



PRESS RELEASE

Wallis's automotive trading and service provider companies enter the stock exchange by acquiring Altera

Budapest, April 26, 2018 – Wallis Group's automotive trading and service provider companies, which make nearly HUF 70 billion a year in sales revenue, are entering the stock exchange by acquiring control in Altera Plc., listed on the Budapest Stock Exchange, via a public bid and increasing its capital with contributions in kind. As the first step in the series of transactions, Wallis Asset Management (Wallis) and the entities acting in alignment with Wallis made an offer to purchase Altera's shares, then Altera will acquire the ownership of four companies currently owned by Wallis and its management by increasing Altera's capital with contributions in kind. In the future, Altera is going to focus on investments in the automotive sector and further dynamic growth. Its goal is to strengthen its position and increase its market share in Hungary and the Central-Eastern European region, and to access more favourable financing sources necessary to fund such goals by means of its presence at the stock exchange.

The reorganisation of Altera Plc. 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. Following the decision of the Board of Directors, Altera will make investments in the dynamically growing Hungarian and Central Eastern European vehicle trading and service provider sector in the future. Based on this strategy, four of the Wallis Group's companies will be acquired by Altera, listed in the Standard category of the Budapest Stock Exchange (BSE), as the final step in a series of transactions starting today. This 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.

Zoltán Prutkay, the chairman and CEO of Altera Plc. said that after the reorganisation - calculating with the current share price of nearly HUF 900, its equity of approximately HUF 30 billion and sales revenue of nearly HUF 70 billion - Altera will become one of the most important companies listed on the BSE, and the objective is for its shares to become included in the BSE and the BUX index's Premium category.

In the first step of the series of transactions, Wallis Asset Management (Wallis) purchased 23.33 percent of Altera's ordinary shares, making Wallis the biggest owner of Altera. Wallis intends to increase its shareholding to over 25 percent by buying a further 1.74 percent of ordinary shares. As a result of the control acquired, Wallis (and the entities acting in alignment with Wallis), as the only shareholder to own over 10 percent of Altera's shares, incurs an obligation to purchase all of Altera's shares. Accordingly, Wallis (together with the entities acting in alignment) submitted its public bid to the National Bank of Hungary for approval today, whereby they will purchase all of

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Altera's shares for the volume weighted average price of the last 180 days (based on legal regulations), i.e. HUF 520.25 per share.

Following the conclusion of the first stage, the second step of the transaction will involve Altera acquiring 100-percent ownership of Wallis Group's four automotive trading and service provider companies by way of increasing its capital by HUF 15.8 billion of in-kind contributions based on the decision of Altera's Board of Directors.

Background

Zsolt Müllner, Wallis Group's CEO emphasised that the combined yearly sales revenue of the four companies is close to HUF 70 billion and based on preliminary data, they made extraordinary profits last year. The four companies are Wallis Automotive Europe (WAE), Wallis Motor Pest, Wallis Motor Duna and Wallis Autókölcsönző [*Wallis Car Rentals*], which are engaged in the wholesale and retail trade of vehicles and car parts, servicing, short and long-term vehicle rentals and fleet management activities in Hungary and the Central Eastern European region. The brands represented by the Group include BMW cars and motorcycles, Mini, Isuzu, Jaguar, Land Rover, Maserati, Ssangyong, and Sixt rent-a-car, with BMW having a market leading position in the premium car market and Sixt in the car rental market.

The CEO commented that after the successful conclusion of the public bid and the capital increase by in-kind contributions, they are planning to grow further and strengthen the position established over the past 26 years both in Hungary and in the Central Eastern European region by the auto industry groups. To this end, they wish to extend the scope of activities of the four companies to become owned by Altera 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 in Hungary and the region. Furthermore, 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 Altera. These objectives can be accomplished by acquisitions, the establishment of new companies, and extending the activities of the existing ones. The company's objective with its presence on the stock exchange is to fully use the funding opportunities provided by the public capital market which is necessary for the fulfilment of the growth objectives, create a significant but minority public shareholding and generate shareholder value shareholders through growth.

The Wallis Group has substantial experience in the Hungarian capital market via its majority ownership in the energy service provider and dealer company Alteo Plc., which has been listed at the Hungarian stock exchange since 2010. Furthermore a member of the Group, Wing Ltd. is one of the largest bond issuers on the BSE as a leading real estate development and investment company in the Hungarian market.

With this step, the most significant Hungarian-owned auto industry company group of the last 26 years is debuting on the BSE. This is an important milestone, not only for Wallis but for the Hungarian capital market too, because it demonstrates that the funds necessary for the growth of Hungarian companies are readily accessible through the stock exchange.

Most important details related to the public bid

The public bid submitted to the National Bank of Hungary for approval is managed by the Bank of Hungarian Savings Cooperatives Co. Ltd. The offer price is HUF 520.25 per share. The text of the bid is available on the websites of Altera Plc. (www.alterart.hu) and BSE (www.bet.hu) among others.

Wallis Automotive Europe

Wallis Automotive Europe (WAE) has operated for over 25 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 8 countries (Slovenia, Croatia, Serbia, Bosnia, Macedonia, Montenegro, Kosovo 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.

Wallis Can 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.

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

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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.

www.alterart.hu

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