ALTEO NYRT.

INVESTOR PRESENTATION – ALTEO Group

Q1 2022

(non-audited financial results)

NON-AUDITED FINANCIAL INCOME Q1 2022

This information was not compiled on the basis of international accounting standard IAS 34 – Interim Financial Reporting; the information herein are non-audited in terms of Q1 2022 results, and have not been verified by an independent auditor.

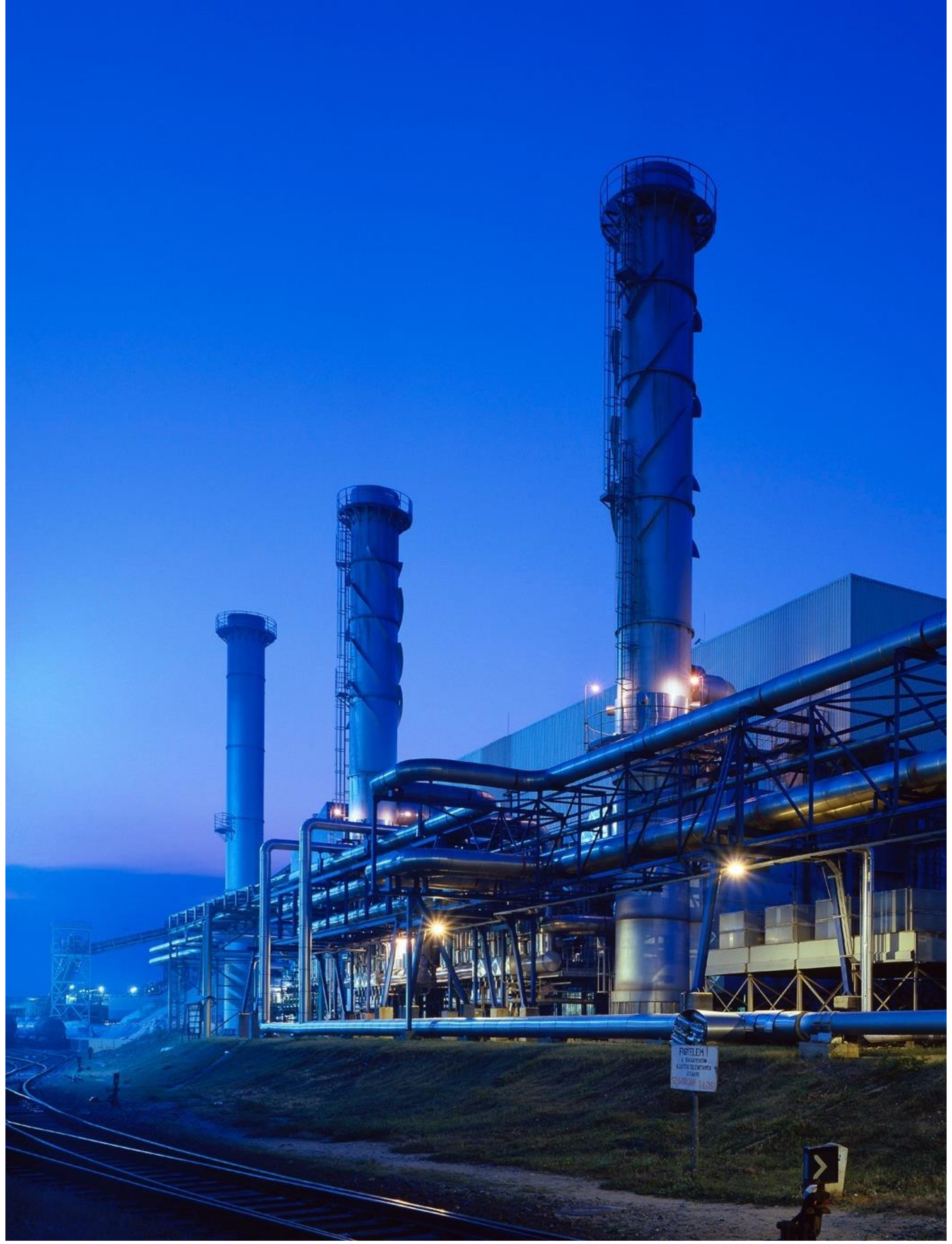
This presentation is for advance information purposes only.

