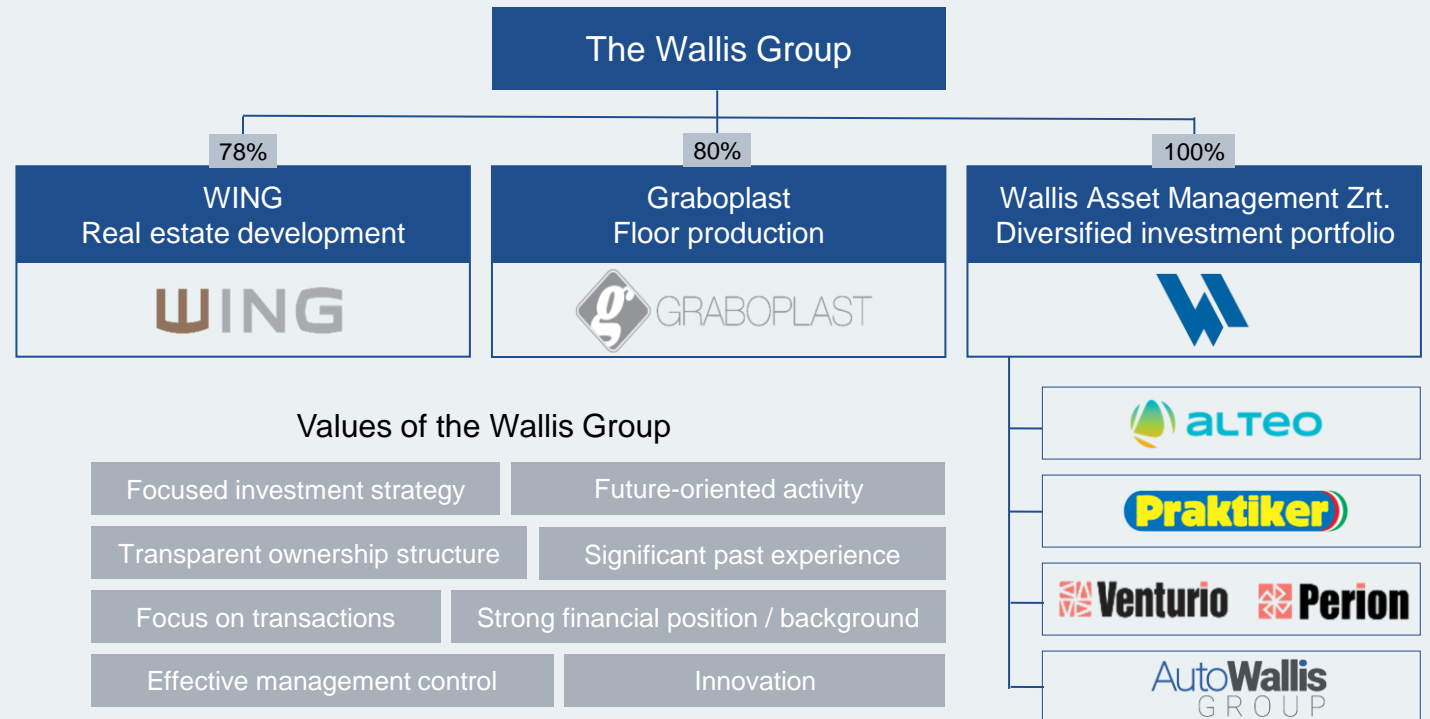
Milestones of AutoWallis Group – nearly 30 years in the market



The majority shareholder of AutoWallis Group

The majority shareholder of AutoWallis is Wallis Asset Management Zrt., which is a member of the Wallis Group, one of Hungary's largest privately owned investment holding companies

- A diversified investment portfolio combines the key features of a private holding and a venture capital fund.
- The Wallis Group excels at applying international best practices and local market knowledge and, as a result, it represents several world-class groups as a reliable partner in Hungary as well.
- It has been a financially stable and reliable partner for a number of international groups since 1990.
- Simple and transparent corporate structure and three main and independent portfolio elements.
- There is no cross-ownership, cross-financing or guarantees among the members of the portfolio.



