

AutoWallis GROUP

Green bond Allocation and Impact report

27.07.2022

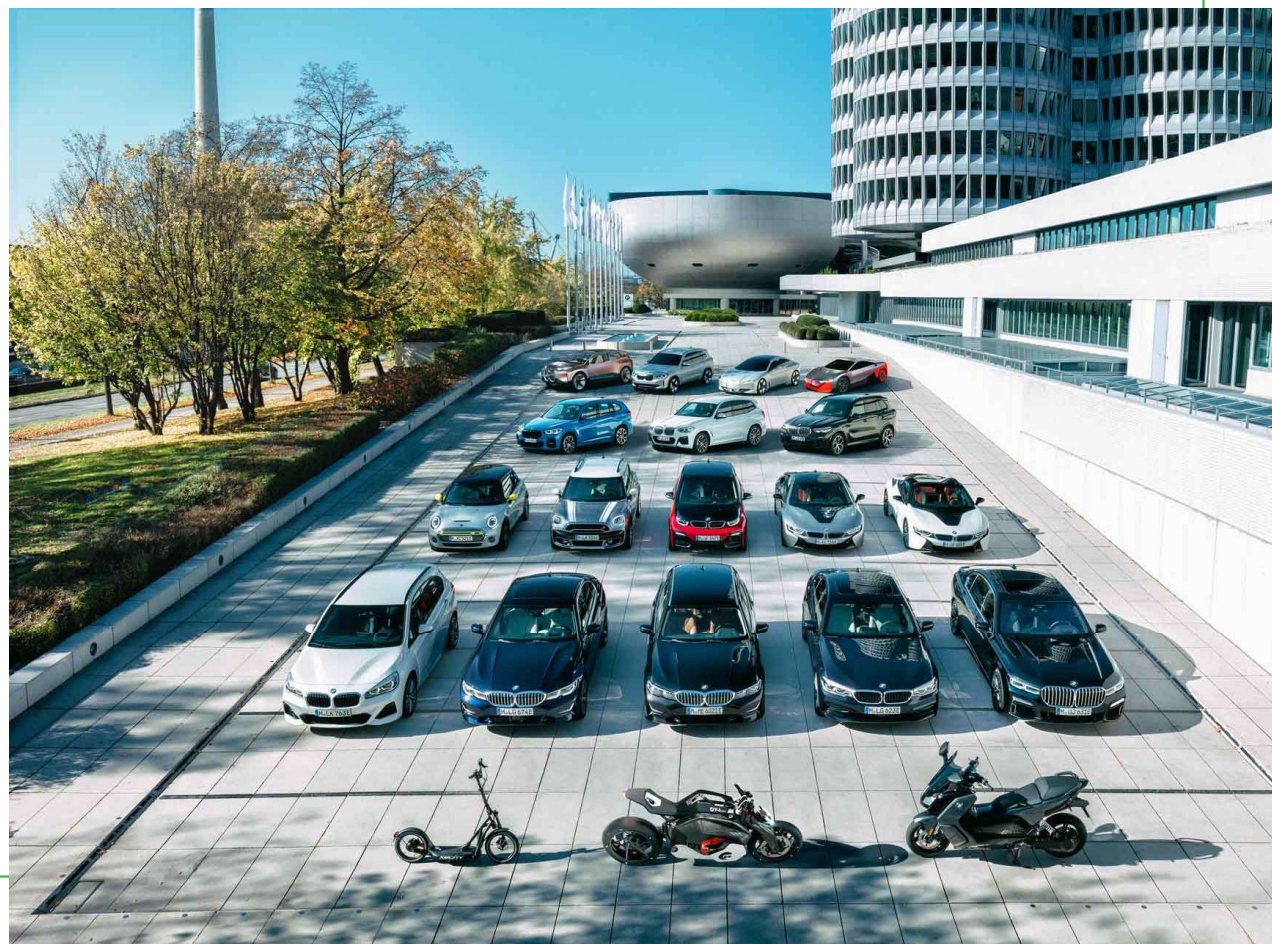


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Management statement



"As business leaders, employees, consumers and investors, it is important to take care of our environment and strive to transform our business decisions and consumption habits in response to the growing environmental and social challenges."

