



## PRESS RELEASE

### The Wallis automotive companies to enter the stock exchange: HUF 15.8 billion capital increase at Altera

**Budapest, September 10, 2018 – The entering of Wallis’s four automotive companies into the stock exchange has come to an important milestone, as the court of registration process for the previously decided private capital increase of Altera Plc. has started; this comprises the acquisition of the related companies by Altera, with a contribution in kind worth HUF 15.8 billion. The automotive group, with its nearly HUF 70 billion revenue, is going to be the seventh largest company of the Budapest Stock Exchange. By entering the stock exchange, Wallis aims to further support the growth of its automotive companies via utilizing the opportunities for public capital investment.**

The entering of the automotive companies of the Wallis Group into the stock exchange is going according to the plans, as the Board of Directors of Altera Plc. determined that the conditions of the earlier decided private capital increase via contribution in kind had been met, and so following the just started court of registration procedure, the ownership of Wallis’s four-member company group engaged in vehicle trading and service providing activities will be transferred to Altera. The companies contributed by Wallis and the cooperating entities have been appraised by an independent auditor to HUF 15.8 billion, so these entities will be entitled to subscribe for about 30.4 million pieces of shares, each with a nominal value of HUF 100, in accordance with the legislation, on the issuance price HUF 520.25 per share determined in April. This means an almost tenfold increase of Altera’s founding capital to HUF 3.4 billion, its capitalization being HUF 26 billion calculated on the basis of the HUF 777 average share price of the past 180 days.

**Regarding the contribution in kind decision, Zoltán Prutkay, the CEO of Altera Plc., explained that this step brought the following businesses into the company’s ownership:** Wallis Automotive Europe, Wallis Motor Pest, Wallis Motor Duna, and Wallis Autókölcsonző. These companies are engaged in the retail and wholesale of vehicles, parts, and accessories, in service providing, as well as in short- and long-term vehicle rentals in Hungary and in the Central and South Eastern European region. The vehicles represented by the group include BMW cars and motorbikes, as well as the following brands: MINI, Isuzu, Jaguar, Land Rover, Maserati, Ssangyong, and Sixt rent-a-car. The group has shown a significant growth in 2017: its revenue almost doubled to HUF 66.3 billion (non-consolidated number based on the Hungarian Act on Accounting), while the consolidated net income of the four companies almost quadrupled to HUF 1.8 billion, compared to the previous year. Zoltán Prutkay added that this revenue would make the corporation the seventh largest company of the Budapest Stock Exchange. Their objective is to be included in the Premium category of the stock exchange, as well as in the BUX and the CECE indices.

**Regarding the realization of the contribution in kind, Zsolt Müllner, the CEO of the Wallis Group, emphasized** that the growth of the automotive companies can be attributed to several factors. On the one hand, the expansion of the Hungarian economy, the dynamic development of tourism, the increase of the average wage and the swelling consumption, as well as the strengthening willingness to borrow provide a good foundation. On the other hand, the growth is supported by the active market development of the Group, including the continuous work on

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acquiring new brands and national markets. Recently, the most significant step of this endeavor has been the entry into the Balkan region, which resulted in already 49% of their revenue originating from abroad in 2017. **For Wallis, being present on the stock exchange means fully utilizing the financing opportunities provided by the public capital market, and necessary for realizing the growth objectives of the Hungarian-owned, 26 years old automotive group,** while allowing for the formation of a significant but minority public share, and creating value for their shareholders through their growth. The Wallis Group already has vast experience in the Hungarian capital market, as the shares of Alteo Plc., of which it is a majority owner, already has had its shares registered in the Hungarian stock exchange since 2010, while Wing Zrt., which is a member of the group, and a leading property development and investment company in the Hungarian market, is one of the largest issuer of bonds on the Budapest Stock Exchange.

**Regarding the further steps of the transaction series, Zoltán Prutkay explained** that following the closure of the legal, financial and other procedures related to the transformation of Altera, the new shares issued as part of the contribution in kind could appear in the Budapest Stock Exchange in the last quarter of this year. The general meeting may be able to close the process already this year, so the 2018 data of Wallis's automotive companies would already be published by the stock exchange-registered company.

#### **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. 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](http://www.alterart.hu)

#### **The group of companies engaged in Wallis's vehicle trading and service providing activities**

The group of companies engaged in Wallis's vehicle trading and service providing activities consists of four companies, the joint, non-consolidated revenue of which exceeds HUF 66 billion (based on the Hungarian Act on Accounting), and which closed the year 2017 with an excellent earnings result. The four companies include Wallis Automotive Europe, Wallis Motor Pest, Wallis Motor Duna, and Wallis Autókölcsönző, which are engaged in the retail and wholesale of vehicles, parts, and accessories, in service providing, as well as in short- and long-term vehicle rentals in Hungary and in the Central and South Eastern European region. The vehicles represented by the Group include BMW cars and motorbikes, as well as the following brands: MINI, Isuzu, Jaguar, Land Rover, Maserati, Ssangyong, and Sixt rent-a-car. Out of these, BMW holds a dominant position in the premium car market, while Sixt is a leader in the car rental market.

#### **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, which has become one of the largest commercial vehicle manufacturers in the world in the course of one century. Furthermore, WAE reintroduced the South Korean SSANGYONG brand in Hungary and Romania in 2012. In addition to the products of the two Asian "4x4 specialist" manufacturers, WAE is the exclusive distributor 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, in recent years the Italian luxury brand, Maserati has also become part of their portfolio in a new, exclusive showroom.

#### **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 traveling to Hungary, but nowadays almost half of its business comes from tourism.

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