THE MOST IMPORTANT EVENTS AND RESULTS OF Q1 2022

- **ALTEO posted the highest quarterly profit in its history** in Q1 2022. The outstanding rise in profits in the recent period confirms the success and effectiveness of the strategy (presented at the end of 2019 and updated at the start of 2022), and the implementation of the same in which, in addition to business aspects, environmental and social sustainability also play a key role.
- In addition to the price increase already observed at the end of 2021, the impact of the war has been significant in the energy market in Q1 2022. At the same time, ALTEO's profitability **has not been hampered so far** by the energy market shocks triggered by the war, which were reflected mainly in high prices and unprecedented market volatility. ALTEO's structure, market size, responsiveness and outstanding team of professionals have enabled it to use this period to actively seize opportunities to improve its own performance, rather than to lose profitability. ALTEO's current profitability exceeds the upper band of the median EBITDA range presented at the beginning of 2022.
  - **CONSOLIDATED EBITDA WAS CLOSE TO HUF 4.6 BILLION, INCREASING BY 101%** year-on-year, primarily (i) on account of the remarkable profitability of the Virtual Power Plant controlling heat and electricity generation, which was positively supported by an outstanding record result in the Retail segment, as well as the stable and good performance of our renewable power plants, supported by favorable weather conditions in Q1 (especially for our wind power plants).
  - **CONSOLIDATED NET PROFIT WAS HUF 2.8 BILLION, ANOTHER RECORD IN ALTEO'S HISTORY, SHOWING A 202% INCREASE** over the same period last year.
  - The pandemic caused a slight deceleration in respect of the launched business lines of **WASTE MANAGEMENT, E-MOBILITY** and **RENEWABLE PRODUCTION MANAGEMENT**, which still had an impact in the first quarter of 2022. The increase in balancing energy prices has entailed challenges for the Renewable Production Management business, but has not had significant negative impact.

