ALTEO NYRT.

INVESTOR PRESENTATION – ALTEO Group

2022

(non-audited financial income)

NON-AUDITED FINANCIAL INCOME 2022

This information was not compiled on the basis of international accounting standard IAS 34 – Interim Financial Reporting; the information contained in them are non-audited in terms of 2022 results, and have not been audited by an independent auditor. This presentation is for advance information purposes only.

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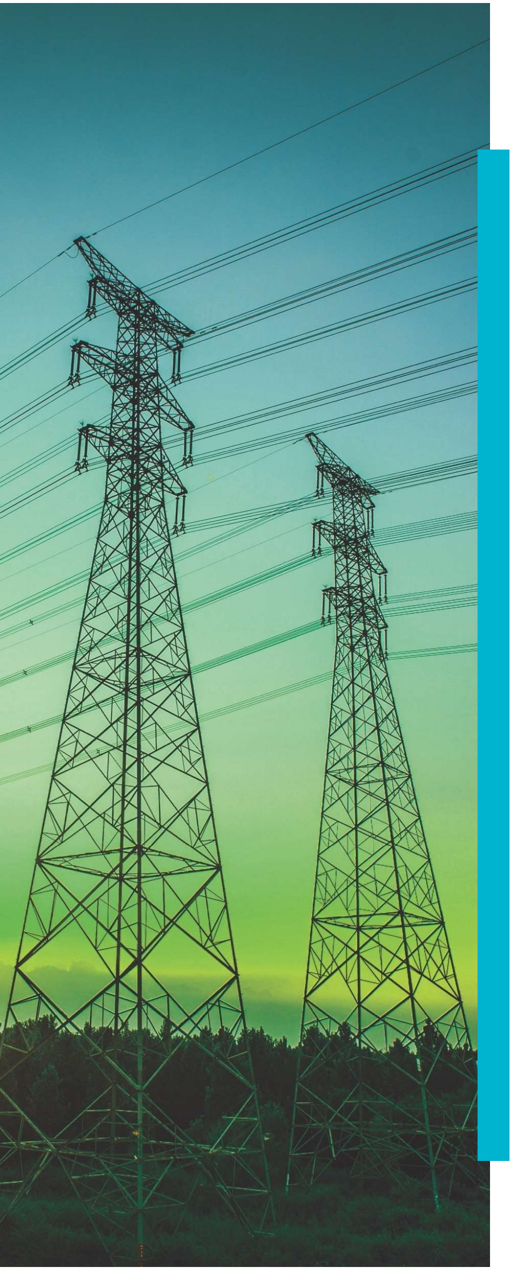

THE MOST IMPORTANT EVENTS AND RESULTS OF 2022

- **ALTEO achieved a remarkable result** in 2022. The remarkable rise in profits during the period confirms the success of the Company's strategy (presented at the end of 2019 and updated at the start of 2022) and its effective implementation, where environmental and social sustainability play a key role in addition to business considerations.
- Energy markets have been highly impacted by the price increase, already observed at the end of 2021, as well as the war in 2022. However, ALTEO's profitability **has not been hampered** by the energy market shocks triggered by the conflict, reflected mainly in high prices and unprecedented market volatility. On the contrary, these seemed to reinforce the fundamentals of ALTEO's strategy building on sustainability and the uptake in renewables-based energy production. ALTEO's structure, diversified portfolio, market size, responsiveness and outstanding team of professionals have enabled it to use this period to actively seize new opportunities and further improve its performance. ALTEO's current profitability significantly exceeds the upper band of the median EBITDA range presented at the beginning of 2022.
  - **CONSOLIDATED EBITDA REACHES HUF 20.2 BILLION, RISING BY 57%** year-on-year, primarily on account of the remarkable profitability of the Virtual Power Plant controlling heat and electricity production, positively supported by record results in the Retail segment and solid performance from our renewable power plants. At the same time, consolidated EBITDA was reduced by HUF 2 billion in the second half of the year due to the extra profit tax on balancing energy activity.
  - **CONSOLIDATED NET PROFIT WAS HUF 12.9 BILLION, AN OUTSTANDING RESULT IN ALTEO'S HISTORY, SHOWING A 120% INCREASE** over the same period last year.
  - The pandemic caused a slight deceleration in respect of the recently launched **WASTE MANAGEMENT** and **E-MOBILITY** business lines, and still had an impact in 2022.
  - ALTEO continues to pursue the active **INVESTMENT ACTIVITY** highlighted in its strategy. The acquisition of 100% of EDELYN SOLAR Kft. – which owns a solar power plant project with a nominal capacity of 20MW, still under licensing – was concluded on 7/21/2022. The project was not affected by the regulatory changes of the recent period, as the project already has a valid network connection license, and is still expected to obtain the necessary permits to start construction in the first half of 2023. On 9/9/2022, the Company closed the acquisition of a 75.1% share in FE-GROUP INVEST Zrt., a company active in the treatment and recycling of inorganic waste. The company will be consolidated in ALTEO's statements as of 10/1/2022. In addition to the above, ALTEO is continuously working on further developing its Virtual Power Plant, including the enhancement of IT capabilities, as well as the development of energy storage and other energy production capacities.

