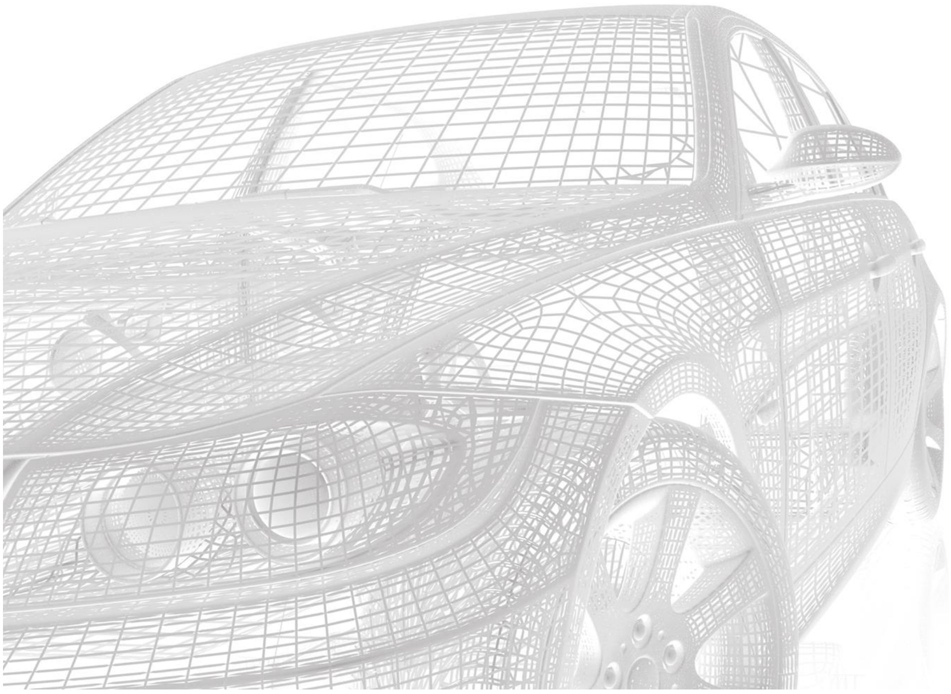
FLASH REPORT ON THE Q1 – Q3 PERFORMANCE OF THE AUTOWALLIS GROUP



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Flash Report on the Q1-Q3 2020 Performance of the AutoWallis Group

Introduction

The goal of AutoWallis Nyrt (referred as “AutoWallis Nyrt” or “Company”), listed in the Premium category of the Budapest Stock Exchange and included in the BUX and BUMIX indices, is to become a dominant mobility service provider in the Central and Eastern European region by 2029 and operate as an asset management company with a classic, conservative business policy, which expands its investment portfolio in the automotive industry through continuous acquisitions.

The AutoWallis Group (meaning AutoWallis Nyrt and its subsidiaries together, see Legal summary) is engaged in the retail and wholesale trade of vehicles and parts, the provision of repair services as well as short- and long term vehicle rental services in 14 countries of the Central and Eastern European region (Albania, Bosnia and Herzegovina, the Czech Republic, Bulgaria, Croatia, Kosovo, Poland, Romania, Serbia, Slovakia, Slovenia, North-Macedonia, Hungary, and Montenegro).

The brands represented by the Group include BMW passenger cars and motorcycles, Dacia, Isuzu, Jaguar, KIA, Land Rover, Maserati, MINI, Opel, Peugeot, Renault, Ssangyong, Toyota, Saab parts, and the Sixt rent-a-car service. BMW occupies a dominant position on the premium car market, while Sixt leads the vehicle rental market.

The AutoWallis Group (hereinafter: Company. website: www.autowallis.hu), today announced its flash report on the Q1 -Q3 2020 performance of the AutoWallis Group. This report contains consolidated, unaudited financial statements for the 31 September 2020 as prepared by the management in accordance with International Financial Reporting Standards.

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MANAGEMENT REPORT AND BUSINESS ANALYSIS OF AUTOWALLIS GROUP

Main financial results

- The **sales revenue of the AutoWallis Group was HUF 62.6 billion**, exceeding the sales revenue for the comparative period of Q1 to Q3 2019 by 11% despite the decline in turnover caused by COVID-19, partly as a result of the transactions conducted in 2020. As a consequence of COVID-19, the sudden and dramatic decline in the revenue from car rental within the automotive service business line was offset by the growth in international vehicle and parts sales and the domestic retail turnover of the new subsidiaries.
- The increase in **COGS marginally exceeded the increase in sales revenue**, resulting in a **decline in the profit margin** of the AutoWallis Group **from 13.2% to 12.2%** when looking at the average rate for the first three quarters. This is mainly due to the fact that the decline in sales revenue from car rental was not immediately followed by a decrease in cost levels at the same rate.
- The EBITDA, the indicator that best summarises the results of the AutoWallis Group in the management's opinion, **decreased by 29% to HUF 1,803 million**. This includes the entire loss of unlawfully appropriated assets for 2020 in the amount of HUF 158 million which was discovered in February 2020 and has been presented in the previous reports. Without this one-off item the *adjusted EBITDA would be HUF 1,961 million*, which would represent a *decline of 22%* from the comparative period, which is mostly attributable to the impact of the sudden shutdown of tourism on car rental**.** The current year EBITDA was negatively impacted by the planned loss for the period relating to the launch of the new domestic Jaguar Land Rover dealership in April.
- The **balance of financial revenues and expenses was a loss of HUF 836 million**, which is nearly twice as much as the amount for last year's comparative period. The primary reason behind this substantial increase is the significant weakening of the forint compared to the euro during the period, further magnified by the unrealised foreign exchange loss of HUF 148 million resulting from the revaluation of open FX items at the end of the period.
- The **overall profit or loss was a loss of HUF 211 million**, which includes the temporary and one-off effects highlighted above, while the ***adjusted [1] comprehensive profit or loss for Q1 to Q3 2020 would have been a profit of HUF 95 million***, compared to the profit of HUF 964 million for Q1 to Q3 2019. The primary reason for the loss is the loss of profit due to a decline in automotive services resulting from the complete shutdown of airport traffic due to COVID-19, as well as the planned loss relating to the launch of the new domestic Jaguar Land Rover dealership in April.

[1] Adjusted / Normalized: Total comprehensive profit or loss without the effect of stolen vehicles and unrealized foreign exchange differences

Main operating results

Changes in the market situation

The operation of the AutoWallis Group is not independent of the changing European automotive market as a whole, but in assessing its activity, efficiency, business opportunities and ability to create value, it is important to take into account that the Group's actual operating region is Central and Eastern Europe and the Balkans. The strategy formulated by the Company also focuses on this region; in this particular environment, the specialists of the company group have tangible and usable knowledge, and it has a competitive advantage over its sometimes significantly larger Western European competitors.

New personal vehicle registration by countries (ACEA)

	Jan - Sept 2020	Jan - Sept 2019	Change %
Austria	180 639	258 272	-30,1%
Belgium	333 607	439 254	-24,1%
Bulgaria	17 029	26 894	-36,7%
Croatia	28 246	51 375	-45,0%
Cyprus	7 607	9 502	-19,9%
Czech Republic	148 319	191 110	-22,4%
Denmark	142 164	173 613	-18,1%
Estonia	14 246	20 618	-30,9%
Finland	73 403	87 933	-16,5%
France	1 166 698	1 641 367	-28,9%
Germany	2 041 831	2 740 158	-25,5%
Greece	60 046	92 772	-35,3%
Hungary	90 091	115 098	-21,7%
Ireland	84 519	113 945	-25,8%
Italy	966 017	1 468 237	-34,2%
Latvia	10 410	14 110	-26,2%
Lithuania	28 260	34 537	-18,2%
Luxembourg	34 046	43 038	-20,9%
Netherlands	248 632	330 749	-24,8%
Poland	295 101	410 829	-28,2%
Portugal	105 660	174 024	-39,3%
Romania	84 601	124 049	-31,8%
Slovakia	55 607	76 418	-27,2%
Slovenia	43 232	57 408	-24,7%
Spain	595 435	965 286	-38,3%
Sweden	202 644	247 774	-18,2%
European Unio	**7 058 090**	**9 908 370**	**-28,8%**
EU14	**6 235 341**	**8 776 422**	**-29,0%**
EU12	**822 749**	**1 131 948**	**-27,3%**
Izland	7 268	9 833	-26,1%
Norway	95 350	110 617	-13,8%
Switzerland	163 556	226 310	-27,7%
EFTA	**266 174**	**346 760**	**-23,2%**
United Kingdom	1 243 656	1 862 271	-33,2%
TOTAL (EU + EFTA + United Kingdom)	**8 567 920**	**12 117 401**	**-29,3%**
WEST EUROPE (EU14 + EFTA + United Kingdom)	**7 745 171**	**10 985 453**	**-29,5%**

Source: ACEA

The market for passenger cars in EU and EFTA countries and the UK shrank by 29.3% in Q1 to Q3 2020 in terms of new vehicle registrations. Nearly 8 million units were registered by September, which is almost 3.2 million less than in the same period for the previous year.

The first time any growth was observed in 2020 was in the EU passenger car market in September 2020. Despite the positive results for September, COVID-19 continues to have a profound impact on the cumulative results of the EU automotive market.

The main reasons behind the decline in the market for passenger cars in EU and EFTA countries and the UK were the lockdown measures introduced in most markets at the end of Q1 in response to the COVID-19 outbreak, as a result of which the vast majority of European dealerships closed in the second half of March.

Out of the four key EU markets, the largest decline this year was observed in Spain at -38.3% (from the 965,286 units registered in the same period of the previous year to 595,435 units), followed by Italy with -34.2% (declining from 1,468,237 units to 966,017 units), France with -28.9% (falling from 1,641,367 units to 1,166,698 units) and Germany with -25.5% (representing a decrease from 2,740,158 units to 2,041,831 units).

As a result of the above, demand in EU and EFTA countries and the UK fell by 29.5% during the first 9 months of the year from 10,985,453 units registered in Q1 to Q3 2020 to 7,745,171.