THE MOST IMPORTANT EVENTS AND RESULTS OF Q1 2022

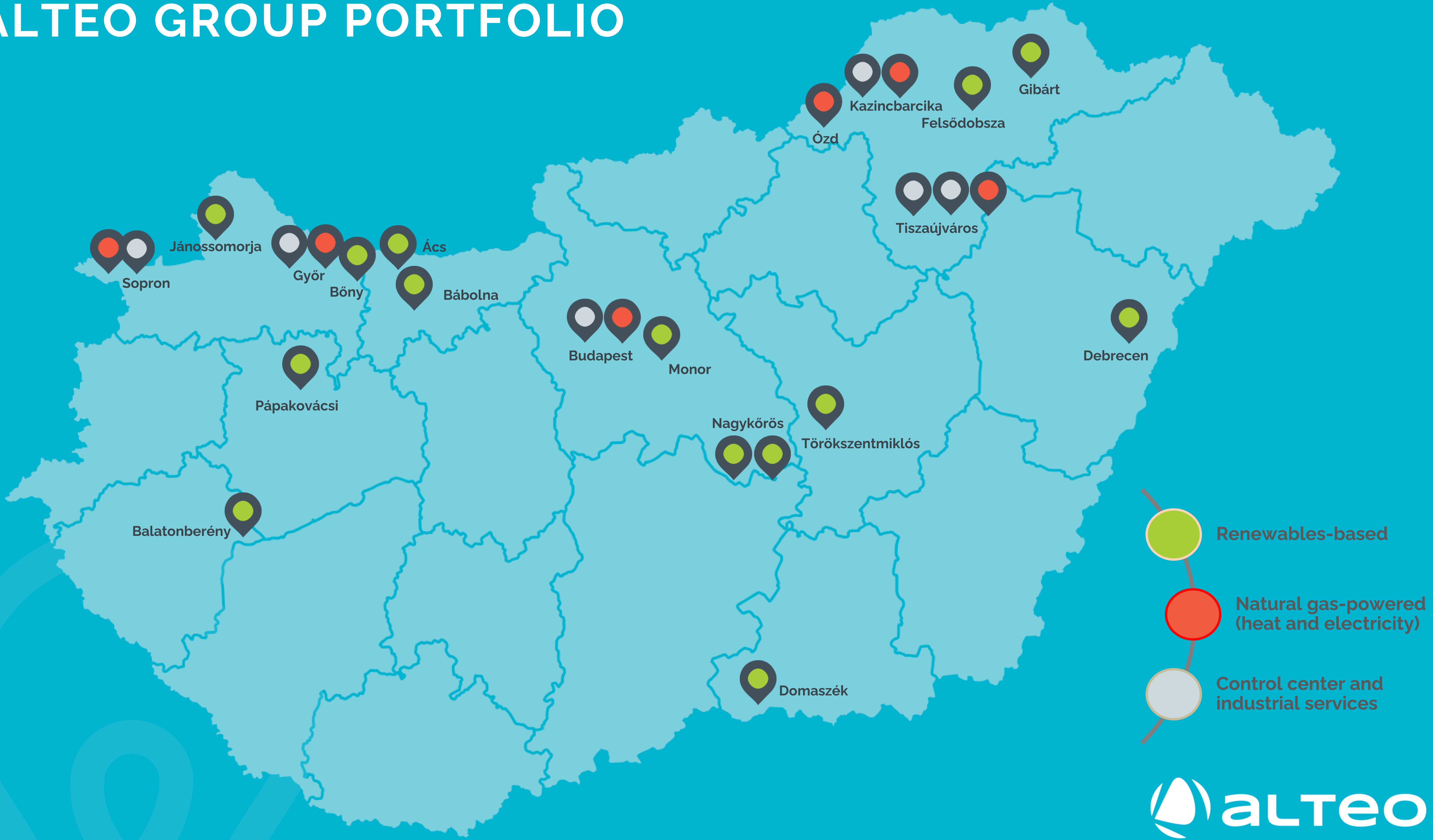
- On 01/04/2022, ALTEO **EXTENDED ITS OPERATION AND MAINTENANCE CONTRACT** by 15 years with one of its key operating partners, BC Power Plant, owned by BorsodChem Zrt.
- On 1/10/2022, the Company repaid its ALTEO 2022/I bond package of HUF 650 million total face value.
- **THE OUTSTANDING PROFITS IN RECENT YEARS** and the success of the investments implemented necessitated the **REVISION** of ALTEO's **STRATEGIC OBJECTIVES** communicated in 2019, the revised objectives and strategy were published by the Company on 1/17/2022 and raised the strategic targets of ALTEO.
- On 2/2/2022**, ALTEO BECAME THE FIRST COMPANY IN THE HUNGARIAN ENERGY SECTOR TO OBTAIN AN INDEPENDENT INTERNATIONAL ESG CERTIFICATE**, where its result was better than the industry average. Sustainability remains a strategic priority for the Company.
- In 2021**, ALTEO WAS SUCCESSFUL IN THREE CATEGORIES** at the **BEST OF BSE AWARDS**, one of the most prestigious events of the Budapest Stock Exchange. ALTEO shared the title of Issuer of the Year with the highest share price increase in the premium category, and also won the Responsibility, Sustainability, Corporate Governance Award and the Issuer Transparency Midcap Award.



EVENTS AFTER THE CLOSING OF THE STATEMENT OF FINANCIAL POSITION

- ALTEO has simultaneously launched several employee share ownership programs, with the primary objective of increasing the financial motivation of existing human resources through strengthening the ownership approach to promote the Company's profitability.
- After a very successful year in 2021, ALTEO's General Meeting decided to pay a record dividend of close to HUF 2 billion, which is expected to be paid on 6/27/2022.