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THE MOST IMPORTANT EVENTS AND RESULTS OF 2022

- At the start of the year, ALTEO **EXTENDED ITS OPERATION AND MAINTENANCE CONTRACT** by 15 years with BC Power Plant, owned by BorsodChem Zrt., and on October 6 the parties also signed an operation and maintenance **CONTRACT** for an identical term **CONCERNING AN ADDITIONAL POWER PLANT.**
- 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 in January 2022, raising the strategic targets of ALTEO.
- ALTEO became the first company in the Hungarian electricity sector to obtain independent **INTERNATIONAL ESG CERTIFICATION**, scoring above the industry average.
- ALTEO has launched several **EMPLOYEE SHARE OWNERSHIP PROGRAMS** simultaneously, in the framework of which it implemented a capital increase of HUF 1,136 million.
- The Company repaid its **BOND PACKAGES** ALTEO 2022/I and 2022/II in an amount of HUF 2,344 million in total.
- After a very successful year in 2021, ALTEO's General Meeting decided to pay a record **DIVIDEND** of nearly HUF 2 billion, which was paid on 6/27/2022.
- On October 10, 2022, ALTEO **ANNOUNCED A BOND SCHEME**. In view of the Company's strong financial position and the resulting other financing options, no bonds have been issued to date.
- As a result of the **EXTRA PROFIT TAX** announced on November 10, ALTEO recognized HUF 2 billion in the Other expenses line, thus the consolidated EBITDA also decreased by the same amount. Pursuant to the decree, the tax is limited to the tax years of 2022 and 2023, and its rate will be reduced from 13% in 2022 to 10% in 2023.
- In December, ALTEO took out a HUF 6 billion **PARENT COMPANY LOAN** from Wallis Asset Management. The loan matures on April 15, 2023.
- On December 17, 2022, the Company received the **STATUTORY PUBLIC TAKEOVER BID** from MOL RES Investments Zrt. as designated offeror, in respect of ALTEO Nyrt.'s ordinary shares.
- On December 22, 2022, **SCOPE RATINGS** reviewed the Company's rating, with a possible positive upgrade.