At the same time, despite the significantly more adverse external environment caused by the COVID-19 pandemic, the performance of the AutoWallis Group was well above market average in terms of new vehicle sales in the first nine months of the year: while the average decline in sales in Hungary was 21.7%, AutoWallis recorded a 19% growth in domestic sales compared to the same period of the previous year, partly as a result of organic growth. The international distribution business of the AutoWallis Group improved its new car sales by 26.6% to 1,963 units during the first nine months of the year compared to the previous year's figures, in part due to expanding markets and the change in the model portfolio. As a result, the new vehicle sales of the AutoWallis Group were up by 22% on aggregate.

The negative economic impact of the confinement measures adopted by the government with a view to limiting the spread of COVID-19 was more pronounced in the automotive service business line. As a result, the unfavourable economic impacts of the COVID-19 pandemic are still present in car rental due to the drastic decline in tourism and business travel.

On the one hand, there was only slightly less demand for servicing activities in the first nine months of the year due to the lockdown in Hungary than in the service sector in general, while the sudden, significant and, hopefully, temporary decline in tourism and business travel caused a considerable decline in the car rental business, which was only partly compensated by the reduction and alternative use of the rental fleet (e.g. for courier services).

On the other hand, for the servicing business, the decline experienced in the first six months was completely cancelled out during Q3, aided by the effects of the new transactions. As a result of the above, the number of service hours was up by 10% to 41,733, the fleet size for car rental dropped by 26% to 437, while the number of rental transactions fell by 63.6% to 6,976.

In an economic environment characterised by the challenges posed by COVID-19, the AutoWallis Group continued on its journey of business development, announcing a total of six acquisitions in Hungary and in the region. Of these, the sales figures and service hours of Iniciál Autóház and Wallis Kerepesi are already partly included in the current reports, but the entirety of the positive impact of all of the acquisitions will be reflected only in the figures for 2021.

Description	January - September		Change %
	2020	2019	
International distribution business line			
Number of sold vehicles (unit)	1 963	1 551	*+26,6%*
Domestic retail business line			
Number of new sold vehicles (unit)	2 775	2 332	*+19,0%*
Number of used vehicles (unit)	778	651	*+19,5%*
International distribution + Domestic retail business line - new vehicles (	***4 738***	***3 883***	*+22,0%*
International distribution + Domestic retail business line - total (unit)	***5 516***	*4 534*	*+21,7%*
Total	**3 553**	**2 983**	***+19,1%***
International + Domestic distribution business line (unit)	**5 516**	**4 534**	***+21,7%***
Automotive service business unit			
Number of service hours	41 733	37 943	*+10,0%*
Average fleet size - rent a car fleet (unit)	437	592	*-26,2%*
Number of rental casess (unit)	6 976	19 177	*-63,6%*

Source: AutoWallis

Bond issue

In accordance with the announced strategy, the Group intends to meet the funding needs of the planned organic and transactional growth with the lowest possible capital cost, with long-term, low-risk HUF-based bank loans, the issuance of corporate bonds, or closed or public capital increases. Based on preliminary consultations with potential financiers, the current economic environment, and the yield and interest rate environment support the feasibility of the strategy chosen by the Company.

The Company was one of the first to join the Bond Funding for Growth Scheme announced by the National Bank of Hungary in order to finance the approximately HUF 3 billion already stated in the strategy. The Company obtained the international credit rating required for participation on 18 September 2019.[2]

As part of its annual review of 25 November 2020, Scope Ratings GmbH confirmed AutoWallis' credit rating of B+, but at the same time improved its outlook from stable to positive.[3]

The Company held a successful bond auction on 9 April 2020, which was significantly oversubscribed by banks bidding from among the qualified investors. Following the auction 60 registered, fixed-rate, dematerialised 2030/I AutoWallis NKP Bonds were issued with a nominal value of HUF 50,000,000 each, totalling a nominal value of HUF 3,000,000,000. The primary purpose of issuing the Bonds is to refinance the existing loans and/or operating leases of the Issuer's subsidiaries.

[2] https://www.scoperatings.com/#search/rating/detail/CR0000563879
[3] https://www.scoperatings.com/#!search/research/detail/165727EN

Expansion of the AutoWallis Group – new brands and new subsidiaries

2020 was an extremely eventful period for the AutoWallis Group. In line with its previously announced strategy, there was an increase in the number of sales branches operated and brands distributed by the group in the Hungarian market as well, in addition to international expansion.

The AutoWallis Group is committed to growth in Hungary and the region even in such a changing and challenging environment, as shown by the business development incentives, acquisitions of recent months. This year, the Company once again **announced several significant transactions**:

1.) the **acquisition of the largest Hungarian Opel dealership** early in the year,

2.) the **start of the distribution of Jaguar and Land Rover models in Hungary** in April,

3.) the **acquisition of the largest BMW dealership in Slovenia** in June (After end of Q3, the approvals of the authorities, mainly the competition authority were successfully obtained),

4.) the company announced the **acquisition of a business share in Iniciál Autóház, a market leader in Western Hungary** selling and servicing seven high-profile car brands (Dacia, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota),

5.) it may operate as the **importer of the Opel brand** in **Croatia, Slovenia, Bosnia and Herzegovina and Hungary**.

6.) AutoWallis entered into a preliminary agreement on an additional acquisition in Slovenia, as a result of which **the AutoWallis Group could acquire Avto Aktiv, another significant player in the Slovenian market**, which **distributes and services BMW, MINI, Jaguar, Land Rover, Toyota and Suzuki vehicles in four cities**.

If successfully completed, these announced transactions will contribute to the profit or loss of the AutoWallis Group in the second half of the year, which means that their effect will mostly be seen in 2021.

Through these measures, AutoWallis is expanding both in Hungary and abroad and continues its journey to implementing its declared strategy of doubling its revenue by 2024. The company's objective is to become a leading mobility service provider in the Central and Eastern European region by 2029.

Consolidated IFRS Profit & Loss Statement

Descreption HUF ths	Q1 - Q3 2020	Q1 - Q3 2019	Change %
Revenue	62 630 613	56 326 365	+11%
International distribution business unit	26 343 041	23 691 329	+11%
Domestic distribution and wholesale and direct sales business unit	31 260 441	26 623 635	+17%
Automotive services business unit	5 027 131	6 011 400	-16%
Material type expenses	-1 865 107	-1 805 471	+3%
Services	-2 447 233	-2 322 748	+5%
Cost of goods sold	-55 006 283	-48 891 567	+13%
Personal type expenses	-1 596 975	-1 275 502	+25%
Depreciation	-1 046 498	-853 677	+23%
Profit or loss from trading	***668 518***	***1 177 399***	**-43%**
Other income / expenses	87 552	491 175	-82%
Other income and expenses	**87 552**	**491 175**	**-82%**
OPERATING PROFIT OR LOSS - EBIT	**756 070**	**1 668 573**	**-55%**
Interest expense	-156 658	-81 765	+92%
Financing expenses from leases	-119 415	-151 682	-21%
Foreign exchange gains or losses, net	-544 809	-196 452	+177%
Other financial gains or losses, net	2 000	0	+0%
Other financial gains or losses, net	-16 895	-137 383	-88%
Financial gains or losses	**-835 777**	**-567 282**	**+47%**
PROFIT BEFORE TAX	**-79 708**	**1 101 291**	**-107%**
Taxation	-145 035	-174 160	-17%
NET PROFIT OR LOSS	**-224 742**	**927 131**	**-124%**
Retrainslation of subsidiaries	13 578	36 897	-1
Total comprehensive income	**-211 164**	**964 027**	**-122%**
EPS (HUF/share)	**-0,72**	**3,56**	**-120%**
EBITDA	**1 802 567**	**2 522 251**	**-29%**

The **sales revenue** of the AutoWallis Group in Q1 to Q3 2020 was nearly HUF 63 billion. This is HUF 6.3 billion higher than the sales revenue for the previous period, in spite of the impact of the containment measures introduced due to COVID-19. The primary reasons behind the growth in sales revenue included the new businesses launched in 2020 (the Jaguar Land Rover retail business) and the effects of the transactions conducted in 2020 which were already reflected in the figures for Q3 (e.g. the effect of the Wallis Kerepesi transaction). While all business lines of the Group in the region as a whole developed dynamically in terms of both volume and margin potential in the first two months of the year (typically above 20%), the effect of an unexpected decline in tourism and business-related car rental bookings was quickly felt after February.

The value of **material costs** increased by 3% in Q1-Q3 2020 compared to the comparative period.

The value of **services used** *increased by 5% from the comparative period*, which includes the effects of the cost cutting measures that became necessary due to the implementation of containment measures to combat the pandemic in H1 2020, as well as the growth resulting from the new businesses merged into the AutoWallis Group.

The 13% increase in **COGS** exceeded the increase in sales revenue, resulting in a decline in the profit margin of the AutoWallis Group from 13.2% to 12.2%. This is mainly due to the fact that the decline in sales revenue from car rental was not followed by a decrease in cost levels in the same amount and at the same rate.

Similarly to the previous year, the *25% increase* in **personnel-type expenses** was higher than the average change in turnover. This increase already reflects the increase in personnel-type expenses caused by the hiring of new employees required by the Jaguar Land Rover dealership and repair shop opened in Budapest in April, as well as the prorated personnel-type expenses of Wallis Kerepesi which are already included in the figures of the AutoWallis Group for Q3 2020. The AutoWallis Group is making increased efforts to ensure the availability of staff and expertise that will support growth and maintaining this will remain a top priority despite the fact that temporarily less capacity is required due to the pandemic. The average statistical headcount was 435.8, compared to 306 in the previous year.

The 23% increase in **depreciation** mainly reflects the growth of the short- and long-term car rental fleet, which was justified by the increase in turnover in the first two months.

The **HUF -88 million balance of other revenues and expenses** includes the current year effect of the *HUF 158 million expense* relating to the events listed in the Extraordinary Announcement of AutoWallis Nyrt. dated 7 February 2020. Assets with a book value of approximately HUF 250 million were unlawfully removed from the premises of Wallis Motor Duna Kft. and Wallis Motor Pest Kft., with regard to which a criminal report was immediately filed and other necessary measures to protect assets were taken. In addition, this line includes the negative goodwill of HUF 103 million recognised in connection with the acquisition of VCT78 Kft. as other income.[4]

As a result of the above, **operating profit** (EBIT) *decreased to HUF 756 million* during the period under review, which reflects the outstanding performance of the first two months, the loss from one-off items and the COVID-19 measures, and the results of the subsidiaries merged into the AutoWallis Group for the period.