Gábor Székely, IR & ESG director

- AutoWallis Plc. successfully issued green bonds in a volume of HUF 6.6 billion in the end of July 2021.
- As a part of the Green Finance Framework, AutoWallis has set up the Green Finance Committee (GFC) to oversee and control the allocation of green proceeds.
- The Green Finance Committee gave a green light for 3 developments considered as eligible green projects and corresponding approximately HUF 2.64 billion.
- Green investments have been on an encouraging track as VCT78 has reached zero natural gas consumption while Sixt Vecsés has made an enormous improvement in energy savings amounts to 227%.
- AutoWallis manages green developments with top priority and strives to reach its 2031 targets. Although, the company recognizes that business gain might have a temporary negative effect on CO2 emissions, therefore it focuses on such technologies to counteract those tendency.

A conceptual image of a globe with a lush green tree growing out of the top. The globe is partially covered in a semi-transparent green rectangular overlay. The background is a blurred forest scene with sunlight filtering through the trees.

Sustainability at AutoWallis

AutoWallis takes great steps towards sustainability and ESG

Green Finance

- In July 2021 AutoWallis Plc. issued green bonds in a volume of HUF 6.6 billion to finance green and sustainable projects
- As a part of its Green Bond Framework, AutoWallis conducted a company-wide energy audit for 2020-2021
- AutoWallis set up a Green Finance Committee to oversee and control potential and ongoing projects considered as eligible green
- Further measurements may be taken to utilize additional possibilities in green finance

ESG

- AutoWallis provided a roadmap of its ESG transition for Budapest Stock Exchange
- In Q1 2022, the company conducted a thorough ESG review to identify its current status and potential developments
- AutoWallis will provide its first sustainability report for 2021 later this year, strives to conclude an integrated ESG report by 2024
- The mid-term strategy will be updated with ESG goals

Green finance instruments are an effective tool for channeling investments to sustainable and green projects

Goals of Green Finance Framework to prioritize green investments



Supports the carbon transition through the issuance of green finance instruments



Enables financing opportunities for green projects through its green finance framework



ESG certification is underway to strengthen investor confidence

The image features a blurred background of green foliage. In the foreground, there are stacks of coins of varying heights, with small green seedlings growing out of them. To the left, a wooden structure resembling a house is partially visible. A semi-transparent green rectangle is overlaid on the center of the image, containing the text "Green bond in a nutshell" in white. The overall theme is the connection between finance and environmental sustainability.

Green bond in a nutshell






Main features of the issued green bonds

First listed company in Budapest Stock Exchange Premium Category to issue a green bond	Volume of issued capital HUF 6.6 billion	ISIN: HU0000360664
Scheduled maturity at 2031	Coupon rate fixed 3%, payment dues annually	100% of green proceeds for finance projects in part or full

An aerial photograph of a city street at sunset. The street is lined with lush green trees and leads towards a central monument. The sky is filled with warm orange and yellow light from the setting sun, with a few wispy clouds. A green semi-transparent rectangular overlay covers the middle portion of the image, containing the title text.