ALTEO GROUP PORTFOLIO



ALTEO GROUP PORTFOLIO

RENEWABLE ENERGY PRODUCTION

ALTEO Group has significant competences, among others, in exploiting renewable energy sources.

WIND FARMS
- Ács
- Bábolna
- Bőny
- Jánossomorja
- Pápakovácsi
- Törökszentmiklós

RENEWABLE GAS
- Debrecen – landfill gas
- Nagykőrös – biogas, operation

HYDROPOWER PLANTS
- Felsődobsza
- Gibárt

SOLAR POWER PLANTS
- Domaszék
- Monor
- Balatonberény
- Nagykőrös

INDUSTRIAL AND COMMERCIAL SERVICES

ALTEO Group facilitates the efficient energy management of its consumers through the services provided to industrial facilities.

BORSODCHEM
- BC Power Plant – operation

MOL Petrolkémia
- TVK Power Plant – operation
- Tisza-WTP – treated water service

Heineken Soproni Sörgyár
- heat supply service

GAS ENGINE AND HEATING POWER PLANTS, ENERGY STORAGE FACILITIES

ALTEO Group operates high-efficiency, combined heat and electricity (cogeneration) plants and energy storage facilities.

HEATING POWER PLANTS
- Ózd Power Plant
- Tiszaújváros Heating Power Plant
- Kazincbarcika Heating Power Plant
- Füredi út Gas-Engine Block Power Plant
- Győr Power Plant
- Sopron Power Plant

ELECTRICITY STORAGE FACILITIES
- Füredi út Storage Facility
- Kazincbarcika Storage Facility

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

Consolidated Statement of Profit or Loss				
	Q1 2022	Q1 2021	Change HUF million	Change %
data in HUF million	non-audited	non-audited	over previous year	over previous year
Revenues	**19 066**	**9 484**	**9 582**	***101%***
Capitalized own production	75	60	16	*(26%)*
Material expenses	(12 476)	(5 935)	(6 541)	*110%*
Personnel expenses	(1 115)	(890)	(225)	*25%*
Depreciation and amortization	(956)	(858)	(98)	*11%*
Other revenues, expenditures, net	(934)	(416)	(518)	*125%*
Impairment loss		-	-	*N/A*
Operating profit or loss	**3 660**	**1 445**	**2 216**	***153%***
Net financial income	(330)	(253)	(77)	*30%*
Profit or loss before taxes	**3 331**	**1 191**	**2 139**	***180%***
Income tax expenditure	(530)	(264)	(266)	*101%*
Net profit or loss	**2 801**	**927**	**1 873**	***202%***
Of which the owners of the Parent Company are entitled to:	*2 799*	*924*	*1 875*	*203%*
Of which the minority interest is entitled to:	*2*	3	(1)	*(42%)*
Base EPS (HUF/share)	**144,42**	**49,58**	**94,84**	***191%***
Diluted EPS (HUF/share)	**144,38**	**47,68**	**96,70**	***203%***
EBITDA*	**4 616**	**2 302**	**2 314**	***101%***

Consolidated Comprehensive Statement of Profit or Loss

Net profit or loss	**2 801**	**927**	**1 873**	***202%***
Other comprehensive income (after taxes on profits)	**3 458**	**448**	**3 010**	***672%***
Comprehensive income	**6 258**	**1 375**	**4 883**	***355%***
Of which the owners of the Parent Company are entitled to:	6 257	1 372	4 885	*356%*
Of which the minority interest is entitled to:	2	3	(1)	*(73%)*

**In the opinion of the Company, the profit category that can most reliably be used to measure the profitability of the Group is EBITDA (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed). Therefore, impairment and local business taxes and innovation contributions – if any – have been removed from the Other Revenues and Other Expenditures lines that are used to provide a more detailed elaboration of the EBITDA in the above table.*

With a sales revenue increase of HUF 9,582 million, EBITDA shows a 101% rise over the preceding year.