The value of **financial revenues and expenses** for Q1 to Q3 2020 is a loss of HUF 836 million. A significant part of this (HUF -545 million) is loss from exchange rate difference, a portion of which (HUF -148 million) is unrealised exchange rate loss arising from the revaluation of open FX inventory financing credit using an exceptionally high exchange rate of 364.65 HUF/EUR at the end of the period. Contrary to 2019, the exchange rate effect was considerable and, therefore, we also present how this year's profit is adjusted for this effect and for other one-off but material items.

NORMALIZED RESULT HUF ths	Q1-Q3 2020	Q1-Q3 2020 Normalized	Q1-Q3 2019	Changes %
Losses from unlawfully removed assets	0	158 322	0	N/A
EBITDA	**1 802 567**	**1 960 889**	**2 522 251**	**-22%**
Q1-Q3 2020 non-realized FX revaluation loss	0	362 445	0	N/A
Financial revenue and expenses	**-835 777**	**-473 332**	**-567 282**	**-17%**
PROFIT BEFORE TAX	**-79 708**	**441 059**	**1 101 291**	**-60%**
TOTAL COMPREHENSIVE INCOME	**-211 164**	**309 603**	**964 027**	**-68%**

The **overall profit or loss was a loss of HUF 211 million**, accounting for the temporary and one-off effects highlighted above in accordance with IFRS rules. By filtering out the above one-off items, the ***adjusted overall profit or loss for Q1 to Q3 2020 would have been a profit of HUF 95 million***, compared to the profit of HUF 964 million for Q1 to Q3 2019. The primary reasons for the loss include the loss of profit due to a decline in automotive services resulting

[4] Note: for more information is on page nr 40.

from the complete shutdown of airport traffic due to COVID-19, as well as the phaseout of the models that had previously produced the highest margins in the International Distribution business and the temporary decline in margin potential resulting from the delay in the arrival of the new models to replace them.

The **EBITDA, the indicator which best describes the Group's performance, decreased by 29% to HUF 1,803 million** compared to the comparative period. After eliminating the two significant items highlighted above that are not typical of the AutoWallis Group's normal business operations, its *adjusted EBITDA for Q1 to Q3 2020 would have been HUF 1,961 million*, representing a *COVID-19 related decline of 22%* compared to Q1 to Q3 2019.

BUSINESS ENVIRONMENT OF AUTOWALLIS GROUP

Based on the data published by the Hungarian Central Statistical Office (KSH), the average GDP growth in the European Union in 2019 was 1.2%, while economic performance in most markets in the Central and Eastern European region, the area considered to be the immediate business environment of AutoWallis, improved at a much faster rate, including growth rates of +4.2% in Romania, +2.3% in Slovakia and +2.4% in the Czech Republic. The momentum lasted until the middle of Q1 2020, after which COVID-19 dealt a serious blow to the economic activity. Following a 4.6% growth in 2019, real GDP declined by 13.6% in Q2 2020. During the first wave, government measures adopted in Hungary were less strict than the EU average. Hungary's economy was hit hard by the pandemic primarily due to its exposure to highly cyclical industries (tourism and air transportation).

The Hungarian economy, which accounts for approximately half of the sales revenue of AutoWallis, grew by 4.9% in 2019. According to the optimistic scenario described by the Government of Hungary and the Hungarian National Bank, the growth figure for 2020 will be zero, but the forecast of the European Commission published in May predicts an annual rate of -7%, with unemployment rising to 4.6%. Based on the most recent prediction of the European Commission (from November), this year's GDP growth in the eurozone will be 7.8%, although an adjustment of 4.2% is expected next year.

Expected changes in GDP in neighbouring European countries are -7.5% in Slovakia, -7.1% in Austria and -5.2% Romania, while expected changes in GDP in major European countries are -10.3% in the United Kingdom, -5.6% in Germany, -9.4% in France, -12.4% in Spain and -9.9% in Italy.[5]

The new car market in all EU and EFTA countries and the United Kingdom declined by an average of 29.1% in Q1 to Q3 2020 compared to the same period in 2019. New car registrations in EU member states fell by an average of 28.8% in the first three quarters of this year compared to the same period in 2019, according to ACEA[6] statistics.

There was a decline in all major EU markets: the number of first registrations fell by 28.9% in France, 34.2% in Italy, 38.8% in Spain and 25.5% in Germany. In contrast, sales in the AutoWallis Group's Central European markets declined to varying degrees by country, but the rates of decline were typically lower than at international level (see next chapter).

[5] https://ec.europa.eu/info/sites/info/files/economy-finance/ip136_en.pdf

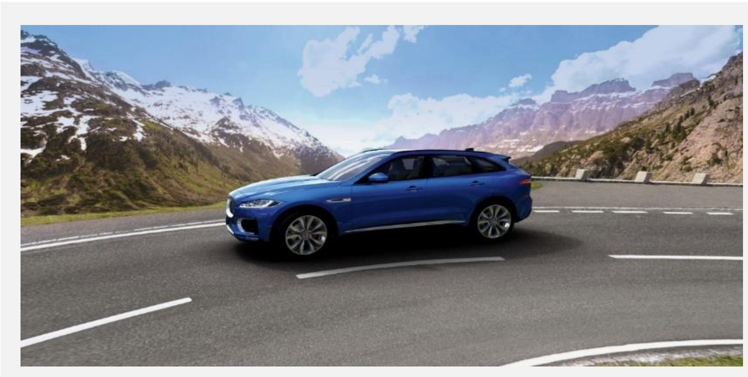
[6] ACEA: European Automobile Manufacturers' Association

The change in the volume of GDP of the Hungarian economy, which accounts for approximately half of AutoWallis' sales revenue, was a decline of 13.6% compared to the same period of the previous year.

The rapid and sudden devaluation of the regional currencies (particularly the Hungarian forint) as a result of COVID-19 represents a significant exchange rate risk for domestic sales; however, such events generally have a delayed inflationary effect in car markets, and so AutoWallis is also typically able to implement a price increase. For items relating to export activities which are typically invoiced in euros and for financing arrangements which are also generally denominated in euros, this effect (being naturally hedged) is compensated in whole or in part through a higher exchange rate used upon repayment.

The still low interest rate environment and abundance of funds will support economic growth throughout the European region.

The transition of automotive companies to new technologies (production of electric cars) is very costly and the new EU environmental rules, which will come into force in 2020, will also place a heavy burden on them, thus, the profits of all manufacturers decreased compared to the previous periods, accompanied by a reduction of certain support and subsidies, which the subsidiary of AutoWallis in the relevant international and domestic distribution segment intends to offset by volume growth.



Q1 – Q3 2020 YEARLY MARKET TRENDS AND SALES BY SEGMENTS

International distribution business line

Within the framework of international distribution, the AutoWallis Group is engaged in the wholesale of new vehicles and parts of various brands (Jaguar, Land Rover, Ssangyong and Saab) in the countries of Central and South-East Europe. (Albania, Bosnia Herzegovina, Croatia, Serbia, Slovenia, North-Macedonia, Montenegro and Kosovo, Romania, Czech Republic, Slovakia, and Poland)

The number of new cars sold by the international distribution business of AutoWallis in the first nine months of this year was up by 26.6% to 1,963.

Description	January - September		Change %
	2020	2019	
International distribution business line			
Number of sold vehicles (unit)	1 963	1 551	+26,6%

Automotive trends in the international markets of the AutoWallis Group

In line with the overall decline in the Western European automotive market, the AutoWallis Group's international markets saw a similar downturn in the first three quarters of 2020 compared to the same period of the previous year. The total number of first registrations of passenger cars in the region was 676,645.

New personal vehicle registration in AutoWallis Group's countries

	January - September		Change %
unit	2020	2019	
Albania (Jan-Jun)	1 361	1 714	-20,6%
Bosnia-Hercegovina (Jan-Jun)	3 203	4 489	-28,6%
Czech Republic	148 319	191 110	-22,4%
Croatia	28 246	51 375	-45,0%
Poland	295 101	410 829	-28,2%
Macedonia (Jan-March)	1 210	2 381	-49,2%
Romania	84 601	124 049	-31,8%
Serbia	15 765	21 233	-25,8%
Slovakia	55 607	76 418	-27,2%
Slovenia	43 232	57 408	-24,7%
Total	**676 645**	**941 006**	**-28,1%**
Total w/o Czech Republic	**528 326**	**749 896**	**-29,5%**

Source: Datahouse, ACEA, Carinfo

Premium segment's share within the new car registriation by countries

	January - September		Change %
%	2020	2019	
Albania (Jan-Jun)	8,5%	8,5%	+0,0%
Bosnia-Hercegovina (Jan-Jun)	18,0%	15,1%	+2,8%
Czech Republic	8,8%	7,6%	+1,2%
Croatia	11,0%	8,5%	+2,5%
Poland	8,4%	9,9%	-1,5%
Macedonia (Jan-March)	8,1%	7,5%	+0,7%
Romania	13,7%	12,4%	+1,3%
Serbia	9,7%	8,9%	+0,8%
Slovenia	7,4%	7,2%	+0,2%
Total	**+9,1%**	**+8,1%**	**+1,0%**

Source: Datahouse, ACEA, S.C. A.P.I.A. CONSULT; ZAP

In these markets, the share of the premium segment[7] is 9.1% of the total passenger car market, which is 1% higher than in the previous year. Jaguar Land Rover's share of the premium segment in these regions fell by 1% compared to the same period of the previous year.

Q1 -Q3 2020 performance

Main KPIs' of business unit	Q1 - Q3 2020	Q1 - Q3 2019	Change %
International distribution business unit			
Revenue	26 343 041	23 691 329	*+11,2%*
COGS	-23 682 705	-21 141 275	*+12,0%*
Profit before tax	-7 274	591 446	*N.A.*
Margin %	*10,1%*	*10,8%*	
Profit before tax / Revenue %	*0,0%*	*2,5%*	

The sales revenue of the international distribution business for Q1 to Q3 2020 increased by 11.2% compared to the same period of the previous year, the reason being that, despite the 27% growth in the number of units sold, average sales prices were lower due to both a shift in the product range towards smaller vehicles and the large number of fleet sales in the Balkan markets with margins that are significantly below average. The rate of increase in COGS was higher than the increase in sales revenue, which means that the operating margin decreased from both the comparative period and the figure for H1 2020 (12.9%).