Green Finance Framework

Use of Proceeds

Eligible category	Eligible projects	Contribution to the SDGs	Eligibility Project Portfolio	Further commitments*
Clean transportation	Development of e-mobility and mobility-as-a-service		<ul style="list-style-type: none"> Increasing the number of EV charging stations at dealerships Increasing the ratio of zero emissions vehicles in the total fleet 	<ul style="list-style-type: none"> Number of EV charging stations +50% Installation of Mode 4 charging stations +10 Ratio of zero-emission and/or hybrid vehicles +20%
Energy efficiency	Projects related to green investments	 	<ul style="list-style-type: none"> Real-estate retrofitting New commercial buildings. Investments in manufacturing and mobility services 	<ul style="list-style-type: none"> Energy savings min. 20% Rainwater reuse 20% Annual water saving 10%
Renewable energy	Installation of renewable energy solutions for commercial building		<ul style="list-style-type: none"> Installation of photovoltaic systems for power generation 	<ul style="list-style-type: none"> Increase the ratio of energy provided by renewable energy solutions by 30%
Energy efficiency	Improvement of auxiliary infrastructure and energy usage		<ul style="list-style-type: none"> Renewal of lighting in commercial buildings Renewal of cooling-heating systems Centralizing energy purchase 	<ul style="list-style-type: none"> LED ratio will be min. 50% and energy savings 30% Annual energy savings 10% Ratio of renewable energy 30%

*Commitments will be monitored via annual energy audit

AutoWallis set up ambitious goals

Eligible projects	Impact indicators	Targets for 2031
Development of e-mobility and mobility-as-a-service	<ul style="list-style-type: none"> • Installation of new EV charging stations • Increasing the number of EVs in the fleet 	<ul style="list-style-type: none"> • 100 Charging Stations • 250 Electric Vehicles
Projects related to green investments	<ul style="list-style-type: none"> • Reducing the consumption of natural gas for new commercial sites via usage of heat exchanger heating-cooling solutions. 	<ul style="list-style-type: none"> • ZERO
Installation of renewable energy solutions for commercial building	<ul style="list-style-type: none"> • Installation of a 49-kWp solar power station for each new commercial sites. 	<ul style="list-style-type: none"> • 1 solar power station for every new commercial site
Improvement of auxiliary infrastructure and energy usage	<ul style="list-style-type: none"> • Installation of LED lighting fixtures for new commercial sites. • CO2 emission reduction via centralized energy management and renewable energy purchase. 	<ul style="list-style-type: none"> • 10.000 LEDs • 1000t of CO2

Green Finance Committee has approved 3 projects

The Green Finance Committee had a meeting in 16 Aug 2021. The Committee decided to provide maximum HUF 3.1 billion green proceeds as loans to certain subsidiaries of the holding company to finance in part or whole eligible green projects. Hence, residual green proceeds must be transferred back to AW Szolgáltató Ltd., the sole operator of green proceeds.

The Green Finance Committee approved 3 projects by the screening set of criteria defined in the Green Finance Framework.



VCT78 – Jaguar Land Rover dealership construction – up to HUF 1.8 billion



District 11., Építész street – land purchase from STRABAG – up to HUF 1.0 billion