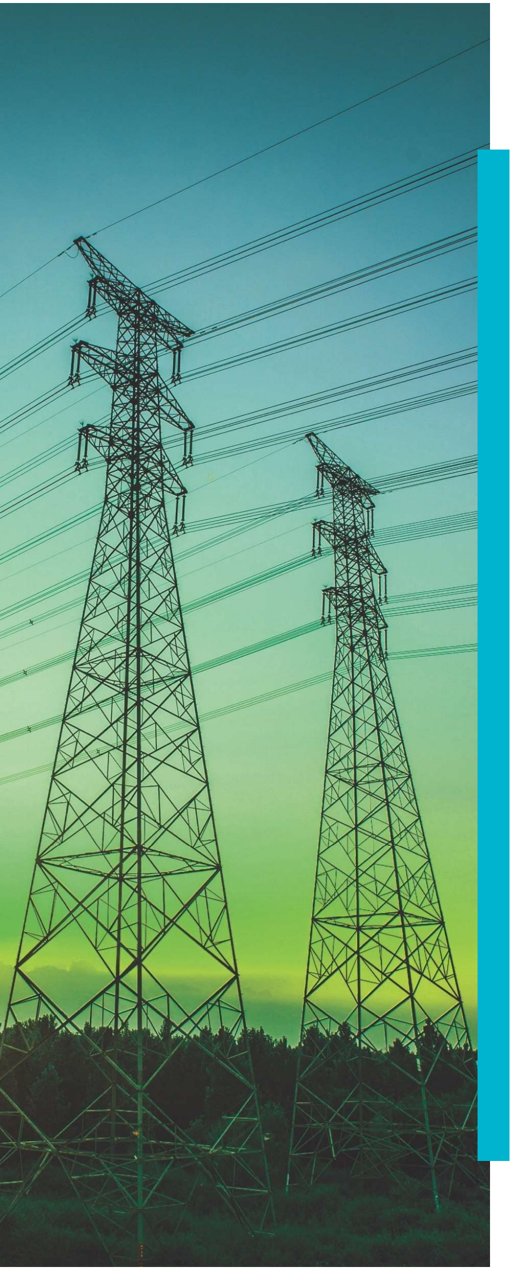
EVENTS AFTER THE CLOSING OF THE STATEMENT OF FINANCIAL POSITION

Events relating to the statutory public takeover bid ("Bid") submitted by MOL RES Investments Zrt. as designated offeror

- On January 13, 2023, HEPURA granted the prior approvals for the acquisition of indirect control.
- On January 19, 2023, the Central Bank of Hungary ordered the continuation of the procedure for the approval of the Bid.
- On February 6, 2023, through its resolution the Central Bank of Hungary approved the Bid by MOL RES Investments Zrt. published on December 17, 2022, and amended on February 2, 2023.
- On February 8, 2023, the Company published the opinion of ALTEO Nyrt.'s Board of Directors on the Bid, which is available in full here: https://investors.alteo.hu/egyeb-kozlemenyek/az-alteo-nyrt-igazgatosaganak-velemenye-a-kotelezo-nyilvanos-veteli-ajanlat-kapcsan-2023-02-08/

Other events not affecting ALTEO's ownership structure

- On January 20, 2023, ALTEO **made a binding takeover bid** to acquire shares representing 100% of the share capital of Energikum Zrt. Energikum holds the business quota representing **99% of the issued capital of Energigas Kft.**, which is the owner of the biogas plant in Nagykőrös. ALTEO is currently the 1% minority shareholder of Energigas and, furthermore, ALTEO also operates the **Nagykőrös biogas plant**, **which produces electricity from biomethane generated from organic waste**. The potential acquisition of the biogas plant with a nominal electricity generation capacity of 2 MW is closely aligned with the Company's strategy and also strengthens ALTEO's role in the circular economy.
- In connection with the above, ALTEO also made a binding takeover bid for the acquisition of the quota representing **33% of the issued capital of ECO-FIRST Kft.**, in which **ALTEO is already a 67% shareholder**. **ECO-FIRST is an active player in waste trade** and, as such, plays an important role in the procurement of raw materials for the Nagykőrös biogas plant. In line with its strategy, through the above acquisitions the Company intends to both expand its renewable electricity production activities and further strengthen its market positions in waste management.
- Two members of ALTEO Group and K&H Bank concluded the **first loan transaction of ALTEO Group that is fully compliant with the so-called Taxonomy Regulation, which entered into force in 2022**. Under the agreement, **K&H provides a HUF 4 billion loan** for the partial refinancing of ALTEO Group's wind farm with a total installed capacity of 47.5 MW. The transaction complies with the EU Taxonomy, the most stringent set of sustainability rules of the European Union. Disbursement took place on January 31, 2023



2022 – CHANGED CIRCUMSTANCES, INCREASED RISKS

Increased CURRENT ASSET REQUIREMENTS

The economic environment has changed dramatically in the past six months: energy prices have multiplied with soaring volatility, which generated enormous demand for deposits and bank guarantees compared to previous periods. In addition, due to less favorable business conditions represented by much shorter supplier payment terms and higher trade receivables resulting from the higher revenue, the Company's working capital financing needs have increased drastically. As a result, ALTEO must use a much larger proportion of its financial assets to finance the increased working capital and deposit needs than in previous years, which may divert funds from otherwise attractive investment opportunities. To ensure that the financing needs of the investments included in its strategy can be met smoothly, with sufficient security and liquidity reserves, ALTEO's management examines and keeps on the agenda various financing opportunities, such as raising funds in the capital market. At the same time, given the Company's highly successful business activities and the fact that it has been able to take advantage of financing opportunities (successful renegotiation of certain customer payment terms, significant increase in its current account and working capital loan facilities, other foreseeable financing options), the Company's management believes that there is no need for additional capital market financing (bond or share issue) at this stage.