The pre-tax profit/sales profitability indicator is significantly worsened by the significant revaluation difference at the end of March, due to the temporarily outstanding high FX rate, recognised in respect of the international segment (HUF 438 m).

[7] The following car brands are classified in the premium segment according to industry practices: Audi, BMW, Jaguar, Land Rover, Lexus, Mercedes, MINI, Porsche, Volvo

Domestic distribution and wholesale and direct sales

Within the framework of domestic sales, the AutoWallis Group sells Isuzu and Ssangyong vehicles, BMW passenger cars and motorcycles, MINI and Maserati, Opel and Kia passenger cars, new factory parts and second-hand passenger vehicles and motorcycles.

The operating results and sales volume data for Q3 2020 contain the sales figures for Opel, Kia and Isuzu passenger cars and parts sold by the member firm Wallis Kerepesi as well.)

According to the ACEA statistics, although the EU automotive market shrank by 28.8% in Q1 to Q3 2020, the number of first registrations of new cars in Hungary declined at a slower rate over the same period (by 21.7%).

New personal vehicle registration in Hungary

unit	January - September 2020	January - September 2019	Change %
Total	**90 092**	**115 105**	***-21,7%***

Source: DataHouse

Similarly, to its international markets, the AutoWallis Group is mostly present in the premium segment within the domestic automotive market. The share of the premium segment within the total number of first registrations of passenger cars in Hungary increased by 1.8% in Q1 to Q3 2020 compared to the same period of the previous year.

Premium segment 's share within the new car registrations in Hungary

unit	January - September 2020	January - September 2019	Change %
Total	***11,3%***	***9,4%***	***+1,8%***

Source: DataHouse

Premium segment registrations in Hungary

unit	January - September 2020	January - September 2019	Change %
Mercedes	3 455	3 310	*+4,4%*
BMW	2 536	2 785	*-8,9%*
Audi	1 452	2 025	*-28,3%*
Volvo	1 555	1 532	*+1,5%*
Lexus	541	573	*-5,6%*
MINI	245	338	*-27,5%*
Land Rover	102	120	*-15,0%*
Porsche	191	116	*+64,7%*
Jaguar	60	78	*-23,1%*
Total	**10 137**	**10 877**	***-6,8%***

Source: DataHouse

In Hungary, the premium segment[8] saw a decline of over 6.8% in the period under review, contrary to the average decline in the market.

Compared to the same period of the previous year, in the first nine months the new BMW and MINI saw declines of 8.9% and 27.5%, respectively.

The domestic distribution business saw new car sales increase by 19% to 3,553 units, which is an exceptional performance compared to the 21.7% decline in the Hungarian market. This increase was complemented by the fact that there was also organic growth starting in Q3.

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[8] During the full period covered by this Flash Report, the AutoWallis Group sold the BMW and Mini premium brands in Hungary; however, as of 1 April 2020, the Jaguar and Land Rover brands were also added to the product offering.

As a result of the economic recession triggered by the pandemic, BMW AG.'s total vehicle sales in the first nine months were down by 12.5% compared to the same period of the previous year.

Furthermore, it is important to note that BMW's sales figures showed an improvement of 8.6% compared to the figures for Q3 of the previous year. The sales of the MINI brand were up by 1.9% in Q3 in comparison with the same period of the previous year.

German premium manufacturers continue to focus on new technologies, including alternative powertrain solutions (with a focus on hybrid and purely electrical systems), car-sharing services, self-driving technologies, and other automated services (e.g. parking in major cities). The continuously expanding and unique range of models of BMW AG. is a great strength, even in such a challenging market environment. The original plans of BMW for 2020 included further projected growth, primarily for its SUV, Electrified and M Models. An increase in the sales of the M series is expected after BMW AG.'s launch of the new M8 Performance at the end of 2019 as well as the new M4 and the M5 facelift models in 2020. In addition, several hybrid models were introduced, including the X3 xDrive30e. The iX3, a new fully electric SUV model, became available to customers in August.

Considering the characteristics of the market, the further growth in our sales figures is attributable to the X5 and X6 models launched in 2019, the plug-in hybrid version of the X3 and its fully electric variant introduced in 2020, as well as the consistently high-performing X1 model.

In Q2, a period full of challenges brought about by COVID-19, the AutoWallis Group opened its new Jaguar Land Rover dealership in Budapest. Following the launch in April, there were decent sales in May and the expected level of sales was achieved after June. This also ensured that the return to normal business went smoothly.

The domestic distribution business of the AutoWallis Group saw a boost in new car sales in Q3, increasing by 19% to a total of 2,775 units, which is an exceptional performance compared to the 21.7% decline in the Hungarian market. There was also organic growth starting in Q3.

Description	January - September		Change %
	2020	2019	
Domestic retail business line			
Number of new sold vehicles (unit)	2 775	2 332	*+19,0%*
Number of used vehicles (unit)	778	651	*+19,5%*
Total	**3 553**	**2 983**	***+19,1%***

Q1 -Q3 2020 performance

Main KPIs' of business unit	Q1 - Q3 2020	Q1 - Q3 2019	Change %
Domestic distribution and wholesale and direct sales			
Revenue	31 260 441	26 623 635	*+17,4%*
COGS	-27 688 006	-23 355 266	*+18,6%*
Profit before tax	-23 816	118 220	*N.A.*
Margin %	*11,4%*	*12,3%*	
Profit before tax / Revenue %	*-0,1%*	*0,4%*	

The sales revenue of the domestic distribution business for Q1-Q3 2020 was up by 17.4% in comparison with the same period of the previous year. This is primarily explained by the fact that the decline in vehicle sales due to COVID-19 was offset by the increase in turnover resulting from the new transactions in 2020, i.e. the sale of vehicles at the Jaguar Land Rover dealership launched in April, as well as the turnover of Wallis Kerepesi and ICL Autóház for Q3 2020. The return on sales of the business line was negatively affected by the events included in the Extraordinary Announcement published by AutoWallis Nyrt. on 7 February 2020. Assets with a book value of approximately HUF 250 million were unlawfully removed from the premises of Wallis Motor Duna Kft. and Wallis Motor Pest Kft., with regard to which a criminal report was immediately filed and the necessary measures to protect assets were taken. As a result, the profit or loss for Q1-Q3 2020 includes the recognition of a loss in the amount of HUF -158,322 thousand. The decline in used car sales was caused by the restructuring that became necessary due to recent events as well as the effects of the restrictive measures to combat the pandemic.

In line with the AutoWallis Group's strategy, brand dealerships play a key role along with their generally lower performance in compliance with industry practice, as new and used car sales provide the most important customer relations entry point for the AutoWallis Group's outstandingly successful service activities.

Starting from the autumn of 2020, this business line includes the domestic retail sale of the brands distributed by Iniciál Autóház (Renault, Dacia, Nissan, Peugeot, Toyota, OPEL and Suzuki)).

Automotive service business line

The automotive service business line includes the servicing activities and short and long-term vehicle rental services of the AutoWallis Group

(The operating results and sales volume data for Q3 2020 will contain the figures for the servicing activities of the member firm Wallis Kerepesi and Iniciál Autóház as well.)

The negative economic impact of the confinement measures adopted by the government with a view to limiting the spread of COVID-19 was more pronounced in the automotive service business line. On the one hand, there was less demand for servicing activities in H1 due to the lockdown, while the sudden, significant and, hopefully, temporary decline in tourism and business travel caused a considerable decline in the car rental business, which was only partly compensated by the alternative use of the rental fleet (e.g. for courier services). Despite this, the decline in the number of service hours in H1 was offset by the servicing activities of the newly merged companies, resulting in a 10.0% rise to 41,733. The fleet size for car rental dropped by 26% to 437, while the number of rental transactions fell by 63.6% to 6,976.

Description	January - September		Change %
	2020	2019	
Automotive service business unit			
Number of service hours	41 733	37 943	*+10,0%*
Average fleet size - rent a car fleet (unit)	437	592	*-26,2%*
Number of rental casess (unit)	6 976	19 177	*-63,6%*

Source: AutoWallis

AutoWallis provides services at 5 sites in Budapest and 4 sites in countryside (Iniciál Autóház Group) in the analysed period, that operate at a consistently high level of utilisation. In line with the increased market demands, we pay special attention to retaining existing employees and are constantly working to recruit new staff and introduce the latest available technological developments.

Obviously, the number of rental transactions has been strongly affected by the drastic decline in the number of travellers arriving at Liszt Ferenc Airport starting from the last week of February due to the COVID-19 pandemic, which was followed by substantial improvement during the summer months, but another sharp decline eventually came after the borders were closed on 1 September.

Number of arriving passengers at Budapest Airport

	January - September		Change %
person	2020	2019	
Total	**1 798 148**	**6 004 664**	***-70,1%***

Source: KSH, Budapest Airport

In 2020 Q1-Q3 period, the number of passengers arriving at Budapest Liszt Ferenc International Airport fell by 70,1% compared to the first 9 months of 2019.

Q1 -Q3 2020 performance

Main KPIs' of business unit	Q1 - Q3 2020	Q1 - Q3 2019	Change %
Automotive service business unit			
Revenue	5 027 131	6 011 400	*-16,4%*
COGS	-3 635 572	-4 395 026	*-17,3%*
Profit before tax	-48 619	391 626	*-112,4%*
Margin %	*27,7%*	*26,9%*	
Profit before tax / Revenue %	*-1,0%*	*6,5%*	

In the first three quarters of 2020, the sales revenue of the automotive service business dropped by 16.4%, which is largely explained by the fact that the airport revenues of the car rental business are practically missing from the revenues for Q1-Q3 as a result of the temporary airport shutdown due to COVID-19. During Q3, the servicing activity showed growth despite COVID-19 as a result of the transactions conducted in 2020, and even expanded at certain repair shops. The return on sales of the business line was negatively affected by the COVID-19 related temporary shutdown of the car rental business within the business line.

Starting from the autumn of 2020, this business line includes the domestic servicing activity relating to the brands distributed by Iniciál Autóház (Renault, Dacia, Nissan, Peugeot, Toyota, OPEL, Suzuki and Citroen).

Goals and strategy of the AutoWallis Group

The AutoWallis Group has managed to dynamically increase its revenues over the past few years, the Company intends to expand further.

