

AutoWallis

Green bond Allocation and Impact report

2022.06.30 – 2023.06.30.



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Management statement



Many are sceptical and already view their collective fight to save the planet as hopeless. It is important to persuade and engage as many people as possible in the pursuit of sustainability and green goals. Words and intentions hold significance, but we must understand what we aim to accomplish and how we plan to do so. This involves distinct tasks for everyone in their work and daily lives. The moment to act is upon us; we have no time remaining!

Gábor Székely, ESG director

- AutoWallis Plc. successfully issued green bonds in a volume of HUF 6.6 billion in the end of July 2021.
- In 2021, the Green Finance Committee gave a green light for 3 developments considered as eligible green projects in an amount of appr. HUF 2.8 billion. (former report stated appr. HUF 2.64 billion which was corrected to HUF 2.82 billion).
- All these eligible green projects have been developed or entered the final phase during the screening timeline of 30.6.2022-30.6.2023.
- In mid-October 2022, the Green Finance Committee adopted the proposal of the renovation of lighting system at WallisMotor Ljubljana as a green project, albeit no green proceeds were allocated to the development. No further action needed as the finance stream comes from other, non-green sources.
- By the end-July 2022, Gábor Székely, former CIO and IR, was promoted to ESG director at AutoWallis.

A scenic mountain landscape with a green overlay containing the title 'Sustainability at AutoWallis'. The background shows a vast mountain range under a blue sky with white clouds. A hiker is visible on a ridge in the foreground. The green overlay is a semi-transparent rectangle that frames the title text.

Sustainability at AutoWallis

AutoWallis published its first sustainability report in March 2023

Green Finance

- In July 2021 AutoWallis Plc. issued green bonds in a volume of HUF 6.6 billion to finance green and sustainable projects
- AutoWallis provided HUF 2.7 billion to support eligible green projects and its sustainability goals as well
- Due to the continuous changes in its business environment and strategic outlook amid new development opportunities, AutoWallis has been its Green Finance Framework published in June 2021. Those modifications represent a more apparent approach for AutoWallis's long-term business model.

ESG

- AutoWallis has made strategic steps to improve its ESG-readiness as has set up an ESG strategic action plan in late 2022. Those actions are listed at the section "ESG aspects in corporate strategy".
- The company has set high-level ESG goals regarding to its first sustainability report published in March 2023
- The company has learned that main contributors to its Scope 1 emissions are connected to the fuel and natural gas consumption of its own fleet and property portfolio. Yet, Scope 3 emission results are partly based on estimates, a full-scale review process will be implemented in near-term future.

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

A photograph of a field of golden wheat under a bright sun. The sun is in the upper left corner, creating a lens flare effect. The wheat stalks are in the foreground and middle ground, with some in sharp focus and others blurred. A large, semi-transparent green rectangle is overlaid on the center of the image, containing the text "Green bond in a nutshell" in white, bold, sans-serif font.

Green bond in a nutshell






Main features of the issued green bonds

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

A woman wearing a traditional Vietnamese conical hat and a light blue dress stands next to a bicycle in a lush green field. The scene is overlaid with a semi-transparent green rectangle containing the 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 is on its way to reach long-term targets

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

Briefing on all ongoing eligible green projects

In 2021, the Green Finance 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.

Yet, these eligible green projects have incorporated HUF 2.8 billion of green proceeds. Compared to earlier allocation report where the maximum amount of loans were stated, the company has booked the following amount of green proceeds attached to the projects:



VCT78 – Jaguar Land Rover dealership construction – HUF 1.35 billion



AutoWallis Property – Építész str. – land purchase and groundwork – HUF 1.1 billion