Most important changes in operating profit and loss items:

- **SALES REVENUE INCREASE**: The substantial increase was primarily the result of rising energy market prices, significantly growing revenues by the ALTEO Virtual Power Plant, the dynamic development of the Retail segment and the weather impact on the weather-dependent portfolio.
- **INCREASE IN MATERIAL-TYPE EXPENDITURES:** Increased energy prices also have an impact here, but at the same time, part of the sales revenue growth in the Heat and Electricity Generation segment was realized in activities with non-significant material costs, such as capacity market services.
- **DEPRECIATION**: increased by 11% relating to investment projects concluded.
- **OTHER REVENUES, EXPENDITURES:** Other expenditures increased due to the increase in the world market price of CO_2 quotas and the liability arising from the introduction of the Energy Efficiency Obligation Scheme to be recognized in the Retail segment.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

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- **FINANCIAL INCOME:** Compared to the base period, the Company recognized a negative profit from exchange rate movements due to unusual exchange rate fluctuations.
- **INCOME TAXES:** In line with the significantly increased profit, the amount of taxes paid also rose substantially, somewhat mitigated by the profit-improving effect of the Deferred Taxes to be recognized under IFRS in 2022.
- **NET PROFIT** increased by **HUF 1,873 million** (202%) compared to the base period. The growth was mainly the result of operating profit.
- **OTHER COMPREHENSIVE INCOME:** ALTEO enters into hedging transactions in order to secure the purchase price of raw materials and, thereby, the profit content on heat and electricity sold at fixed prices, and to fix the interest rates on loans. Other comprehensive income includes the result of changes in the fair value of transactions – as financial instruments – that hedge the price of gas used to produce electricity at the time of setting the official heat prices and/or sold at fixed forward prices, the EUR/HUF exchange rate and interest rate changes, until the real transaction is closed. The values shown on this line are not indicative of future trends in profit or loss.

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CONSOLIDATED BALANCE SHEET (IFRS)

Consolidated Statement of Financial Position	3.31.2022 non-audited	12.31.2021 audited	Change HUF million over previous year	Change % over previous year
data in HUF million				
Non-current assets	**31 096**	**31 371**	**(275)**	**(1%)**
Current assets	**35 077**	**29 390**	**5 687**	**19%**
of which financial assets	*4 039*	*3 679*	*360*	*10%*
TOTAL ASSETS	**66 173**	**60 761**	**5 412**	**9%**
Equity	**25 030**	**19 009**	**6 020**	**32%**
of which OCI	*8 764*	*5 306*	3 458	*65%*
Long-term liabilities	**24 587**	**24 491**	**97**	**0%**
of which credit, loans, bonds, leasing	*20 794*	*20 929*	*(135)*	*(1%)*
Short-term liabilities	**16 556**	**17 261**	**(705)**	**(4%)**
of which credit, loans, bonds, leasing	*2 343*	*2 970*	*(627)*	*(21%)*
TOTAL EQUITY and LIABILITIES	**66 173**	**60 761**	**5 412**	**9%**

- **CAPITAL EXPENDITURES, INVESTMENTS** are lower than in previous periods, with no significant investments or acquisitions made in the given period. As a result of the market situation, the level of long-term deposits has increased compared to the preceding period, which compensated for the decrease caused by the amortization of non-current assets. Several projects of a medium scale, which are expected to increase the profitability of the existing asset inventory, are currently in progress.
- **CURRENT ASSETS change** was primarily impacted by increased energy prices and trade receivables and payables resulting from significantly increased earnings, as well as the receivables and liabilities related to hedging transactions (recognized as OCI in equity).
- **EQUITY CAPITAL** change was due to the increased profit for the year and the increased value of other comprehensive income.
- **LONG-TERM LIABILITIES, SHORT-TERM LOANS** portfolio was adjusted by general loan repayments and the company met its payment obligation under the HUF 650 million face value zero-coupon bond named 2022/I.