The AutoWallis Group is a retail and wholesale distribution and automotive industry service provider with a wide presence in the domestic and international markets. The Company aims to harness the business potential of the motor industry in a changing automotive environment.

The strategic goal of the AutoWallis Group is to become one of the most reliable and dominant distributors, retailers and wholesalers and automotive service providers in the Hungarian and regional markets and to generate a sufficient return for its shareholders and financiers.

The management of the AutoWallis Group developed a five-year strategy by May 2019 with a hope of doubling the revenues of the AutoWallis Group earned in 2018 during the period. The presentation is available here:

https://www.bet.hu/newkibdata/128229178/AutoWallis_Strategia_20190522.pdf

The AutoWallis Group intends to rely on the opportunities stemming from being listed in the public capital market, where favourable acquisition options may result in public fundraising even through the issue of shares and bonds. The shares of the AutoWallis Group are included in the BUX Premium category, BUMIX, FTSE Micro Cap and the FTSE Total-Cap Indices.

Main sources and risks of the AutoWallis Group – and the changes and uncertainties associated with them

Main resources of the Company and the AutoWallis Group:

- The AutoWallis Group has stable operating and a cash generating portfolio in the automotive industry in the markets built over the past 27 years.
- The AutoWallis Group works with the representatives of stable partners such as BMW, MINI, Isuzu, Jaguar, Land Rover, Maserati, Saab, Ssangyong, Nissan, Peugeot, Renault, Suzuki, Toyota OPEL, KIA etc. and Sixt.
- On the basis of 30 years of traditions and abilities of the Wallis Group, the main owner[9] of AutoWallis, the Group will be able to acquire new brands and markets and launch new activities in automobility either through acquisitions or the foundation of new companies or development of existing companies.
- The purpose of the Group is to adjust flexibly, yet with a conservative investment business policy, to the changes in technology and in customer requirements in the automotive industry, which is the currently most dominant segment of the economy of the European Union.

[9] Owners of AutoWallis shares over 5% shareholding on September 3, 2020: Wallis Asset Management Zrt. (68,50%), AutoWallis MRP Szervezet (6,67%).

- Building with a portfolio approach, the Group can dampen the cyclic trends of the automotive industry with a combination of various activities responding differently to macroeconomic changes.
- The transformation of the mobility industry provides the further opportunities for development, including the development of electric cars, the appearance of driverless cars and car sharing.
- Carefully elaborated automotive industry small and wholesale trade portfolio size and effective volume management
- Continuation of coordinated financing and revenue structure
- The Company and the AutoWallis Group have a cost-effective operation

The main risks of the Group, and the related changes and uncertainties are as follows:

- The COVID-19 coronavirus, that appeared in December 2019 in Wuhan, Hubei Province, China, has had a major impact on the automotive industry in China, with many large companies having to suspend car production. The intense global, including European spread of the virus has a temporary negative effect on demand. The cuts announced by car producers by the end of March 2020, scheduled for a few weeks, could later cause temporary disruptions in inventory supply, but supply chains are expected to recover soon after the lifting of restrictive measures, with signs of recovery. Nevertheless, like the corporate sector as a whole, the consequences of measures taken to curb the coronavirus will affect not only car factories but also other actors in the value chain.
- Although during preparations for the implementation of its projects, the AutoWallis Group prepares careful commercial, legal and profit plans, certain projects/acquisitions may still be postponed or become impossible to implement.
- The operation, financing and profitability of the AutoWallis Group is directly or indirectly related to the processes in the national economy of Hungary and the other countries involved in the operation of the subsidiaries of the Company. If negative changes occur in the macroeconomic situation of Hungary and the other countries concerned, the growth of the economy slows down, the external and internal balance positions deteriorate, the AutoWallis Group will also be affected by the impacts of the potentially occurring negative processes.
- The technology reforms might influence the operation of the automotive industry significantly. Technology development may not only transform the areas where the AutoWallis Group operates but, in certain cases, can also terminate or significantly reduce the volume of specific activities, concerning especially the introduction of restrictions on diesel vehicles.
- The sudden rise in wages in the countries involved in the operation of the AutoWallis Group (especially Hungary), the labour shortage and the inadequate education/training system may have a negative impact on the operation of the AutoWallis Group bot in distribution and its other services.
- The AutoWallis Group intends to implement its business plans with its existing business activities and/or new developments, investments, and acquisitions. Although each transaction is preceded by a thorough preparation process, in relation to the implementation of the acquisitions events may still occur in the acquired companies that have a negative impact on the business and profitability of the AutoWallis Group.

- With respect to Brexit, the potential lack of an agreement between the United Kingdom and the European Union by the detailed agreement deadline set until the end of January 2021 based on the end-January 2020 arrangement, can negatively affect demand for certain models imported by the AutoWallis Group; although according to a statement by the Jaguar Land Rover, the negative changes would not affect the supply chain beyond production and the manufacturing capacities would be relocated to factories established in the EU within a short period.

SUSTAINABILITY REPORT

Business sites of the AutoWallis Group

- Business site of WAE Autóforgalmazási és Szolgáltató Kft.: 2051, Biatorbágy, Budai út 16.
- Business site of Polar Import Polska Sp. Zo.o: 00-37 Warsaw, ul Wybrzeze Kosciuszkowskie 43/2.
- Business site of Wallis Adria d.o.o: 10000 Zagreb, Strojarska cesta 20.
- Business site of POLAR PROPERTY Kft.: 2051, Biatorbágy, Budai út 16.
- Business site of WALLIS MOTOR DUNA Autókereskedelmi Kft.: 1097 Budapest, Könyves Kálmán krt. 5.
- Business site of WALLIS MOTOR PEST Autókereskedelmi Kft.: 1143 Budapest, Hungária krt. 95. and 1138 Budapest, Váci út 175.
- Business site of WALLIS AUTÓKÖLCSÖNZŐ Kereskedelmi és Szolgáltató Kft.: 1138 Budapest, Váci út 141.
- Business site of ICL Autó Kft: 9028 Győr, Külső Veszprémi utca 6.
- Business site of Iniciál Autóház Kft: 9028 Győr, Külső Veszprémi utca 6.; 9400 Sopron, Balfi út 162.; 9700 Szombathely, Vásártér u. 3.; 9200 Mosonmagyaróvár, Szekeres R. u. 17.
- Business site of Wallis Kerepesi Kft: 1106 Budapest, Kerepesi út 85.
- Business site of K85 Kft: 1106 Budapest, Kerepesi út 85.
- Business site of Wallis Motor Ljubljana: Celovška cesta 182, 1000 Ljubljana

Management system of the AutoWallis Group, corporate governance report

The Company has a Board of Directors. The competence of the Board of Directors is defined in the Articles of Association. Together with the Annual Report the Company also discloses a package of documents presenting its responsible corporate governance system.

The Company has a Board of Directors with at 6 members. The Chairman of the Board of Directors is elected by the members of the Board. The scope of competence of the Board of Directors includes all decisions and measures that do not fall within the exclusive competence of the General Meeting or the competence of any other body or person pursuant to the provisions of the Civil Code or the Articles of Association. The Board of Directors develops and controls the working organisation of the Company, defines the financial management and arranges for effective operation. The Chairman of the Board of Directors exercises the employer rights over the employees of the Company.

On behalf of the Company the Board of Directors may approve decisions on the issue of bonds over HUF 10 billion or the issue of any new bonds with the principal amount of which the principal debt resulting from previously issued and still outstanding bonds would exceed the HUF 10 billion principal amount only with the prior approval of the General Meeting.

The General Meeting of the Company authorised the Board of Directors to decide on increasing the capital of the Company within its own competence, with an affirmative vote of at least four members of the Board of Directors. Based on the authorisation, the Board of Directors may decide on increasing the capital of the Company within its own competence. The highest amount of the capital increase with which the Board of Directors may raise the capital of the Company: an amount equivalent to 75% of the subscribed capital entered into the company register on the date of the extraordinary General Meeting of the Company of 17 December 2018. Period available for the capital increase: five years from the date of the extraordinary General Meeting of the Company of 17.12.2018. During the capital increase only 'C' series ordinary shares of HUF 12.5 nominal value may be issued. The Board of Directors defines the volume of new ordinary shares to be issued in a capital increase from the following figures, whichever is higher: the average stock exchange price weighted with the turnover of thirty days prior to the date of the resolution of the Board of Directors on the capital increase, published on the website of the Budapest Stock Exchange or, if the average thirty-day price indicated above is lower than the closing stock exchange price of the day preceding the date of the resolution of the Board of Directors on the capital increase, published on the website of the Budapest Stock Exchange, then the closing stock exchange price of the day preceding the date of the resolution of the Board of Directors on the capital increase, published on the website of the Budapest Stock Exchange.

The General Meeting of the Company authorised the Board of Directors to purchase a sell treasury shares issued by the Company.

- Number of shares that may be acquired: the total number of the shares issued in all series, not exceeding 25% of the share capital
- Nominal value of the shares that may be acquired: HUF 12.5
- In the case of a purchase with recourse the lowest amount of consideration is the price which is 20% lower than the closing price of the stock exchange on the day which precedes the day of the transaction
- In the case of a purchase with recourse the highest amount of consideration is the price which is 20% higher than the closing price of the stock exchange on the day preceding the day of the transaction

The Company has a 3-member Supervisory Board, whose members are elected by the General Meeting. An Audit Committee is appointed, consisting of 3 independent members of the Supervisory Board.

The rules governing the appointment and replacement of executive officers and the amendment of the articles of association are contained in the Company's Articles of Association. The Articles of Association may be viewed on the website of the Company: http://autowallis.hu/tarsasagi_dokumentumok/#

The AutoWallis Group Business continuity framework

The AutoWallis Group prepared its business plans for the period after 2019 in relation to which the management of the Company concluded that the going concern principle of the Company has been fulfilled. Following the appearance of the COVID-19 coronavirus, the 2020 business plans were re-examined by management before the report was issued, confirming that the Group's cash equivalent reserves were sufficient to offset foreseeable temporary losses, thus not harming the business continuity requirement.

Financial instruments and risk management

The Group assesses the arising financial risks systematically and by company. The assessed risks include market risks (currency risk, fair value, interest rate risk and price risk), credit risk, payment risk and cash-flow interest rate risk. The Group strives to minimise the potential impact of these risks. The Group does not engage in financial instruments for speculative purposes.