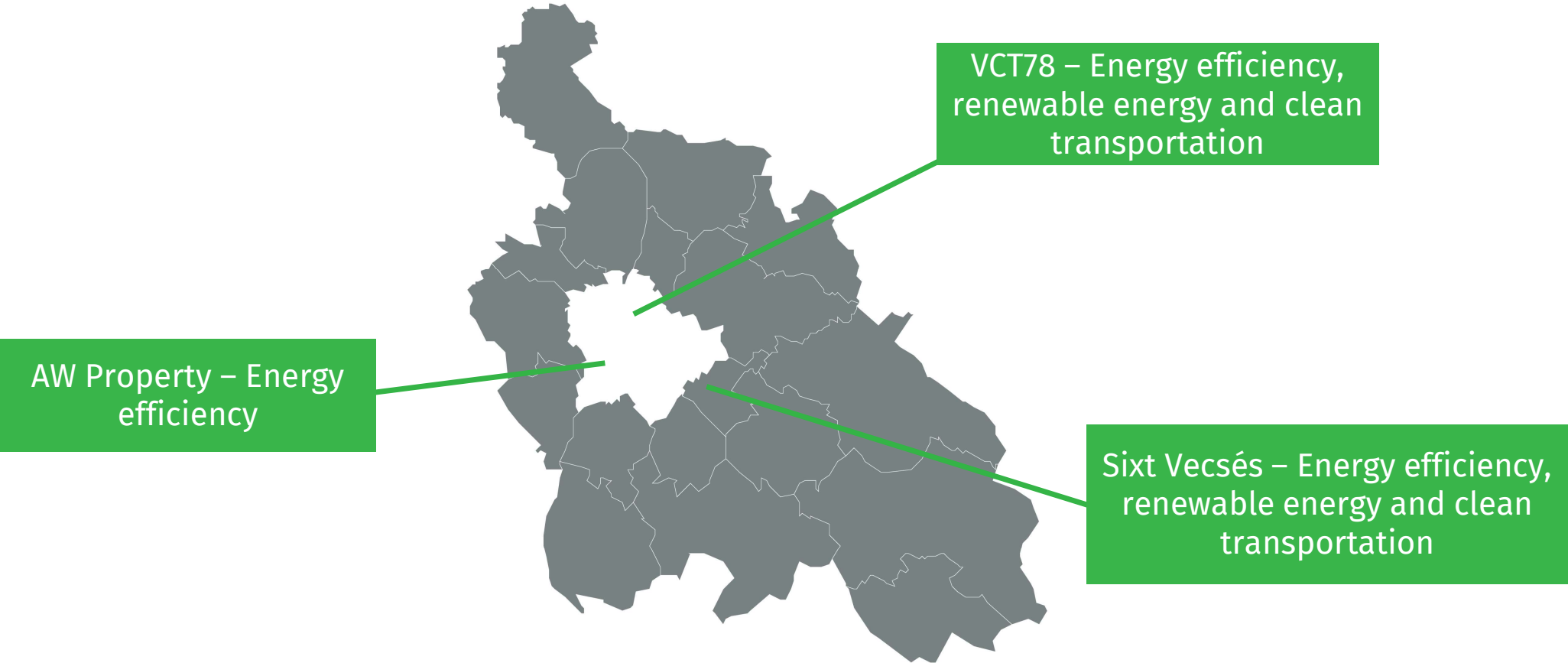


Vecsés, Sixt car rental company – construction of a new technical base – up to HUF 300 million

A glass lightbulb lies on its side on a textured surface. Inside the bulb, a vibrant green leaf is visible, its veins clearly defined. The background is a soft, out-of-focus blue-grey. A semi-transparent green rectangular box is overlaid on the image, containing the text.

Overview of eligible green projects

Overview of eligible green projects



VCT78 - Overview

<https://www.youtube.com/watch?v=MMTYjvIcTGc&t=2s>



Project Name: VCT78

UN SDG Goal – 7,11,12

Current status - Phase I. closed, further green developments are undergone

- The region's newest Jaguar and Land Rover dealership – **current EPC level BB**
- Total project cost of the real estate property development was HUF 2.8 billion, part of which was covered by AutoWallis's green bonds.
- **Investment focused on sustainable operations:** heat exchanger system for heating and cooling, after the second-phase commissioning of the solar panels installed on the green roof, it will meet the conditions for an AA energy rating and will offer 7 chargers for electric vehicles.

Green achievements:

- Natural gas usage has been avoided, consumption 0 m³ compared to 87m³ in 2020.
- 4 Mode4 EV chargers have been installed
- Modernised lighting system with 100% LED fixtures

Further developments:

- 49 KWp photovoltaic system
- Additional 3 EV chargers
- Rainwater harvest system

Sixt Vecsés - Overview

<https://youtu.be/mQ2zNx02siQ>



Project Name: Sixt Vecsés

UN SDG Goal – 7,11,12

Current status - Phase I. closed, further green developments are undergone

- Sixt rent-a-car opened its new technical base in Vecsés, near Budapest Ferenc Liszt International Airport. – EPC level BB compared to HH in the pre-investment period
- The total investment project budget amounted to HUF 705 million, part of which was covered by AutoWallis's green bonds.
- Main purpose of the development was to increase the effectiveness of car rental services and the connected logistics, operations, technical, and vehicle preparation tasks.