HEAT AND ELECTRICITY PRODUCTION (MARKET RATE, NON-SUBSIDIZED)

Heat and electricity generation (market rate, outside the KÁT system)				
data in HUF million	3.31.2022 non-audited	3.31.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	**12 591**	**4 419**	**8 171**	**185%**
Capitalized own production	28	26	2	8%
Material expenses	(8 395)	(2 578)	(5 818)	226%
Personnel expenses	(276)	(180)	(96)	53%
Other revenues and Other expenditures	(864)	(480)	(384)	80%
EBITDA*	**3 083**	**1 208**	**1 876**	**155%**
Allocated administrative expenses	(144)	(105)	(39)	37%
EBITDA II*	**2 939**	**1 103**	**1 837**	**167%**

**EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).*

- The segment's sales revenue rose by 185% (HUF 8.2 billion).
- **CAPACITY SALES REVENUE AND REGULATORY REVENUE INCREASED SIGNIFICANTLY** relative to the comparative period, for the most part due to the exploitation of the opportunities afforded by the up/down movement of capacity prices and the rise in balancing prices observed from Q2 2021. This was coupled with an overall spark spread (specific margin available from electricity generation generated with gas engines) currently available in the market and higher than last year. As a result, **EBITDA II increased by HUF 1.8 billion (+167%)**. Despite the rise in balancing energy prices, the Renewable Production Management services segment – launched at the end of 2020 – also performed in line with expectations. It is questionable whether the significantly high price levels would reoccur or be maintained.
- The increase in **MATERIAL EXPENSES** was primarily due to increased gas costs. The segment's outstanding sales revenue is typically driven by growth in high margin (capacity and regulatory market) activities and, as such, the increase in material expenses is lower than the rise in sales revenue. Higher other expenditures are typically the result of the increased CO_2 quota price.

ELECTRICITY PRODUCTION (WITHIN THE SUBSIDIZED SYSTEM)

Electricity production (within the subsidized system)				
data in HUF million	**3.31.2022 non-audited**	**3.31.2021 comparison****	**Change HUF million over previous year**	**Change % over previous year**
Revenue	**1 654**	**1 277**	**378**	**30%**
Capitalized own production	-	-	-	n.a.
Material expenses	(170)	(136)	(33)	24%
Personnel expenses	(50)	(44)	(6)	13%
Other revenues and Other expenditures	(38)	15	(53)	(353%)
EBITDA*	**1 397**	**1 111**	**286**	**26%**
Allocated administrative expenses	(38)	(22)	(16)	73%
EBITDA II*	**1 360**	**1 090**	**270**	**25%**

**EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).*

- The capacity of ALTEO's power plant portfolio utilizing renewable sources of energy now exceeds 70 MW.
- The segment's **EBITDA II INCREASED BY HUF 270 MILLION (39%)**, primarily due to windier weather than in the comparative period. This is mitigated by lower hydropower plant production due to lower water yields caused by the drought period.
- The profit/loss of the other plants in the segment producing within the subsidized system (solar power plants, landfill gas) overall matched the figures for the previous year.
- As of June 30, 2022, the production opportunities within the subsidized system (KÁT) will expire for several of the power plants in ALTEO's renewable portfolio. Given the current electricity prices in the market, this will not lead to a drop in ALTEO's profitability, and ALTEO's virtual power plant and its experts are prepared for the transition.