The AutoWallis Group presents price, credit, interest rate, liquidity and cash flow risks (also quantified where possible) in the consolidated (aggregated) IFRS financial statements of the AutoWallis Group.

Environmental protection

In the course of its activities, AutoWallis Nyrt. does not carry out activities that are dangerous or harmful to the environment. It does not use any hazardous materials in its operation.

The following hazardous wastes are generated by the member companies of the AutoWallis Group and are removed by their contracted partners: waste oil; oil filter; air filter; paint; diluent; painted paper; battery; tyre; windshield; brake and clutch components; plastic parts. Neither the Company nor its subsidiaries had any environmental investments or environmental obligations.

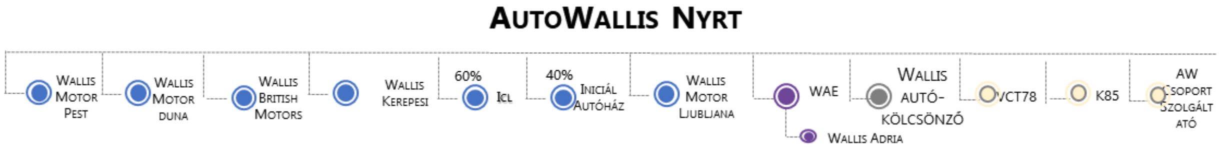
Employment policy of the AutoWallis Group, Employee share and management program

The employment policy of AutoWallis Nyrt. and the AutoWallis Group focuses on the retention, motivation and development of employees and, simultaneously, the selection and integration of new employees. We believe that the loyalty and motivation of our staff means that they have stable jobs, good working conditions, complex tasks and earn competitive wages. We provide our employees with continuous professional development opportunities both internally and externally. The main shareholder of the Company, Wallis Asset Management Zrt, launched an employee share programme for the managements of AutoWallis Nyrt and its subsidiaries following the balance sheet day of the six-month report, based on which an employee share programme organisation was established in September 2019.

Relevant information

The Board of Directors has disclosed all relevant information that may materially affect the operation of the Company outside of the Company's continuous expected operation. Management is not aware of any indemnity agreement that applies to management members or employees.

LEGAL SUMMARY



Note: Group structure as of September 30, 2020. Subsidiaries for which no percentage share is indicated in the figure are wholly owned by AutoWallis Nyrt.

Corporate events related to AutoWallis Nyrt. in the period between 1 January 2020 and the date of publication of this Management Report

- The audited financial statements in accordance with IFRS standards for the financial year ended 31 December 2019 and the auditor's reports have been approved.

- Gábor Dévai was elected a member of the Board of Directors of the Company with the right of joint representation.

- On 03 February 2020, AutoWallis Nyrt. acquired a business share of ICL AUTÓ Kft., which represents 60% of its initial capital.

- On 23 April 2020, AutoWallis Nyrt. acquired a business share of Wallis British Motors Kft. with a nominal value of HUF 3,000,000, representing 100% of its initial capital, therefore, on 23 April 2020, it became the sole owner of Wallis British Motors Kft.

- On 26 March 2020, a contract of transfer and related documents were signed for the acquisition of the business share of K85 Ingatlanhasznosító Kft (registered office: 1106 Budapest, Kerepesi út 85; company reg. no: 01-09-861051) with a total nominal value of HUF 3,000,000, representing 100% of its initial capital, and for the business share of Wallis Kerepesi úti Autó Kft (registered office: 1106 Budapest, Kerepesi út 85, company reg. no.: 01-09-078910) with a total nominal value of HUF 139,400,000, representing 100% of its initial capital.

- Sections 6 and 9 of the Company's Articles of Association have been amended.

- AutoWallis Nyrt. established AW Csoport Szolgáltató Kft. (company reg. no.: Cg. 01-09-357786; registered office: 1055 Budapest, Honvéd utca 20) with a 100% ownership share.

- AutoWallis Nyrt. acquired a 100% business share in VCT78 Ingatlanhasznosító Kft. (company reg. no.: 01-09-911556; registered office: 1118 Budapest, Kelenhegyi út 43. B. ép. 5. em. 1).

- AutoWallis Nyrt. established WallisMotor Ljubljana d.o.o. with a 100% business share (company reg. no.: 8674655000; registered office: Celovška cesta 182, 1000 Ljubljana).

- On 21 June 2020, AutoWallis Nyrt. acquired a 40% share in Iniciál Autóház Autóház Kft. On 6 August 2020, AutoWallis Nyrt. concluded a contract for in-kind contribution to acquire an additional 20% share as part of a HUF 868 million capital increase through in-kind contribution.

- AutoWallis Nyrt. repurchased treasury shares at a price of HUF 93 per share, which had previously been issued in connection with the acquisition of its associate ICL Autóház Kft.

- AutoWallis Nyrt. established WAE CEE Kft. with a 100% business share (company reg. no.: 13-09-208753; registered office: 2051 Biatorbágy, Budai út 16.).

Corporate events related to subsidiaries of the Company in the period between 1 January 2020 and the date of publication of this Management Report

WALLIS MOTOR DUNA Autókereskedelmi Kft.

- The audited annual report for the financial year ended 31 December 2019 in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- It extended the mandate of its auditor until 31 May 2021.

WALLIS MOTOR PEST Autókereskedelmi Kft.

- The audited annual report for the financial year ended 31 December 2019 in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- It extended the mandate of its auditor until 31 May 2021.

WAE Autóforgalmazási és Szolgáltató Kft.

- The audited annual report for the financial year ended 31 December 2019 in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- It extended the mandate of its auditor until 31 May 2021.

Wallis British Motors Kft. (previous name: POLAR PROPERTY Ingatlanfejlesztő, Kereskedelmi és Szolgáltató Kft.)

- The audited annual report for the financial year ended 31 December 2019 in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- It extended the mandate of its auditor until 31 May 2021.

- In its decision dated 13 March 2020, the Company states that in his statement dated 12 March 2020, Roland Czeilinger resigned from his position as managing director on 12 March 2020, therefore his managing director position is terminated as of 12 March 2020, and that it elects Tamás Kovács-Farkas as managing director with independent signatory rights for an indefinite term, from 12 March 2020. It further stated that the new company name of the Company is: Wallis British Motors Kft, new registered office: 1095 Budapest, Máriássy utca 5, new core activity: 4511'08 Sale of cars and light motor vehicles. With regard to the changes, the Deed of Foundation has been amended. Date of amendment of the Deed of Foundation: 12 March 2020, date of registration: 01.04.2020, date of disclosure: 03.04.2020

- It was recorded that, on 23 April 2020, AutoWallis Nyilvánosan Működő Részvénytársaság acquired a business share of the Company with a nominal value of HUF 3,000,000, representing 100% of its initial capital, therefore, on 23 April 2020, it became the sole owner of the Company. It was recorded that AutoWallis Nyilvánosan

Működő Részvénytársaság increased the capital of Wallis British Motors Kft. by HUF 200 million (date of the Deed of Foundation: 28 July 2020).

WALLIS AUTÓKÖLCSÖNZŐ Kft

- The audited annual report for the financial year ended 31 December 2019 in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- It extended the mandate of its auditor until 31 May 2021.

Wallis Adria d.o.o

- Its financial statements for the financial year ended 31 December 2019 have been approved.

Wallis Kerepesi Kft.

- The audited annual report for the financial year ended 31 December 2019 prepared in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- In its decision dated 26 June 2020, the Company stated that, based on the contract for in-kind contribution dated 26 March 2020, the Company acquired a business share representing 100% of the registered capital of Wallis Kerepesi Kft. on 26 June 2020, as a result of which it became the sole member of Wallis Kerepesi Kft. and Wallis Kerepesi Kft. was transformed into a single-member limited liability company. The Deed of Foundation was amended with respect to the changes. Date of amendment of the Deed of Foundation: 26 June 2020, date of registration: 31 July 2020, date of disclosure: 4 August 2020.

K85 Kft.

- The audited annual report for the financial year ended 31 December 2019 prepared in accordance with the provisions of the Hungarian Accounting Act and the auditor's report have been approved.

- In its decision dated 26 June 2020, the Company stated that, based on the contract for in-kind contribution dated 26 March 2020, the Company acquired a business share representing 100% of the registered capital of K85 Kft. on 26 June 2020, as a result of which it became the sole member of K85 Kft. and K85 Kft. was transformed into a single-member limited liability company. The Deed of Foundation was amended with respect to the changes. Date of amendment of the Deed of Foundation: 26 June 2020, date of registration: 31 July 2020, date of disclosure: 4 August 2020.

Statements of the Company as issuer

On behalf of AutoWallis Nyrt., we the undersigned, authorised signatories and representatives hereby declare that the Company assumes full responsibility for the fact that, to the best of our knowledge, the Flash Report published by AutoWallis Nyrt. for 2020 Q1-Q3 period was prepared in accordance with the applicable accounting standards, it gives a true and fair view of the income, financial position, profit and loss of the Company (issuer) and the companies included in the consolidation (AutoWallis Group), as well as the position, development and performance of the Company and the AutoWallis Group, describing the main risks and uncertainties for the remaining six months of the financial year.

Furthermore, the Company declares that the data of this Management Report have not been audited.

Budapest, 30 November 2020

on behalf of AutoWallis Nyrt.:

Gábor Ormosy	Gábor Székely
Member of the Board of Directors	Member of the Board of Directors

Consolidated Interim Financial Statements

AutoWallis

Public Limited Liability Company and it's consolidated subsidiareis in accordance with IAS 34

for the interim period ended on 30th September 2020

Table of content

Disclaimer!

This is the English translation of the Hungarian document. In the event of inconsistency or discrepancy between the Hungarian version and the English version of this document, the Hungarian language version shall prevail.