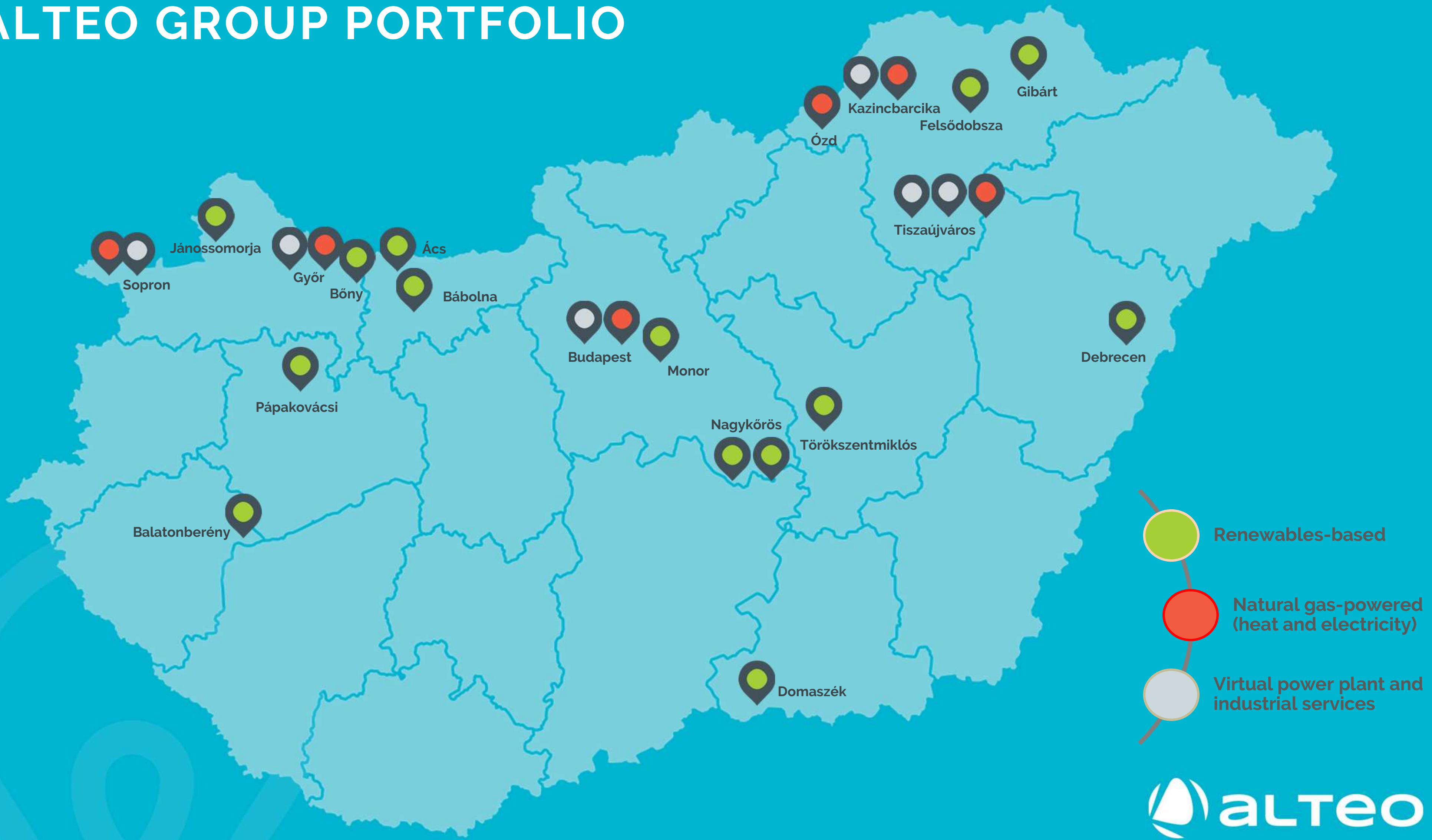
REGULATORY CHALLENGES

As a consequence of the current economic and, in particular, energy situation, state regulation has intensified. For instance, taxes have been imposed on windfall profit (albeit this has had no impact on ALTEO's business so far) and, contrary to previous practice, the gas price (i.e. the basis of the heat price) is now set by the Energy Authority for each quarter, rather than for the entire gas year. Similar state measures cannot be ruled out in the future until the situation settles.