Green achievements:

- 11 Mode3 EV chargers
- 1 double-headed Mode4 EV charger
- Modernised lighting system with 100% LED fixtures
- 49 KWp photovoltaic system

Further developments:

- Rainwater harvest system
- Boiler system modernization to decrease natural gas usage

AW Property - Overview



Project Name: AW Property

UN SDG Goal – 7,12

Current status – land purchase completed

- On 23 August 2021, AW Property Ltd., which is 100% owned by the AutoWallis Plc., signed a sale and purchase contract as a purchaser with First-Immo Hungary Kft., a company belonging to the STRABAG Group.
- According to the company's plans, a multi-brand vehicle sales and service center would be built on the property. The project expected to be completed in 2025.
- The detailed plans for the multi-brand sales and service centre would be prepared in line with the newest green requirements. Accordingly, the new sales, service, and office functions will meet manufacturers' environmentally conscious requirements focusing on electric vehicles

The background of the slide features a close-up photograph of numerous small, vibrant green seedlings growing out of dark, rich soil. The seedlings have two small, rounded leaves each. A semi-transparent green rectangular box is centered over the image, containing the text 'Allocation report' in a clean, white, sans-serif font.

Allocation report

Allocation of green proceeds

Key information	Amount in HUF
Green bond proceeds – August 2021	6 655 543 800
- Interest paid for the period ended in May	12 633 444
Net balance of green proceeds	6 642 910 356
Total amount of investments in the Eligible Project Portfolio	2 643 376 834
Number of new and existing investments	3
Clean Transportation	43 774 869 (Sixt + VCT78)
Energy efficiency – Green investments	1 408 245 394 (AW Property + VCT78 + Sixt)
Renewable energy	29 687 520 (Sixt)
Energy efficiency – Auxiliary infrastructure	1 161 669 051 (Sixt + VCT78)
The balance of unallocated proceeds	3 999 533 522



Impact report

Green investment impacts

Eligible category	KPIs	June 2022	Targets for 2031	Status
Clean transportation	<ul style="list-style-type: none"> Number of EV chargers Ratio of zero emissions vehicles in the total fleet 	<ul style="list-style-type: none"> 17 new EV chargers No investment in fleet development 	<ul style="list-style-type: none"> 100 Charging Stations 250 EVs 	<ul style="list-style-type: none"> 55 EV chargers in total N/A
Energy efficiency	<ul style="list-style-type: none"> NZEB new buildings Min. 20% energy efficiency improvement Decreasing natural gas consumption Water savings by min. 20% 	<ul style="list-style-type: none"> EPC BB level approached for both Sixt and VCT78 Sixt reached 227% improvement VCT78 reached ZERO No investment in water system 	ZERO	<ul style="list-style-type: none"> VCT78 achieved Sixt nat. gas usage 117 m³
Renewable energy	<ul style="list-style-type: none"> Min. 49 KWp PV system for each new site 	<ul style="list-style-type: none"> Sixt achieved VCT78 under development 	1 solar power station for every new commercial site	<ul style="list-style-type: none"> Sixt achieved VCT78 under development
Energy efficiency	<ul style="list-style-type: none"> Min. 50% LED ratio of total lightning fixtures Min. 30% energy savings with LED Annual energy savings 10% Centralizing energy purchase 	<ul style="list-style-type: none"> 100% for Sixt and VCT78 Energy savings has not been measured directly for LED No investment in centralizing energy purchase 	<ul style="list-style-type: none"> 10.000 LEDs 1000t of CO2 saving 	<ul style="list-style-type: none"> 100% LED ratio for both VCT78 and Sixt 155t of CO2 overconsumption v. 2020

Disclaimer

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The information contained in this Green Bond Allocation and Impact report does not purport to be comprehensive.

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