

ANNOUNCEMENT

Opinion of the Board of Directors of Altera Wealth Management Plc. regarding the compulsory public bid on Altera Plc's ordinary shares by Wallis Asset Management Ltd.

Budapest, May 7, 2018 – The Board of Directors of Altera Plc. (the “Company”) does not recommend for its shareholders to accept the public bid made by Wallis Asset Management Ltd. (the “Bidder”) with regard to the circumstances detailed below. It is in the Company's interest that the number of shares held by the public remain as high as possible through which the necessary shareholders' supervision, the Company's continuous and long-term stock exchange presence and the public nature of operation can be realised.

At the same time, the Board of Directors welcomes the operating plan published by the Bidder and deems it feasible. In the opinion of the Board of Directors, the realisation of the operating plan also supports the realisation of the Company's strategic goals.

In its public bid, the Bidder stated that its strategic objective for the Company to become an active asset management holding company, prospected to hold the majority of shares in the Bidder's four subsidiaries engaged in trading and service providing activities.

The subsidiaries aimed to be controlled by the Company are engaged in the wholesale and retail trade of vehicles and car parts, servicing, short and long-term vehicle rentals and fleet management activities. Their areas of operation are Hungary and the Central and Southeast European regions. The brands represented by them include BMW cars and motorcycles, Mini, Isuzu, Maserati, Ssangyong, Jaguar, Land Rover, and Sixt rent-a-car. Using the market and operating synergies between the subsidiaries will play an important role in the future operation of the Company.

The Bidder wishes to gain access to the public capital market for its subsidiaries currently operating in a non-public limited form within one industry by providing them as in-kind contributions to the Company, by which such companies can get new funding opportunities for the extension of their activities. These subsidiaries are the following:

Wallis Automotive Europe

Wallis Automotive Europe (WAE) has operated for over 20 years as an independent vehicle wholesaler. In Hungary, it currently represents the Isuzu brand, the oldest of Japanese car makers, one of the largest commercial vehicle manufacturers in the world. Furthermore, WAE reintroduced the South Korean SSANGYONG brand in Hungary and Romania from 2012. In addition to the products of the two Asian “4x4 specialist” manufacturers, WAE is the exclusive importer of Jaguar and Land Rover vehicles, parts and accessories in 7 countries (Slovenia, Croatia, Serbia, Bosnia, Macedonia, Montenegro and Albania).

Wallis Motor Pest and Wallis Motor Duna

Wallis Motor Pest and Wallis Duna Hungary are the biggest and longest operating dealers of BMW cars and motorcycles, as well as MINI in Hungary. The two companies became independent entities in 2001, separating from the main Wallis Motor dealership. In addition to the brands from the BMW stable, the companies retail the popular Japanese commercial vehicle, the ISUZU D-Max. In a new, exclusive showroom the Italian luxury marque Maserati is part of the portfolio.

További információ:

Wallis Car Rentals

Wallis Car Rentals offers high-quality car rental services as the Hungarian member of the international Sixt Rent-a-car network. In the beginning, the company primarily served the car rental needs of businesspeople travelling to Hungary but nowadays almost half of the business comes from tourism.

The Bidder wishes to retain majority ownership of the Company while it endeavours to create a significant but minority public shareholding. The Bidder's short-term objective is for the Company's shares to become included in the Premium category.

With regard to the active asset management to be pursued by the Company, the Bidder is planning to increase the number of staff employed by the Company. The Bidder intends to delegate members to the Company's Board of Directors and supervisory board from its own operative management bodies. The Bidder's goal with such appointments, the extension of the strategic and operative management, and the increase of the employee headcount is to create a knowledge powerhouse with professional competency in the targeted industry, i.e. automotive trading and service providing activities.

The Bidder's objective is to extend the scope of activities of the subsidiaries to be included in the Company's portfolio by acquiring further brands and markets. Their medium-term plans include opening new car sales points and the development of the existing brand dealership and service network both in Hungary and the targeted region. The developments in the industry, such as the increasing penetration of electric vehicles, the appearance of self-driving cars and the growth of community car rental systems can create new investment opportunities for the companies to become owned by the Company. The objective can be accomplished through the Company's transaction activities to be realised by acquisitions, the establishment of new companies, and extending the activities of the existing subsidiaries.

The Bidder is a member of the Wallis Group, which has been conducting a wide range of business activities through its various subsidiaries in Hungary since 1990. The Wallis Group is engaged in classic financial investment activities, which includes the following three main areas: asset management, transactions and treasury activities. Within the framework of its asset management activities, the Bidder represents owners' interests relating to the asset elements and subsidiary companies in its portfolio as a holding company; its subsidiaries include the Alteo Group (Alteo Plc.), which has been listed at the Hungarian stock exchange since 2010, several companies engaged in vehicle trading and service providing activities, venture capital fund managing companies and the venture capital funds managed by them (Venturio Plc. – Venturio 2013. Venture Capital Fund; Perion Plc. – Perion 2013. Venture Capital Fund), Praktiker Ltd. In addition to these activities, it is also engaged in active acquisition endeavours.

In the opinion of the Board of Directors, the reorganisation of the Company has reached a milestone. In the course of this process which started at the end of 2017, the Board of Directors defined the company's long-term strategy and finished the necessary preparatory work. Based on this, the Company will make investments in the dynamically growing Hungarian and Central Eastern European vehicle trading and service provider sector in the future. As the final step in a series of transactions, four of the Bidder's companies will be acquired

További információ:

by the Company, which represents a milestone not only for the companies involved but also for the Hungarian capital market, because this is the first transaction whereby the auto industry, one of the most prominent sectors in the Hungarian economy, becomes represented at the Hungarian stock exchange.

The Company deems the operating plan published by the Bidder feasible, its realisation supports the realisation of the Company's strategic goals. The activities of the above presented subsidiaries to be included in the Company's portfolio and their contribution to the profitability of the Company can significantly increase the demand for the Company's shares, and thereby the continuous increase of the share price can be ensured. The Board of Directors establishes that the stock exchange price of the shares at the time of the adoption of this resolution was HUF 830 per share.

With regard to the above, the Board of Directors does not recommend for its shareholders to accept the Bidder's public bid. It is in the Company's interest that the number of shares held by the public remain as high as possible through which the necessary shareholders' supervision, the Company's continuous and long-term stock exchange presence and the public nature of operation can be realised. Shareholders can continuously monitor the realisation of the Bidder's operating plan by following stock exchange reports and announcements. In case the plans are realised and the companies to become owned by the Company operate profitably, it can translate into financial advantage for the Company's shareholders as well, due to the increasing market value of the shares owned by them.

Independent financial advisor's opinion

The Board of Directors establishes that based on Paragraph (5) of Section 73/A of the Capital Market Act (CMA) and with regard to the fact that the Bidder made its Public Bid by also representing the persons acting in alignment with the Bidder specified therein, the Company has not appointed an independent financial advisor to evaluate the Public Bid.

Employees' evaluation

The Board of Directors also establishes that with regard to the low headcount of employees, the Company does not have an employees' representative, and accordingly, an employees' evaluation as per Paragraph (6) of Section 73/A of the CMA will not be carried out regarding the Public Bid.

Altera Plc.

The Altera Wealth Management Plc. is listed in the Budapest Stock Exchange in the Standard category. Since its foundation in 2012 and stock exchange listing in 2013, it has been working in asset management. Its operations are focused on investments into the real economy, including the purchasing of company shares promising both in terms of growth and profitability, besides real estate investments. The main objective of Altera is to operate as an asset management company that represents traditional, conservative business policy and readily definable asset-based values through the continuous expansion of its investment portfolio.

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