EXPOSURE TO CUSTOMERS

As a result of the drastically increased energy prices, both our heat supply and retail revenue have increased significantly, resulting in a higher exposure to customers, although we have taken several risk mitigation measures (profile clarification, insurance).

ALTEO GROUP PORTFOLIO



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ALTEO GROUP PORTFOLIO

RENEWABLE ENERGY PRODUCTION

ALTEO Group has significant competence, 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	12.31.2022	12.31.2021	Change million HUF	Change %
data in HUF million	non-audited	audited	over previous year	over previous year
Revenues	**103 027**	**44 249**	**58 778**	***133%***
Capitalized own production	359	243	116	*(48%)*
Material expenses	(70 449)	(25 624)	(44 824)	*175%*
Personnel expenses	(5 950)	(4 192)	(1 758)	*42%*
Depreciation and amortization	(3 527)	(3 937)	410	*(10%)*
Other revenues, expenses, net	(6 765)	(1 796)	(4 969)	*277%*
Impairment loss			-	*N/A*
Operating profit or loss	**16 695**	**8 943**	**7 752**	***87%***
Net financial income	(937)	(1 871)	934	*(50%)*
Profit or loss before taxes	**15 758**	**7 072**	**8 686**	***123%***
Income tax expenses	(2 864)	(1 215)	(1 650)	*136%*
Net profit or loss	**12 894**	**5 857**	**7 036**	***120%***
from which the owners of the Parent Company are entitled to:	*12 948*	*5 855*	*7 093*	*121%*
Of which the minority interest is entitled to:	*(55)*	2	(57)	*(2 508%)*
Base EPS (HUF/share)	**656,67**	**309,96**	**346,71**	***112%***
Diluted EPS (HUF/share)	**656,46**	**302,03**	**354,43**	***117%***
EBITDA*	**20 222**	**12 880**	**7 342**	***57%***

Consolidated Comprehensive Statement of Profit or Loss				
Net profit or loss	**12 894**	**5 857**	**7 036**	**120%**
Other comprehensive income (after income tax)	**(3 237)**	**4 907**	**(8 144)**	***(166%)***
Comprehensive income	**9 657**	**10 764**	**(1 108)**	***(10%)***
from which the owners of the Parent Company are entitled to:	9 711		9 711	*N/A*
Of which the minority interest is entitled to:	(55)		(55)	*(100%)*

**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 Expenses lines that are used to provide a more detailed elaboration of the EBITDA in the above table.*

With a sales revenue increase of HUF 58,778 million, EBITDA shows a 57% rise year-on-year.

Most important changes in operating profit and loss items:

- **REVENUE**: The substantial increase was primarily the result of the rising energy market and district heating prices. Coupled with the revenues from the significantly growing capacity of the ALTEO Virtual Power Plant, and the dynamic development of the revenue of the Retail segment.
- **MATERIAL EXPENSES:** Increased energy prices also have an impact here, but, at the same time, part of the revenue growth in the Heat and Electricity Production segment was realized in activities with non-significant material costs, such as capacity market services. Therefore, increase in material expenses as expressed in amounts is more moderate than the revenue growth in absolute terms.
- **DEPRECIATION**: During the base period (2021), an impairment of approximately HUF 340 million was recognized as a one-off effect in relation to the two wind farms owned by ALTEO, ensuring a more accurate presentation of their value in the Company's statement of financial position.
- **OTHER REVENUES, EXPENDITURES:** Other expenditures increased substantially due to the rise 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. This is also where the HUF 2 billion extra profit tax is recognized, as well as the difference between the market price and subsidized price granted for renewables produced in the METÁR system.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

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- **FINANCIAL INCOME:** During the relevant period, ALTEO was not adversely affected by the significant changes in the interest rate environment compared to the base period, thanks to earlier fixing of interest rates on long-term liabilities. Costs were mitigated by interest from liabilities repaid in the intervening period. The interest revenue and exchange rate gain realized on available cash balances significantly exceeded the previous period due to a higher interest rate environment and the increased EUR exchange rate.
- **INCOME TAXES:** In line with the significantly higher profit, both local business tax, corporate tax and Robin Hood tax liabilities increased.
- **NET PROFIT** increased by **HUF 7,036 million** (120%) 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.