Abbreviations:

CBH	Central Bank of Hungary
EPS	Earnings per share
kHUF	thousand forints
MHUF	million forints
NCI	non-controlling interest

I. Consolidated statement of comprehensive income

Description	274 days ending on 30st September 2020 (not audited)	273 days ending on 30st September 2019 (not audited)
Revenue	62 630 613	56 326 365
Own performance capitalized	-	-
Material used	(1 865 107)	(1 805 471)
Services	(2 447 233)	(2 322 748)
Cost of goods sold	(55 006 283)	(48 891 567)
Personal type expenses	(1 596 975)	(1 275 502)
Depreciation	(1 046 498)	(853 677)
Profit of sales	***668 518***	***1 177 399***
Other income	2 544 088	1 623 290
Impairment and write off of non-financial assets	(35 088)	(65 521)
Other expenses	(2 421 449)	(1 066 594)
Other income and expenses	***87 552***	***491 175***
Operating profit	**756 070**	**1 668 573**
Interest income	5 120	12 528
Interest expenses	(156 658)	(81 765)
Lease expenses	(119 415)	(151 682)
Net gain or loss on currency translations	(544 809)	(196 452)
Other financial profit, net	2 000	-
Gain or loss on disposal of equity items	-	3 965
Impairment and expected credit loss of financial assets	(54 780)	(153 876)
Revaluation gain or loss of financial instruments	32 765	-
Profit on financial items	**(835 777)**	**(567 282)**
Profit before taxes	**(79 708)**	**1 101 291**
Taxation	(145 035)	(174 160)
Net profit	**(224 742)**	**927 131**
Other comprehensive gain or loss on translating subsidiaries	13 578	36 897
Total comprehensive income	**(211 164)**	**964 027**
of which attributable to the shareholders of the parent:	(213 449)	964 027
of which attributable to the non-controlling interest:	2 285	-

II. Consolidated statement of financial position (balance sheet)

	30th September 2020 (not audited)	31 December 2019 (audited)
Assets		
Non-current assets		
Property, plant and equipment	3 953 891	1 940 274
Assets held for operating leases	2 005 841	2 072 060
Right-of-use assets	3 778 119	3 797 811
Goodwill	543 610	515 034
Other intangible assets	57 613	50 038
Deferred tax assets	7 952	6 160
Investment in equity instruments	2 100	0
Investments in debt instruments	940	865
Associates	1 101 030	0
Non-current assets total:	**11 451 096**	**8 382 242**
Current assets	**0**	
Goods	16 480 544	14 137 468
Other inventories	0	413
Account receivables	5 143 863	3 812 609
Income tax receivables	221 037	85 501
Other receivables	4 154 797	3 674 346
Other financial assets	36 420	3 655
Cash and cash equivalents	4 394 458	1 890 714
Current assets total:	**30 431 120**	**23 604 706**
	0	0
Assets total	**41 882 216**	**31 986 948**
Equity and liabilities		
Issued capital (legal parent)	3 722 033	3 383 268
Share premium	1 928 699	0
Treasury shares	-748 700	0
Accumulated translation difference	32 685	19 107
Retained earnings	1 475 944	1 702 971
Equity attributable to the shareholder of the parent	**6 410 660**	**5 105 346**
Non-controlling interest	22 283	0
Equity:	**6 432 943**	**5 105 346**
Long term liabilities		
Debentures	3 041 934	0
Long term loans	998 024	309 593
Lease liabilities	3 839 758	3 999 961
Deferred tax liabilities	80 982	36 798
Provisions	28 510	8 856
Other long term liabilities	66 172	12 961
Long term liabilities:	**8 055 379**	**4 368 169**
Short term liabilities		
Short term loans	8 942 178	6 998 855
Lease liabilities	1 930 199	1 739 838
Advance payment received from customers	1 420 545	1 337 947
Account payables	13 425 864	11 230 619
Income tax payable	27 743	20 216
Provisions	96 021	9 704
Other short term liabilities	1 551 343	1 176 254
Short term liabilities:	**27 393 893**	**22 513 432**
Liabilities:	**35 449 272**	**26 881 602**
Equity and liabilities:	**41 882 216**	**31 986 948**

III. Consolidated statement of changes in equity

	Issued capital of the legal parent	Share premium	Treasury shares	Accumulated translation difference	Retained earnings	Equity attributable to the shareholder of the parents	Non-controlling interest	Total equity
1st January 2019.	**3 383 268**	**-**	**-**	**(15 554)**	**1 361 361**	**4 729 073**	**-**	**4 729 073**
Total comprehensive income for the first three quarter of 2019	-		-	36 897	927 131	964 027		964 027
Dividend declared by the legal parent (30th April)	-		-		(575 000)	(575 000)		(575 000)
30th September 2019	**3 383 268**	**-**	**-**	**21 342**	**1 713 492**	**5 118 100**	**-**	**5 118 100**
Total comprehensive income for the fourth quarter of 2019				(2 235)	(10 520)	(12 755)		(12 755)
31st December 2019.	**3 383 268**	**-**	**-**	**19 107**	**1 702 971**	**5 105 346**	**-**	**5 105 346**
Total comprehensive income for the first quarter of 2020				13 578	(227 028)	(213 450)	2 285	(211 164)
Acquisition of ICL Autó Kft.						-	19 998	19 998
Share issue	338 765	1 928 699				2 267 464		2 267 464
Repurchase of treasury shares			(748 700)			(748 700)		(748 700)
30th September 2020.	**3 722 033**	**1 928 699**	**(748 700)**	**32 685**	**1 475 943**	**6 410 660**	**22 283**	**6 432 943**

IV. Consolidated statement of cash flows

	274 days ending on 30st September 2020 (not audited)	273 days ending on 30st September 2019 (not audited)
Profit before taxes	**(79 708)**	**1 101 291**
Depreciation, amortization	1 046 498	853 677
Impairment and reversal of impairment	111 115	101 203
Recognition and derecognition of provision	86 669	4 236
Other non-cash items	(725 632)	137 841
Gain or loss sale of property, plant and equipment	(50 324)	(55 427)
	388 617	**2 142 821**
Changes in inventory	(1 160 503)	(1 013 197)
Changes in account receivables	(1 119 202)	(2 183 296)
Changes in other receivables	(447 744)	(1 473 474)
Changes in loan receivables and debt instruments	(32 765)	540 820
Changes in short term loans financing current assets	1 712 456	2 400 225
Changes in advances received from customers	37 990	68 328
Changes in account payables	1 558 081	5 355 625
Changes in other payables	288 568	(121 417)
Changes in the net current assets	**836 882**	**3 573 615**
Income taxes paid	(274 182)	(188 862)
Cash generated in operation	**951 316**	**5 527 575**
Acquisition of PPE and intangible assets	(1 113 602)	(2 331 188)
Proceeds from sale of PPE and intangible assets	1 593 455	1 074 712
Acquisition of subsidiary, net cash acquired	69 222	-
Proceeds from sale non-current financial assets	82 771	(35)
Proceeds from selling non-current financial assets	-	-
Cash generated from investing activities	**631 847**	**(1 256 511)**
Dividends paid	-	(575 000)
Loan taken	4 798 046	2 715 474
Loan paid back	(1 295 994)	(2 731 791)
Repurchase of treasury shares	(748 700)	-
Lease repayment	(1 831 919)	(2 269 864)
Proceeds from issue of new shares	-	-
Cash used in financing	**921 433**	**(2 861 181)**
Expected credit loss of cash and cash equivalents	(853)	306
Changes in cash and cash equivalents	**2 503 744**	**1 410 189**
Opening cash and cash equivalent balance	1 890 714	1 535 247
Closing cash and cash equivalent balance	**4 394 458**	**1 529 643**

V. The basis of the preparation of the financial statements

These interim financial statements were prepared in accordance with IAS 34 Interim financial statements, therefore they do not include all information required by IAS 1 Presentation of the financial statements. These interim financial statements should be read and interpreted together with the financial statements published for the year ending on 31st December 2019. (hereinafter: last full financial statements) and the previously published interim financial statements for 2020.

VI. Accounting policies and changing standards

The accounting policies used by the Group for the current period are identical for those used for the financial statements for the year ended on 31st December 2019, except the new accounting policies for measuring non-controlling interest and the new standards coming in force.

Neither of those changes had a material effect on the financial statements.

New accounting policy – non-controlling interest

The Group did not recognize non-controlling interest before the first quarter of 2020, due to the acquisition of ICL Auto Kft. The non-controlling interest will be measured at the proportion of the net asset of the subsidiary, no goodwill will be recognized on non-controlling interest. The losses shall be allocated to NCI even if it will become negative.

The Group started to have interest in an associated entity starting from the second quarter of 2020, therefore the Group prepares an accounting policy for those entities now. The investments in associates shall be presented separately in the consolidated financial statements (separate line in the balance sheet). Initially an associate will be measured at the larger of…

- consideration paid or transferred
- the proportionate fair value of the net assets of the associate.

The consideration paid or transferred will be measured the same way it is measured for subsidiaries. If the consideration paid or transferred exceeds the proportionate net assets the difference will be treated as goodwill but the goodwill will not be recognized separately but will remain together with the carrying amount of the associate. If the proportionate net asset value exceeds the consideration paid or transferred the difference will be credited to net profit as a bargain purchase.

The assets and liabilities of the associate will not be consolidated line-by-line but the value of the net asset will be shown as a one line item. At the end of each reporting period the share of profit of the associate and the share of profit in other comprehensive income will be recognized as an adjustment to the investment value. The dividend receivable from the associate will be presented as a deduction from the investment and not as an income.

It the associate and a group entity transacts with each other only the proportionate profit will be eliminated, unless this is not possible due to the lack of information (in latter case the Group prepares estimations, if possible and reasonable).

Restatements of previous periods

The Group identified an error that is connected to the transition to IFRS of one of the legal subsidiaries. Under Hungarian GAAP the effect of assumed liabilities on the net profit is deferred and will only be included in the income statement as the actual cash flow happens. IFRSs do not allow such deferral, so the related asset balance should have been removed on the transition. This was not removed, therefore the Group presented this adjustment as a correction of prior period error – in this financial statement. The adjustment directly decreased the retained earnings and will not affect the net profit for the presented periods nor the cash flow. The explanation of this error is detailed in the financial statements issued for the year ending on 31st December 2019. (This error had effect on the 2019 figures, no effects whatsoever on the 2020 numbers.)

Furthermore, the Group changed certain accounting policies and some presentation decisions which led the retrospective adjustments. The explanation of this restatement is detailed in the financial statements issued for the year ending on 31st December 2019.