Values of AutoWallis Group

GREEN INVESTMENTS
INTERNATIONALITY **GROWTH** E-MOBILITY
EXPERTISE **STABILITY** **TRANSPARENCY**
REGIONALITY **MOMENTUM** **RELIABILITY**
SUSTAINABILITY
GREEN FINANCING **STOCK EXCHANGE**
PARTNERSHIP

AutoWallis Group today

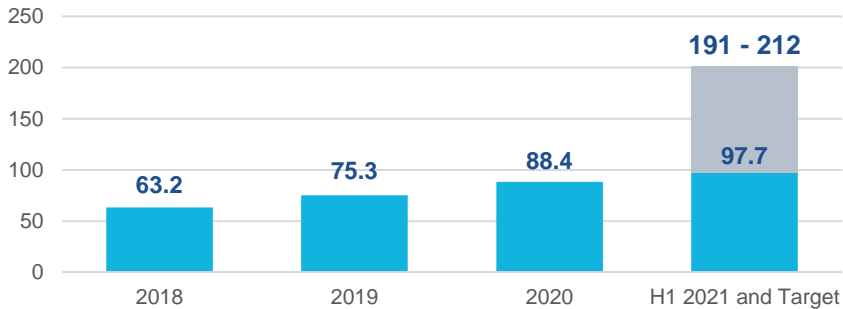
We are building the leading car dealership and mobility service provider in the Central and Eastern European region

- In the automotive market for nearly 30 years – wide experience in car sales and services
 - Listed on the Budapest Stock Exchange („BSE”) since 2019
 - Included in the BUX and BUMIX indices and listed in the Premium Category
 - Award for "Capital increase of the year" at the Legek 2020 event of the BSE
 - Nearly 2,800 shareholders
 - Committed to sustainable operation
 - Green financing
 - Scope Ratings: B+, stable growth outlook
- HUF 9.69 billion raised through long-term bonds since 2020
 - Nearly HUF 6 billion in capital increases since 2020
 - Over 650 employees
 - Continuously rising revenues in recent years
 - Drivers of growth
 - Consistently growing regional market
 - New markets, acquisitions and transactions
 - Dynamic growth strategy

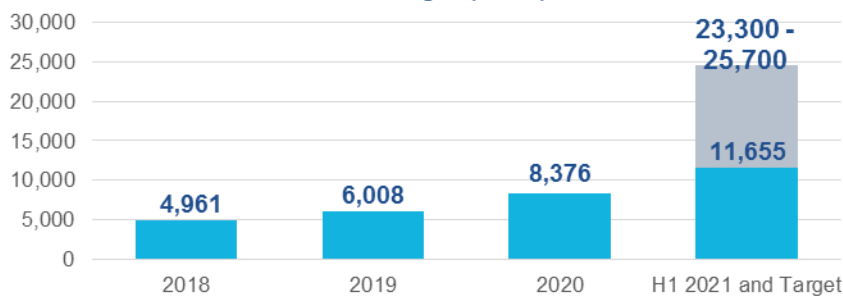


Diversified regional presence: 14 countries, 50% of revenues from outside Hungary

Changes in the revenue of the AutoWallis Group
2018-2020, H1 2021 and 2021 Target (HUF billion)



Changes in the vehicle sales of the AutoWallis Group
2018-2020, H1 2021 and 2021 Target (units)



Source: The Issuer's consolidated IFRS financial statements (2018, 2019 and 2020), unaudited report (H1 2021) and own data