**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 Expenses lines that are used to provide a more detailed elaboration of the EBITDA in the above table.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

Consolidated Statement of Financial Position				*data in HUF million*
	12.31.2022	12.31.2021	Change million HUF	Change %
	non-audited	audited	over previous year	over previous year
Non-current assets	**34 941**	**31 371**	**3 571**	**11%**
Current assets	**68 433**	**29 390**	**39 043**	**133%**
of which OCI	*2 598*	*5 831*	*(3 233)*	*(55%)*
of which financial assets	*16 465*	*3 679*	*12 786*	*348%*
TOTAL ASSETS	**103 375**	**60 761**	**42 614**	**70%**
Equity	**26 719**	**19 009**	**7 709**	**41%**
of which OCI	**2 069**	**5 306**	*(3 237)*	*(61%)*
Long-term liabilities	**26 726**	**24 491**	**2 236**	**9%**
of which OCI	*205*	*525*	*(320)*	*(61%)*
of which credit, loans, bonds, leasing	*21 177*	*20 929*	*248*	*1%*
Short-term liabilities	**49 930**	**17 261**	**32 669**	**189%**
of which OCI	*324*	*-*	*324*	*N/A*
of which credit, loans, bonds, leasing	*7 577*	*2 970*	*4 608*	*155%*
TOTAL EQUITY and LIABILITIES	**103 375**	**60 761**	**42 614**	**70%**

- **INVESTMENTS, CAPITAL EXPENDITURES** Significant transactions were closed during the period. Several projects are in a preparatory phase and will be delivered in 2023. As a result of the current market situation, the level of long-term deposits increased compared to the preceding period, which compensated for the decrease caused by the amortization of non-current assets.
- **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 - Other Comprehensive Income) in equity).
- **EQUITY CAPITAL** change shows increased profit for the year, as well as the dividend approved on the basis of the 2021 profit that was also paid in the current year.
- The **LONG-TERM LIABILITIES, SHORT-TERM LOANS** portfolio was adjusted by transactions closed in the current year, the short-term loan disbursed by Wallis Group and general loan repayments, and the company also met its payment obligation under the HUF 2,344 million face value zero-coupon bonds named ALTEO 2022/I and 2022/II.

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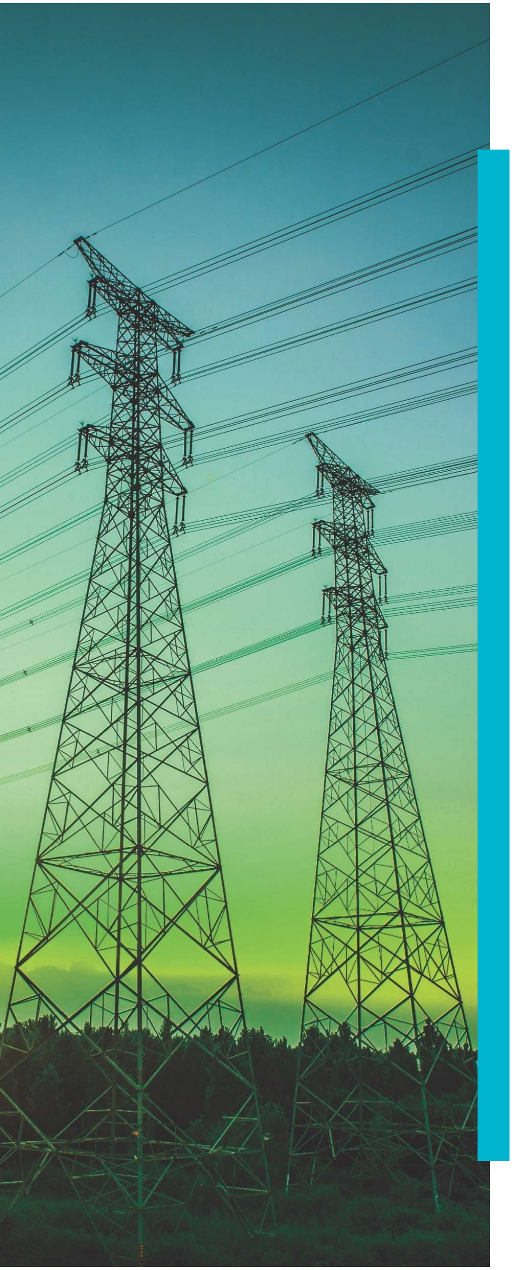