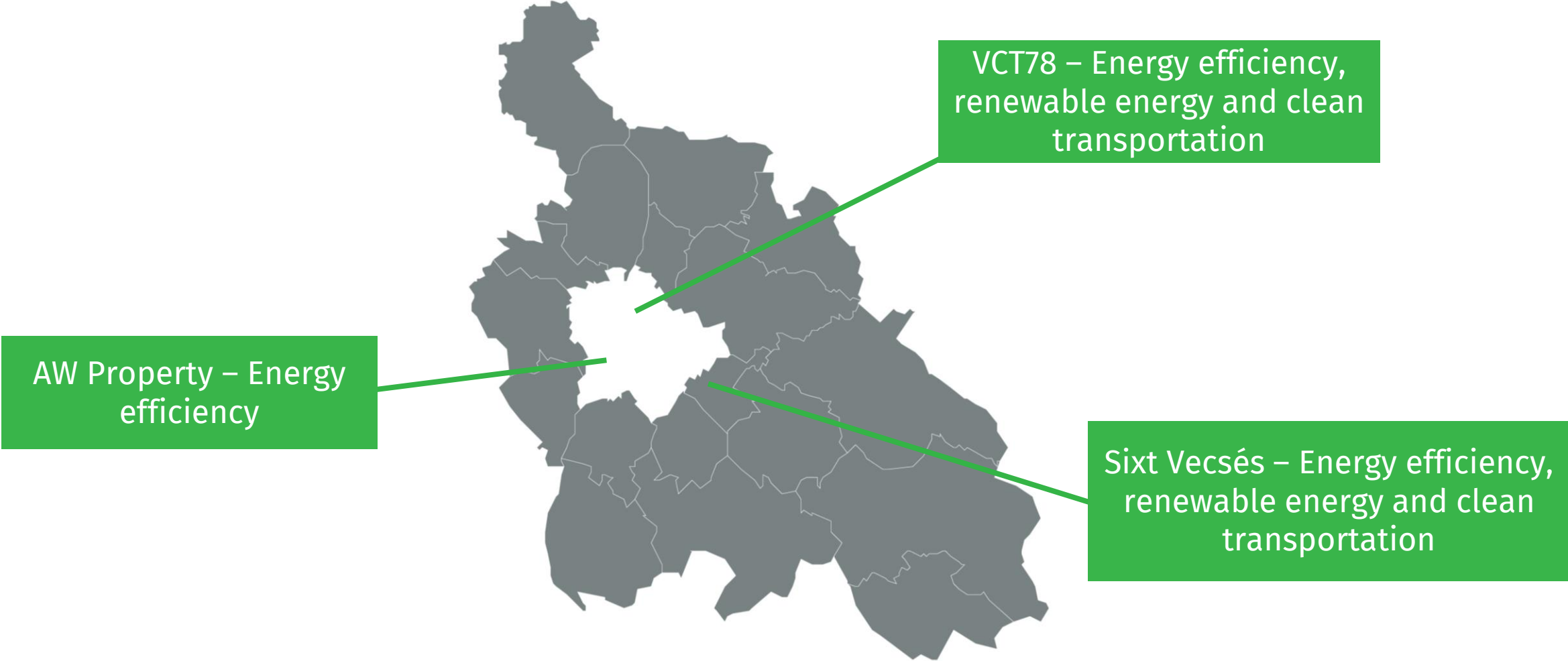


Vecsés, Sixt car rental company – construction of a new technical base – HUF 355 million