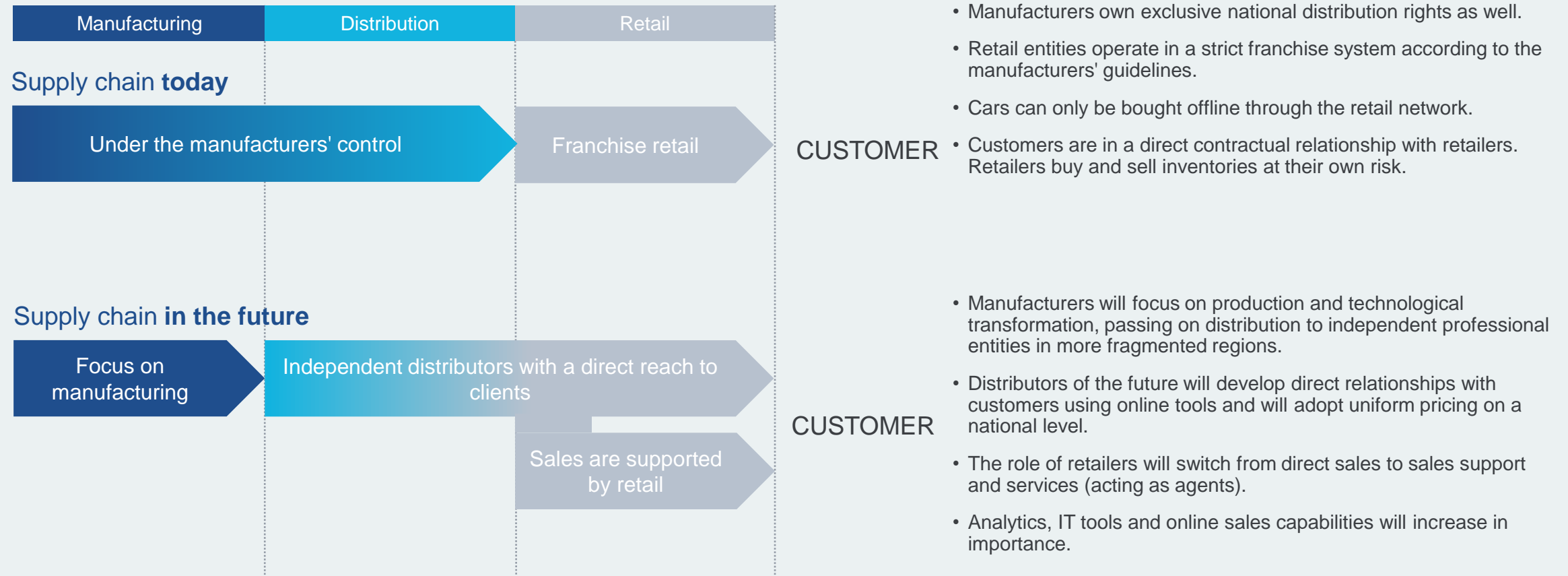
Distribution business unit		
Description	Brands	Countries
Exclusive new car and parts distribution activity in the countries of the Central and Eastern European region	 	Hungary, Albania, Croatia, Bosnia and Herzegovina, Serbia, Slovenia, North Macedonia, Montenegro, Romania, Slovakia, the Czech Republic, Kosovo, Poland, Bulgaria
Retail & services business unit		
Description	Brands	Countries
Sale of new and used vehicles, motorcycles and parts	 	Hungary, Slovenia
Comprehensive servicing activities and auxiliary services relating to the brands distributed by AutoWallis	 	
Short-term and long-term car rental		

2. Changing automotive industry

Growth opportunities for AutoWallis Group

AutoWallis
GROUP

How is the supply chain changing in the region?



What drives these changes in the automotive value chain?

1

Technological transformation

Manufacturers are forced to engage in capital-intensive, innovative and continuous technological improvement due to

- environmental regulations becoming more stringent and
- the technological development of alternative propulsion systems

2

The role of digital sales channels

Online marketing, sales and distribution are becoming increasingly important the focus of retail is switching to professional sales support and services instead of direct sales

3

Mobility services are becoming increasingly important

The demand for alternative mobility is growing, but ownership is still popular alongside car sharing; the brand loyalty of customers is declining, and so customers will be more open to brand-independent mobility solutions

Manufacturers rely on regional merchants: Funding technological transformation, improving cost efficiency and streamlining

To achieve this, they are:

1. returning to their core activity of production
2. opening up to digital sales channels and concentrating the franchise network
3. selling distribution rights and passing on **exclusive** distribution activities to local entities in more fragmented markets

A unique growth opportunity for acquisitions in the regional distribution and retail market and the related services

AutoWallis Group is one of the leading consolidators in the region

Which market participants will be successful in the future?