Change in ALTEO's segment classification

In order to provide investors with appropriate and transparent information, ALTEO is changing the distribution of the segments presented, starting with Q3 2022. The change is necessary mainly due to wind farms (26.5 MW) and hydropower plants (1 MW) previously presented under the segment "Electricity production (within the subsidized system)", which by Q3 2022 reached the maximum output allocated under the subsidized system. Under previous practice, these producers would be presented under the "Heat and electricity production (market rate, non-subsidized)" segment. However, in light of the size of the power plants so excluded and the increased electricity prices, their profit generating capacity would significantly distort the comparability of the capacity of the various segments to generate profit, while the nature of the activity itself does not change significantly. Therefore, the names and scope of the two segments mentioned above change as follows:

"Renewables-based energy production": The profit/loss of ALTEO-owned power plants generating energy from renewable energy sources (solar, wind, hydropower, landfill gas).

"Heat and electricity production and management": The profit/loss of ALTEO-owned power plants producing fossil-based energy, energy storage facilities, power plants producing heat from electricity, as well as complex, ancillary and scheduling services provided.

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HEAT AND ELECTRICITY PRODUCTION AND MANAGEMENT

Heat and electricity production (non-renewable) and trade				
	12.31.2022	12.31.2021	Change HUF million	Change %
data in HUF million	non-audited	audited	over previous year	over previous year
Revenue	**80 897**	**24 285**	**56 613**	**233%**
Capitalized own production	141	85	57	67%
Material expenses	(56 631)	(12 802)	(43 829)	342%
Personnel expenses	(1 436)	(880)	(556)	63%
Other revenues and Other expenses	(6 447)	(1 646)	(4 801)	292%
EBITDA*	**16 525**	**9 042**	**7 483**	**83%**
Allocated administrative expenses	(796)	(474)	(322)	68%
EBITDA II*	**15 729**	**8 568**	**7 161**	**84%**

**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 revenue rose by 233% (HUF 56.6 billion).
- The **REVENUE FROM SCHEDULE-BASED ELECTRICITY GENERATION INCREASED** as a result of the significantly higher electricity market prices in relation to the comparative period. This was coupled with the overall spark spread (specific coverage available from electricity generation with gas engines) currently available in the market, which is higher than last year. In addition, there was a significant rise in **CAPACITY REVENUE AND REGULATORY REVENUE**, and considerable revenue growth in the **RENEWABLE PRODUCTION MANAGEMENT** subsegment, launched in late 2020. As a result of these factors, **EBITDA II INCREASED BY HUF 7.1 BILLION (+84%)**. It should be noted that the high pricing levels are generating significant financing needs related to the segment, and that a moderation of the favorable price environment for profitability has begun in the market.
- The increase in **MATERIAL EXPENSES** was primarily due to increased gas costs. A large part of the segment's profit is typically driven by growth in high-margin (capacity and regulatory market) activities, and, as such, the increase in material expenses in absolute terms is lower than the rise in revenue.
- Higher **OTHER EXPENDITURES** are typically the result of significantly increased CO_2 quota expenses, and the **HUF 2 BILLION** recognized as extra profit tax.

RENEWABLES-BASED ENERGY PRODUCTION

Electricity production (renewable)				
	12.31.2022	12.31.2021	Change HUF million	Change %
data in HUF million	non-audited	audited	over previous year	over previous year
Revenue	**5 163**	**5 007**	**156**	**3%**
Capitalized own production	-	-	-	n.a.
Material expenses	(967)	(664)	(303)	46%
Personnel expenses	(219)	(188)	(31)	17%
Other revenues and Other expenses	(243)	(38)	(205)	538%
EBITDA*	**3 734**	**4 117**	**(383)**	**(9%)**
Allocated administrative expenses	(205)	(93)	(112)	121%
EBITDA II*	**3 529**	**4 024**	**-495**	**-12%**