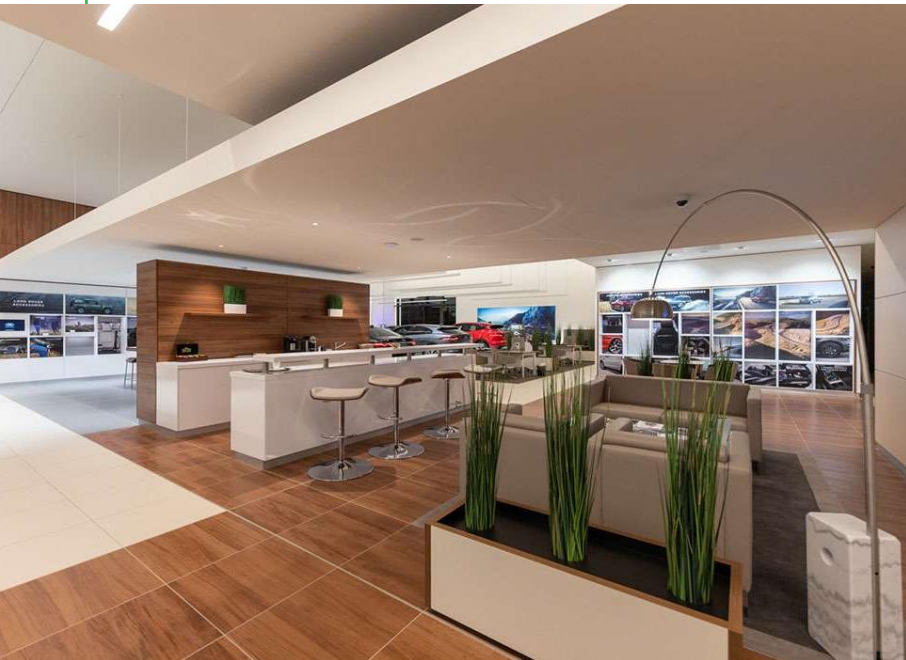


Overview of eligible green projects

Overview of ongoing eligible green projects



VCT78 - Overview



Project Name: VCT78

UN SDG Goal – 7,11,12

Current status - at Final Phase

- 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. By 30.6.2023 **AutoWallis allocated HUF 1.35 billion** green proceeds to the project.
- **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 chargers have been installed
- Modernised lighting system with 100% LED fixtures
- 49 KWp photovoltaic system

Further developments:

- Rainwater harvest system
- Additional EV chargers

Sixt Vecsés - Overview



Project Name: Sixt Vecsés

UN SDG Goal – 7,11,12

Current status - Phase II. 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. By 30.6.2023 **AutoWallis allocated HUF 355 million** green proceeds to the project.
- Main purpose of the development is 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 – demolition 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.
- Groundwork and demolition have been completed and were carried out by LEED Gold standard. Main figures of the process:

- 🗑️ **Aprx. 310 tonnes of metallic waste collected, 100% recycled** through the supply chain
- 🗑️ **12.000t concrete, 600t asphalt and 150t brick waste collected**, which will be 100% grained and recycled through the construction work later
- 🗑️ **All-in-all 99% of the total amount of waste collected will be recycled locally**

- **AutoWallis allocated an amount of HUF 1.1 billion green proceeds** to the project that covered the land purchase and demolition phases.

A close-up photograph of a wheat field. The wheat stalks are in various stages of ripeness, with some showing green leaves and others showing golden-brown heads. A semi-transparent green rectangular box is centered over the image, containing the text "Allocation report" in white, bold, sans-serif font.

Allocation report

Allocation of green proceeds

Key information	Amount in HUF
Green bond proceeds – August 2021	6 655 543 800
- Total interest gain from investments and in-house interest income for the period between August 2021 and June 2023	719 198 254 (124 294 703 + 594 903 551)
Net balance of green proceeds	7 374 742 054
Total net amount of investments in the Eligible Project Portfolio	2 816 990 454
Number of new and existing investments	3
AW Property – Energy efficiency and green investments	1 110 000 000
VCT78 – Energy efficiency, green investments, renewable energy and clean transportation	1 351 990 454
Sixt – Energy efficiency, clean transportation and renewable energy	355 000 000
The balance of unallocated proceeds	4 557 751 600

A photograph of a bird perched on a branch, partially obscured by a semi-transparent green rectangular overlay. The text "Impact report" is centered in white within this overlay. The background is a blurred green, suggesting foliage.

Impact report

Green investment impacts

Eligible category	KPIs	June 2023 v. Aug 2021	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
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 achieved 	1 solar power station for every new commercial site	<ul style="list-style-type: none"> Sixt achieved VCT78 achieved
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



Disclaimer

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