Based on the industry trends presented, successful car dealership and service provider groups of the future need to have the following characteristics:

- A **regional leader** that has successfully seized any available opportunities for consolidating distribution operations and represents **multiple brands** on group level.
- Has **high-quality retail facilities** in strategic locations.
- **Covers the entire value chain**, i.e. its portfolio includes everything from distribution through retail to all mobility and related services that offer high added value:

Fleet management, car rental service,
alternative mobility, car sharing

Repair, chassis and paint,
and parts trade

Sale of third-party products (including
insurance and financial products)

- Develops a **multi-channel sales model** and its own online marketplaces. Uses digital tools to communicate with customers in addition to conventional face-to-face sales.
- Accomplishes all of these by relying on **professional IT solutions** and analytics competencies.

These opportunities serve as the basis for the strategy of AutoWallis Group

Vision 2030

AutoWallis Group is one of the leading consolidators in the region

Strong and profitable car dealership and mobility service provider

Selective growth in retail and distribution

A group that operates efficiently and utilises synergies

Car rental and fleet management
New service activities
New mobility services

Development of a regional retail and distribution network
Professional operation

A portfolio that covers our entire value chain under the AutoWallis Brand
Modern IT and organisation

Goal: To become the leading car dealership and mobility service provider in the Central and Eastern European region by 2030.



2. Environmentally conscious growth strategy

Further strengthening its role as a regional consolidator through business development and acquisitions

Strategic focus

AutoWallis Group is one of the leading consolidation platforms in the region



3. Accelerating growth



Updating the strategy announced in 2019

Expected financial impact of the transactions completed in 2020 on the year 2021

Strong acquisition and consolidation activities





* In 2021 compared to the base year 2019, if the targets are achieved
 ** A binding agreement was signed on 9 September 2021 on the acquisition of the operations and assets of the Slovenian entity Avto Aktiv (retail and servicing), which has a marginal impact on the target for 2021.

Impact of the five transactions completed in 2020 on our expectations for 2021

We exceeded the goals set in 2019*

Previous target for 2021	Actual (H1 2021)
brands 6 	16 brands
dealerships 3 	13 dealerships
transactions 2 	5 transactions
distribution rights 10 	16 distribution rights

Previous target for 2021	Current expectation for 2021
HUF 90 to 100 billion revenue 	HUF 191 to 212 billion revenue
HUF 4.3 to 4.6 billion EBITDA 	HUF 5.5 to 6.2 billion EBITDA

* According to the AutoWallis Strategy (bet.hu) defined in 2019



4. Results and projections for 2021/2025

Focus on growth

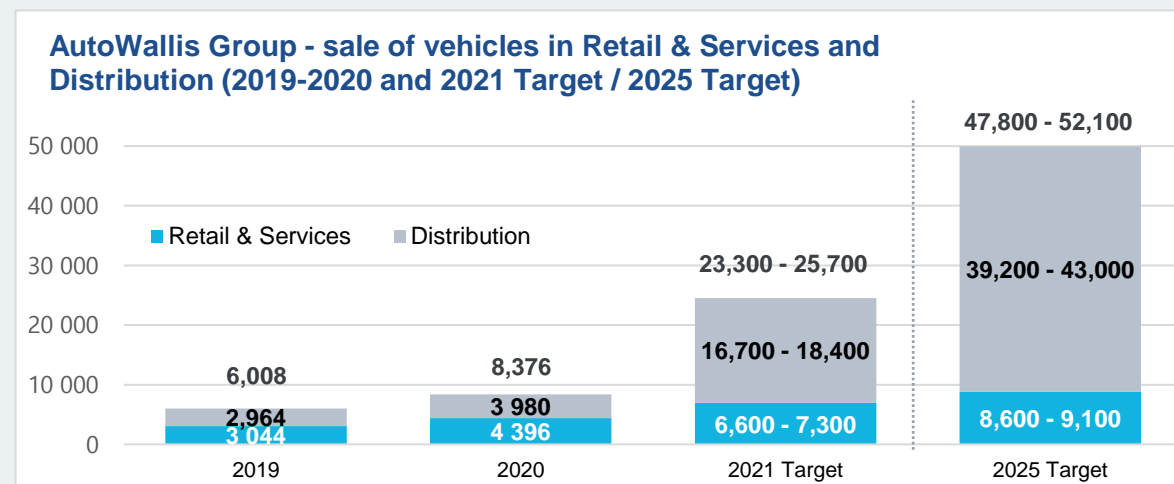
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Sales figures for each business unit