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ENERGY SERVICES

Energy services				
data in HUF million	3.31.2022 non-audited	3.31.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	**850**	**687**	**163**	**24%**
Capitalized own production	47	34	14	41%
Material expenses	(355)	(218)	(138)	63%
Personnel expenses	(374)	(305)	(69)	23%
Other revenues and Other expenditures	2	29	(26)	(92%)
EBITDA*	**170**	**227**	**(57)**	**(25%)**
Allocated administrative expenses	(158)	(158)	1	(1%)
EBITDA II*	**12**	**68**	**(56)**	**(82%)**

**EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).*

- This year, the segment realized an EBITDA II value of HUF 12 million.
- The moderate value can also be explained with the higher allocated administrative costs, relative to profit generation capacity, relating to the launch and ramping-up of newly introduced business lines.
- The consolidated profit generated from **operation and maintenance services for third parties (MOL, Borsodchem, LEGO, Főtáv, Siemens) CORRESPONDS TO THE PROFIT ACHIEVED IN THE COMPARATIVE PERIOD**.
- In Q1 2021, the profitability of the Business and Project Development Division was boosted by the service life extension investment project implemented at the TVK power plant. In Q1 2022, the focus will continue to shift to internal construction works, boosting profits in other business lines.
- As far as the two new business lines, the WASTE MANAGEMENT BUSINESS market is characterized by a prolonged Covid effect, meaning that although it did not achieve a significant increase compared to the comparative period, ALTEO's management sees outstanding potential in the business line.
  The E-MOBILITY business has a profit-generation capacity corresponding to the expectations.

RETAIL ENERGY TRADE

Retail energy trade				
data in HUF million	3.31.2022 non-audited	3.31.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	**6 179**	**3 819**	**2 359**	**62%**
Capitalized own production	-	-	-	n.a.
Material expenses	(5 590)	(3 561)	(2 029)	57%
Personnel expenses	(28)	(23)	(5)	23%
Other revenues and Other expenditures	(19)	21	(40)	(191%)
EBITDA*	**542**	**257**	**285**	**111%**
Allocated administrative expenses	(25)	(33)	7	(23%)
EBITDA II*	**517**	**224**	**293**	**131%**

**EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).*

- The segment's **DYNAMIC SALES REVENUE GROWTH** is mainly the result of significantly higher energy prices compared to the same period last year. This effect is mitigated by the fact that, for risk management reasons, the segment did not extend contracts with lower margins but riskier customers, and has cleared up its portfolio.
- The **ELECTRICITY TRADE MARGIN SHOWS A HUF 212 BILLION INCREASE** compared to the preceding year. The positive effect is primarily due to higher margin resulting from increased electricity prices. Profitability is further enhanced by the fact that ALTEO's ability to react quickly due to its dynamic and flexible operations has allowed the business line to use the volatility of the period to generate non-standard profits, and that the electricity booked, but unused by customers could be sold at high SPOT prices.
- The **GAS TRADE BUSINESS LINE** realized a **SURPLUS MARGIN OF HUF 106 MILLION** year-on-year, mainly due to higher specific margin resulting from the drop of supply competition.

OTHER ACTIVITIES NOT ASSIGNED TO SEGMENTS

Other segments

data in HUF million	3.31.2022 non-audited	3.31.2021 comparison**	Change HUF million over previous year	Change % over previous year
Revenue	**0**	**0**	**0**	**19%**
Capitalized own production	-	-	-	n.a.
Material expenses	(46)	(34)	(13)	38%
Personnel expenses	(150)	(147)	(2)	2%
Other revenues and Other expenditures	(16)	(1)	(15)	1 402%
EBITDA*	**(212)**	**(182)**	**(30)**	**16%**

**EBITDA: In the opinion of the Company's management, this is the profit category that can most reliably be used to measure the profitability of the Group (a profit category from which financial items, taxes, depreciation, and non-systematic reductions – typically impairments – have been removed).*

- The segment shows costs primarily related to strategic growth and stock exchange presence that are not linked to various segments, but rather the Group as a whole, and as such are not part of distributed administrative expenses.
- The increase relative to the comparative period was primarily caused by the support provided to UNICEF as a result of the war in Ukraine, and by the general cost increase corresponding to the Group's growth.

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THANK YOU FOR YOUR ATTENTION!

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