New accounting policies – changes in the standards

The following new or amended standards were issued by the International Financial Standard Board or the International Financial Standard Interpretation Committee which were coming to force on 1st January 2020:

- IFRS 3 Business combinations modification;
- IAS 1 Presentation of financial statements and IAS 8 Accounting policies, accounting estimates and errors;
- Modifications of IFRS 7, IFRS 9 and IAS 39 due to the IBOR reform;
- The modifications of the Conceptional Framework;
- The definition of the materiality and it's consequences.

The Group applied the IFRS 16 standard retrospectively the date of the transition was 1st January 2018.

IFRS 16 Leases

The standard becoming effective on 1st January 2019 changes the definition of lease and it will change the accounting treatment of leases for the lessee. Under the new regulation a contract is or contains a lease if for an agreed period the lessor transfers substantially all the rewards for an underlying asset and the lessee will be able to make all relevant decision for with the underlying asset.
The lessee shall recognize all lease – expect those exceptions stated in the standard – as a right of use asset together with the corresponding liability.

The Group applies the practical expedient allowed in the standard for recognition. The Group considers leases with the lease term less than a year being short term leases and leases with the underlying asset's value less than 1,5 million forint when new being low value assets.

A lease is short term if – when considering all extension options – the lease term will not go above 12 months. For short term leases the Group bases the analysis and for leases cancellable in a short notice (unless the usage of the asset over the 1-year period is not backed up by other circumstances) the Group applies the short term lease exception.

The Group has very material lease agreements (leased buildings and vehicles previously classified as operating leases), so the Group elected to adopt IFRS 16 using the full retrospective approach [IFRS 16 C5a] which requires the restatement of the comparative figures. The Group used the implicit borrowing rates for the vehicles since it was readily available from the financing institution, however for the real estates an incremental borrowing rate was used.

The Group presents the right of use assets as a separate line item in the statement of financial position.

The effect of the adaption is very material, both assets and liabilities will increase materially.

Information in other documents

IAS 34 permits to disclose required information in communications other than the interim financial statements if it makes it available to the general public and if it appropriately crosses references the information. The Group elects to use this simplification since unneeded repetation may be avoided using the method and the Group is convinced that it will enhance clarity.

VII. Changes in the group structure in the third quarter of 2020

The following material change took place in the third quarter of 2020.

Acquired entities

VCT Ingatlanhasznosító Korlátolt Felelősségű Társaság

The Group acquired 100% of the share capital of the above entity. The acquisition took place based on the following amounts:

VCT78 Kft.		**tHUF**
Cost of control paid		100 000
Issued capital	19 200	
Share premium	70 300	
Retained earnings	(61 658)	
Fair value differences	193 152	
Tax effect of the fair value differences	(17 384)	
Fair value of the net assets acquired		(203 610)
Negative goodwill (credited to net profit)		**(103 610)**

The fair value difference was due to the revaluation of the real estate held by the newly acquired entity. The negative goodwill – based on IFRS 3 – was credited to the net profit.

In the previous interim period several changes happened in the group structure. Those are explained in the relevant interim report.

VIII. Presentation of the interim financial statements, fair value disclosures and selected explanatory information

The financial statements for the period are presented in the same structure as in the last annual financial statements, the statements are not condensed. The segment report was prepared in identical structure with the yearend report. A selected explanatory note is prepared when the Group concludes that the information is regarding a material transaction or IAS 34 explicitly requires the disclosure.

IAS 34 requires disclosing information about the measurement of fair values. The Group does not have any material balances that was required to be measured at fair value. The only item is a derivative coming from a FOREX transaction which is measured as level 3. In the disclosures all other fair value disclosers are at level 3, unless otherwise stated.

The full-time equivalent headcount of the group is 435,8 person in the reported period, in the last comparative period it was 306.

The EPS of the group – based on net profit – is the following:

	First three quarters of 2020	First three quarters of 2019
Shares issued by the legal parent	(213 449)	964 027
All shares in circulation	297 762 626	270 661 400
EPS (basic, kHUF/share)	**(0,72)**	**3,56**
EPS (diluted, kHUF/share)	**(0,72)**	**3,56**

*When calculating EPS – since the preference shares were converted to ordinary shares without the inflow of additional capital – the number of shares used for the calculation was retrospectively adjusted (IAS 33.64).

The activity of the Group is partially seasonal. The turnover in vehicle trading is usually show higher activity in the III. and IV. quarter. Thus, the performance of the Group is expected to be bigger in the second half of the year.

IX. Operating segments

The operating segments were presented based on the performance evaluation logic of the management. The segmenting is based on the business plans and they can be separated from each other. The are no material intersegment transactions. The management of the group identified the following segments:

- international distribution
- domestic distribution and wholesale and direct sales
- automotive services

The segment revenue, segment cost of goods sold, and segment profit calculation is the following for the reported period:

	Internatinal distribution segment	Domestic distribution segment	Automotive industry services	Total
Segment revenue of the first nine months of 2020	26 343 041	31 260 441	5 027 131	**62 630 613**
Segment revenue of the first nine months of 2019	23 691 329	26 623 635	6 011 400	**56 326 365**

First nine months of 2020	Internatinal distribution segment	Domestic distribution segment	Automotive industry services	Total
Segment revenue	26 343 041	31 260 441	5 027 131	62 630 613
Segment expenses	(23 682 705)	(27 688 006)	(3 635 572)	(55 006 283)
Segment profit before taxes	**2 660 336**	**3 572 435**	**1 391 559**	**7 624 330**
Profit not allocated to segments	2 667 610	3 596 251	1 440 178	7 704 038
Profit before taxes	**(7 274)**	**(23 816)**	**(48 619)**	**(79 708)**

The values for the comparative period:

First nine months of 2019	Internatinal distribution segment	Domestic distribution segment	Automotive industry services	Total
Segment revenue	23 691 329	26 623 635	6 011 400	56 326 365
Segment expenses	(21 141 275)	(23 355 266)	(4 395 026)	(48 891 567)
Segment profit before taxes	**2 550 054**	**3 268 369**	**1 616 375**	**7 434 798**
Profit not allocated to segments	1 958 608	3 150 150	1 224 749	6 333 506
Profit before taxes	**591 446**	**118 220**	**391 626**	**1 101 291**

X. Significant events in the reported period (2020 third quarter) and their effect on the financial statements

The events of the reported period are detailed in the management commentary section. The significant events in the past period – together with their effect on the financial statements – are the following:

- During the period, the legal Parent acquired 100% of the share capital of VTC Kft. The acquisition is described in detail in Chapter VII.
- During the period, a criminal proceeding is still in progress which is in connection with the embezzlement of the inventory of certain subsidiaries. There are no material advances for the case in the period.

The further discussion of these events is presented in the management commentary. Furthermore, the Group discloses the corporate events separately, so those are omitted in this document.

XI. Events after the end of the interim reporting period, significant ongoing matters

The events of the reported period are detailed in the management commentary section. The significant events in the past period – together with their effect on the financial statements – are the following:

- The parent established a new subsidiary called WAE CEE Kft. The parent holds 100% of the share capital.

- The WallisMotor Ljubljana subsidiary entered into a long-term rental contract for a commercial property.
- WallisMotor Ljubljana concluded the takeover of the biggest BMW dealership trough the WallisMotor Ljubljana subsidiary.
- The relevant authority approved the deal where the Parent will take over the controlling stake in Inicial Autóház Kft, which as strong positions in West-Hungary and which trades and services seven automobile brands.
- The relevant authority in Slovenia approved the preliminary agreement which may lead to the takeover of Avto Aktiv d.o.o. If the closing conditions are fulfilled, the Group could obtain the control over the entity which trades and services BMW, MINI, Land Rover, Toyota and Suzuki brands in four big cities.

XII. Disclosure related to the Covid19 pandemic

The corona virus pandemic changed the social and economic environment substantially in 2020. The Group were able to deal with challenges of the first wave of the pandemic appropriately and also got ready for the challenges of the second wave. The cost cutting actions contributed to the desired level of stability, but also provided opportunities to further development and additional businesses.

During November 2020, the Group considered the effects of the current situation and analysed how it will be affecting the economy and society. Also, the Group finalized its operating plan for 2021 where the Covid19 effects were included.

The management of the Group still believes that the positioning of AutoWallis Nyrt. is appropriate and its financial performance is adequate, which was also underpinned by the favourable rating modification of Scope Rating in November 2020 (B+ rating with positive outlook). The going concern of the Group is continuously maintained and the management of the Group does not expect any material decline in the activities.

XIII. Selected information from the separate financial statement of the legal parent (AutoWallis Nyrt.)

The Group – due to its certain legal requirements – publishes selected information from the separate financial statements of the legal parent. The following information was extracted from the separate statement of comprehensive income (kHUF):

	274 days ending on 30st September 2020 (not audited)	**273 days ending on 30st September 2019 (not audited)**
Revenues	-	-
Net profit	1 025 956	732 082
Total comprehensive profit	1 025 956	732 082

Selected information from the separate balance sheet of the legal parent (kHUF)

	30 September 2020 (not audited)	31 December 2019 (audited)
Non current assets	21 082 691	15 725 616
Current assets	1 070 020	592 280
	22 152 711	**16 317 895**
Issued captial	3 722 033	3 383 268
Share premium	15 086 583	13 157 884
Treasury shares	(748 700)	-
Retained earnings	948 232	(239 396)
Owners equity:	**19 008 147**	**16 301 755**
Long term liabillities	3 084 549	-
Short term liabilities	60 014	16 140
Liabilities:	3 144 564	16 140
	22 152 711	**16 317 895**

XIV. Authorization to issue the financial statements, other statements of the issuer

These interim financial statements were discussed and authorized for issue on the 27th November 2020 by the Board of Management.

The Company declares that its consolidated Interim Financial Statements for the period ending on 30th September 2020 were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union, based on the Company's best knowledge, providing a true and fair view of the assets, liabilities, financial situation as well as of the profit and loss of the Company as an issuer and of its consolidated subsidiaries. The Company also declares that its consolidated Interim Financial Statements for the period ending on 30th September 2020 provides a fair view of the situation, development and performance of the issuer and the enterprises included in the consolidation, outlining the main risks and uncertainties likely to arise in the rest of the financial year.

The Company declares that the data in this interim financial statement have not been audited by an independent auditor.

at Budapest, on 30th November 2020.

ORMOSY, Gábor	SZÉKELY, Gábor
CEO, member of the board	member of the board

representing the Borad of Directors of AutoWallis Nyrt.