Projections for 2021/2025

Data (units)	2019	2020	2021 Target	2025 Target
Retail & Services Business Unit	3,044	4,396	6,600 – 7,300	8,600 – 9,100
New vehicles sold	2,242	3,196		
Used vehicles sold	802	1,200		
Distribution Business Unit	2,964	3,980	16,700 – 18,400	39,200 – 43,000
New vehicles sold	2,964	3,980		
Total vehicle sales	6,008	8,376	23,300 – 25,700	47,800 – 52,100

Source: the Issuer's consolidated IFRS financial statements and own data



Source: the Issuer's consolidated IFRS financial statements and own data

Data (units)	2020 H1	2021 H1	Change
Retail & Services Business Unit	1,336	4,270	+ 220%
New vehicles sold	987	3,428	+ 247%
Used vehicles sold	349	842	+ 141%
Distribution Business Unit	1,804	7,385	+ 309%
New vehicles sold	1,804	7,385	+ 309%
Total vehicle sales	3,140	11,655	+ 271%

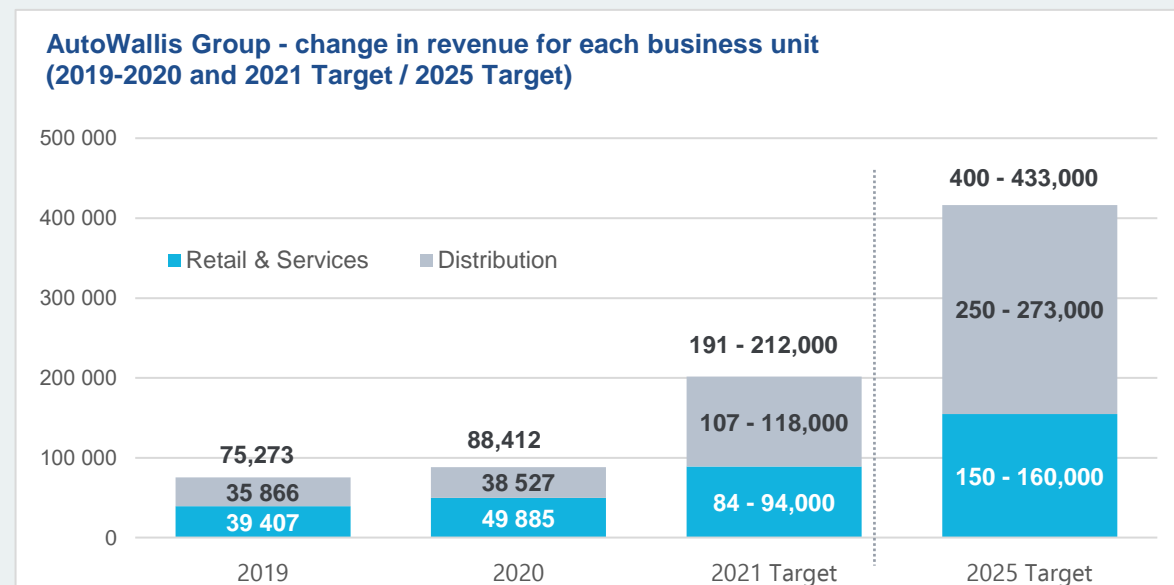
- The goal is to sell as many as 30,000 vehicles in the Retail & Services and Distribution Business Units starting from 2022
- A strategic objective of AutoWallis Group is to become one of the largest players in the Central and Eastern European region in terms of the number of cars sold.
- Improving services and increasing their percentage share within EBITDA: short-term and long-term car rental and fleet management.
 1. Offering auxiliary activities to cover the entire value chain and retaining the profit generated by vehicle sales within the group.
 2. More efficient operation by exploiting synergies among companies.

