

REPORT
of the Audit Committee
of ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság
on the financial statements of the Company for 2020

The Audit Committee has been operating at the Company since September 6, 2010.

The members of the Audit Committee:

- **István Bakács**, Chairman, energy expert
- **Dr. István Borbíró**, attorney-at-law
- **Dr. János Lukács**, chartered auditor

The Audit Committee performed its activity in 2020 in accordance with the provisions of Act V of 2013 on the Civil Code of Hungary, the Articles of Association of the Company and the Rules of Procedure of the Audit Committee. On account of the COVID-19-related pandemic situation, the Committee held only one in-person meeting in 2020, back in January. Afterwards, its decisions were adopted either in writing (on two occasions) or at conference meetings without in-person attendance (on three occasions). No doubt regarding the independence of the members and no conflict of interest arose during the operation of the Audit Committee; the members attending the meeting of the Audit Committee expressly confirmed their independence by adopting the resolution of the Committee dated March 26, 2021.

The Audit Committee establishes that in 2020 no non-audit services (as defined in Regulation (EU) No 537/2014 of the European Parliament and of the Council) were provided to the to the Company and its subsidiaries by BDO Magyarország Könyvvizsgáló Kft. as the Company's auditor engaged to perform the audit of the annual financial statements of the Company or other companies belonging to the network of the auditor.

The Audit Committee examined the proposals underlying its resolutions adopted on March 26, 2021, and taking into account the report of the Company's auditor, it approved and accepted the Company's separate financial statement (with a comprehensive income of HUF 266,918 thousand and with assets in total of HUF 27,632,775 thousand) and business (annual) report for the business year ending on December 31, 2020, as well as the report of the Board of Directors, furthermore, the Company's and its subsidiaries' consolidated financial statement for the fiscal year ending on December 31, 2020 (with a comprehensive income of HUF 2,704,833 thousand and with assets in total of HUF 4,884,360 thousand), business (annual) report, as well as the report of the Board of Directors, in a resolution adopted unanimously by its members.

The Audit Committee declares that the statements are in compliance with the applicable legal requirements and give a true and correct view of the Company's management, and therefore it proposes their acceptance by the General Meeting.

With a view to the fact that in 2020 the Company's Board of Directors, acting within the competence of the General Meeting and based on the recommendation of the Audit Committee, elected BDO Magyarország Könyvvizsgáló Kft. as the Company's permanent auditor for the fiscal year commencing on April 30, 2020 and ending on the day on which the General Meeting's resolution is adopted on the approval of the financial statements for the fiscal year ending on December 31, 2022, but until no later than May 31, 2023, therefore the Audit Committee is not required to submit any proposal as to the identity of the permanent auditor this year.

Budapest, March 26, 2021

Yours sincerely,

István Zsigmond Bakács
Chairman of the Audit Committee



Disclaimer: All information contained within this article is for information purposes only, and shall not be considered an official translation of the official communication referred to herein. This document does not include the integral wording of the official communication referred to herein, the original Hungarian language version of it remains to be the solely legally binding material in the subject matter. For further information, please do not hesitate to contact us.