Revenue figures for each business unit

Projections for 2021/2025

Data (mHUF)	2019	2020	2021 Target	2025 Target
Retail & Services	39,407	49,885	84 – 94,000	150 – 160,000
Distribution	35,866	38,527	107 – 118,000	250 – 273,000
AW Group revenue	75,273	88,412	191 – 212,000	400 – 433,000

Source: the Issuer's consolidated IFRS financial statements and own data



Source: the Issuer's consolidated IFRS financial statements and own data

Data (units)	2020 H1	2021 H1	Change
Retail & Services	18,577	42,732	+ 129%
Distribution	18,575	54,919	+ 196%
AW Group revenue	38,152	97,651	+ 156%

- In H1 2021, the Group exceeded the revenue for the entire year 2020 through the transactions conducted in 2020 and the improving performance of AutoWallis Group.
- The revenue of the Retail & Services Business Unit could be nearly doubled in 2021 as a result of the successful acquisitions and organic growth.
- The revenue of the Distribution Business Unit could increase more than threefold this year, partly thanks to the Opel transaction.
- The revenue for 2020 is expected to more than double by 2021, despite the volume limitations and delays resulting from the chip shortage.
- Revenue growth has been driven by the acquisition of exclusive distribution rights, the expansion of the retail & services business and the ongoing improvement of services (rental and fleet management).
- The annual revenue of AutoWallis Group is expected to surpass HUF 400 billion in 2025.

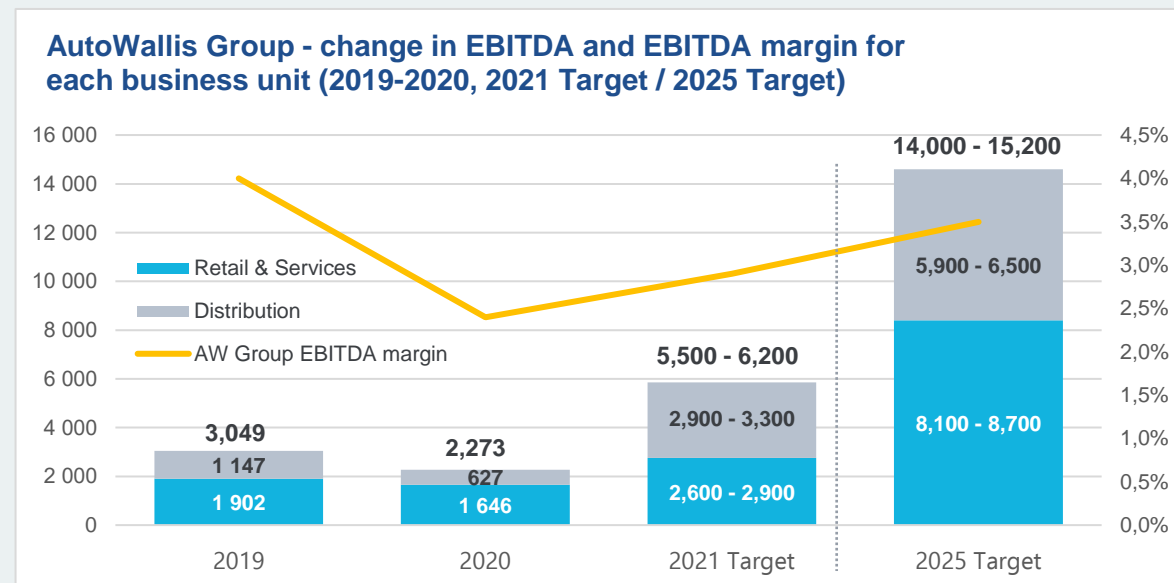
EBITDA figures for each business unit

Projections for 2021/2025

Data (mHUF)	2019	2020	2021 Target	2025 Target
Retail & Services	1,902	1,646	2,600 – 2,900	8,100 – 8,700
Distribution	1,147	627	2,900 – 3,300	5,900 – 6,500
AW Group EBITDA	3,049	2,273	5,500 – 6,200	14,000 – 15,200

Source: the Issuer's restated data and own projections for the periods between 2018 and H1 2021

Data (mHUF)	2020 H1	2021 H1	Change
Retail & Services	855	1,837	+ 115%
Distribution	-98	1,344	N/A
AW Group EBITDA	757	3,181	+ 320%



Source: the Issuer's restated data and own projections for the periods between 2018 and H1 2021

- Following a decline in 2020 caused by the COVID-19 pandemic, the Group's EBITDA is expected to grow significantly in 2021, both organically and as a result of acquisitions.
- The average EBITDA margin will decline temporarily due to an increase in the weight of the distribution activity.
- Both the EBITDA and the EBITDA margin are expected to rise by 2025:
 1. Expanding and acquiring services with high added value, such as car rental, fleet management and servicing activities.
 2. Improving economies of scale and exploiting synergies within the AutoWallis Group in connection with purchasing, the sale of used cars, servicing, real estate management and cross-selling.

5. Capital market strategy

Optimisation of the capital structure and an active presence in the capital market

Our capital market presence

Dynamically increasing presence on the stock exchange

Three independent equity analysts follow our stocks with Buy recommendation (12-month target prices):

- OTP: HUF 164 (13 September 2021) [Download](#)
- Concorde: HUF 165 (29 September 2021) [Download](#)
- Kalliwoda: HUF 218 (27 September 2021) [Download](#)

Credit rating of B+ by SCOPE Ratings, with stable growth prospects



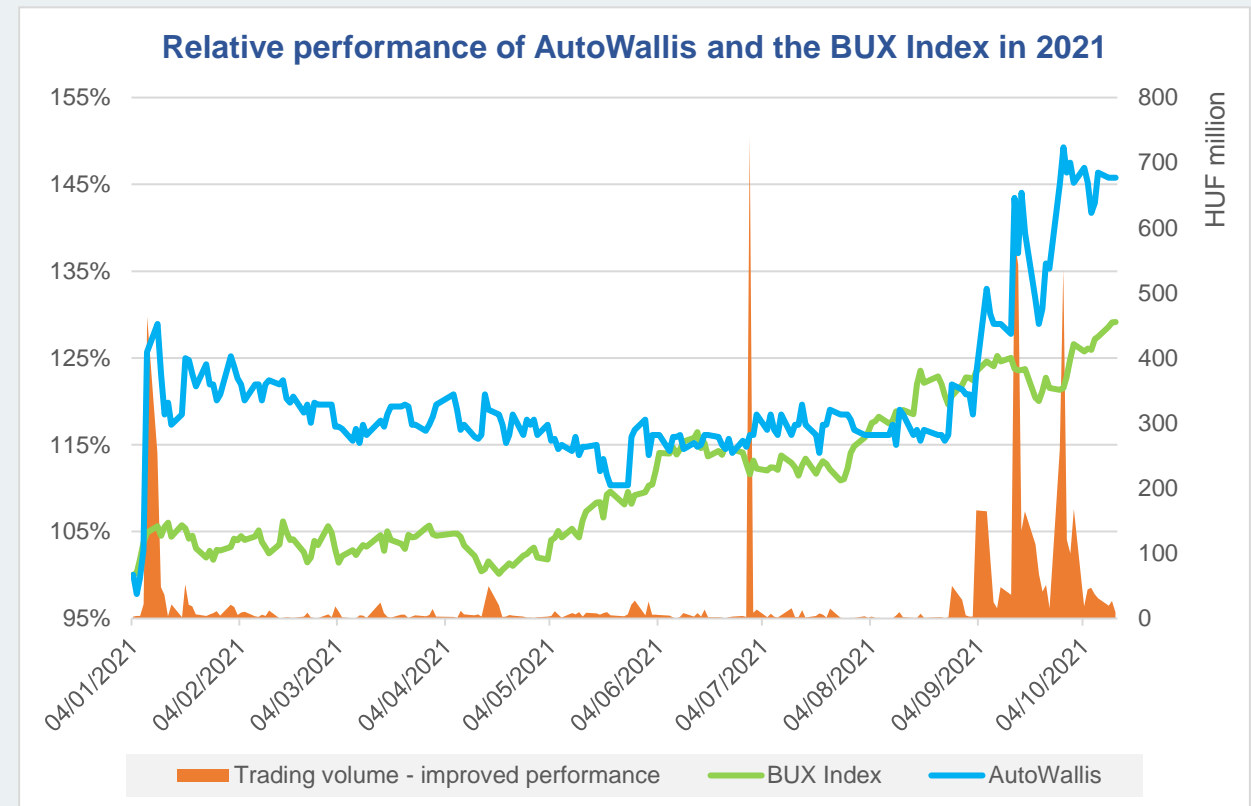
Issue of 10-year bonds for nearly HUF 10 billion, the majority of which are green bonds

Nearly HUF 6 billion in capital increases

More than 45% rise in share price in 2021

Boost in liquidity in 2021

- Among the 10 most liquid stocks on the Budapest Stock Exchange
- Nearly 2,800 shareholders



Source: Bloomberg, 13 October 2021

Our strategic goals in the capital market

Raising funds for further transactions

Optimising the capital structure

- Increasing the consolidated IFRS equity ratio of 15% for 2020
- Creating opportunities for obtaining additional funding through bonds or loans

Increasing free float

- Increasing the number of retail investors by at least 20%
- Increasing free float beyond 35%

Improving average daily liquidity

- Becoming one of the five most liquid stocks on the Budapest Stock Exchange

Increasing index weights

- This is affected by an increase in either free float, turnover or share price
- Increasing the BUX weight by a factor of more than two is possible as early as in 2021 (purely based on the planned increase in free float)
- Being included in regional indices (e.g. CECE)

Raising capital for further transactions



7. Use of Funds

Focus on growth strategy

Use of Funds and the amount of capital increase

1

Expanding the service portfolio

- Launching regional fleet management operations
- Business development projects that exploit group synergies (used cars, financing, insurance mediation, joint procurement)
- Developing digital sales channels and analytics capabilities
- Expanding the BI strategy project
- Servicing and short-term car rental

Estimated funding requirement: HUF 5 to 8 billion

2

Geographical expansion of existing retail operations

- Acquisition of primarily multibrand and multisite dealerships and servicing units, as well as individual dealerships and servicing units with significant market power in strategic locations
- Strengthening and expanding presence in existing and new countries
- Real estate projects

Estimated funding requirement: HUF 7 to 21 billion

3

Strengthening the distribution activity

- Strengthening the role as a regional consolidator
- Expanding AutoWallis Group to include additional international brands

Estimated funding requirement: HUF 4 to 9 billion

Total funding requirement

**HUF 16 to 38 billion
for business development
plans in the pipeline**

8. Public offering in 2021

Details of the public offering

The first public offering on the BSE since 2017

The first public offering in Hungary under the new Prospectus Regulation of the EU

PUBLIC OFFERING

1. INSTITUTIONAL SALE
for HUF 5 to 6.5 billion
2. RETAIL SALE
for HUF 1 to 1.5 billion

Amount of capital increase

HUF 6 to 8 billion

Oversubscription: up to 25%

Subscription period

Retail

25 October – 9 November 2021

Institutional

2 November – 9 November 2021

Price range

HUF 107 to 122

Prospectus

www.autowallis.hu/reszvenyjegyzes

www.otpbank.hu/autowallis

Underwriter



OTP Bank (online, in person, over the phone or through private banking consultants)

Advisors and cooperators

- Underwriter: OTP Bank
- Legal advisors: Kapolyi Law Firm (issuer); Andr k Ferencki Kinstellar Law Firm (underwriter)
- Communications advisor: Front Page Communications
- Financial advisor: Ernst & Young Tan csad  Kft. (issuer)
- Auditor: PricewaterhouseCoopers K nyvvizsg l  Kft. (issuer)

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AutoWallis GROUP

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