**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 **EBITDA II OF THE SEGMENT DECREASED BY HUF 495 MILLION (12%)**, in spite of revenues being HUF 156 million higher, somewhat dampened by higher scheduling costs due to changeable whether, and the expenditure related to the Gibárt hydropower plant arising from METÁR overcompensation, recognized in **OTHER REVENUES AND EXPENSES**.
- The profit/loss of the solar power plants in the segment still producing within the subsidized system, and therefore not affected by the rise in energy prices, overall matched the figures for the previous year.
- As of June 30, 2022, the production opportunities within the subsidized system (KÁT) expired for several of the power plants in ALTEO's renewable portfolio. ALTEO's Virtual Power Plant and its experts completed the transition without any interruption, and power plant production continues to contribute to the segment's profits in a balanced and predictable fashion.
- The capacity of ALTEO's portfolio of power plants utilizing renewable sources of energy now exceeds 70MW, and in time is expected to be supplemented with an additional 20MW solar power plant with the acquisition of EDELYN SOLAR Kft. (acquired in July). This development project is expected to be completed in early 2024.

ENERGY SERVICES

Energy services				
data in HUF million	12.31.2022 non-audited	12.31.2021 audited	Change HUF million over previous year	Change % over previous year
Revenue	**5 088**	**3 305**	**1 782**	**54%**
Capitalized own production	218	135	82	61%
Material expenses	(2 675)	(1 379)	(1 296)	94%
Personnel expenses	(2 116)	(1 413)	(703)	50%
Other revenues and Other expenses	(93)	48	(141)	(295%)
EBITDA*	**421**	**696**	**(275)**	**(40%)**
Allocated administrative expenses	(869)	(731)	(138)	19%
EBITDA II*	**(448)**	**(35)**	**(413)**	**1 181%**

**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 realized HUF 421 million EBITDA I, down compared to last year. The business and project development division continued to focus on internal construction works in 2022, boosting profits in other business lines. Additionally, this is where we present the costs of the group responsible for the related business development activities in 2022; this is also partly responsible for the lower profits.
- The moderate EBITDA II value (after allocated administrative costs) can be explained mainly with the higher allocated administrative costs, relative to profit generation capacity, associated with the launch and ramping-up of new business lines such as E-mobility or Waste Management. ALTEO's management continues to see the long-term value-creation of these business lines to be ensured.
- The profit generated from **operation and maintenance services for third parties (MOL, Borsodchem, Budapest Power Plant, Főtáv, Siemens, Uniper)** was higher than in the comparative period.
- The **E-MOBILITY** business is in a ramp-up phase, as expected, and has no significant profit-generation capacity for the time being.
- The acquisition of FE-GROUP was successfully completed in the **WASTE MANAGEMENT**I business. FE-Group figures have been included in the consolidated report starting from October 1, 2022. The quarter was burdened by one-off items related to integration and accounting harmonization, but we have set a significant growth in profits as an objective from 2023.

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RETAIL ENERGY TRADE

Retail energy trade				
data in HUF million	12.31.2022 non-audited	12.31.2021 audited	Change HUF million over previous year	Change % over previous year
Revenue	**24 939**	**16 370**	**8 569**	**52%**
Capitalized own production	-	-	-	n.a.
Material expenses	(22 202)	(14 690)	(7 512)	51%
Personnel expenses	(167)	(114)	(53)	47%
Other revenues and Other expenses	33	(154)	187	(121%)
EBITDA*	**2 603**	**1 412**	**1 191**	**84%**
Allocated administrative expenses	(142)	(133)	(9)	6%
EBITDA II*	**2 461**	**1 278**	**1 182**	**92%**

**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 has cleared up its portfolio and did not extend contracts with low margin, riskier customers.
- The **MARGIN OF ELECTRICITY TRADING SHOWS A HUF 727 MILLION INCREASE** compared to the preceding year, while there was a drop of 192 GWh in volume due to portfolio cleansing. The positive trend is primarily a consequence of the higher price and margin levels from increased electricity prices, and the fact that ALTEO has been faster to react to extreme volatility than its major competitors, due to its dynamic and flexible operating methods. A further increase in the results is caused by the fact that the electricity booked but not used by customers could be sold at high SPOT and balancing prices, which can be considered a one-off item in terms of profitability.
- The **GAS TRADE BUSINESS LINE** realized a **SURPLUS MARGIN OF HUF 360 MILLION** year-on-year, mainly due to higher specific margin resulting from the drop of competition on the supply side. On account of increased gas prices, there was a significant drop in consumption, with 88 GWh less sold compared to the previous year.

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OTHER ACTIVITIES NOT ASSIGNED TO SEGMENTS

Other segments				
data in HUF million	12.31.2022 non-audited	12.31.2021 audited	Change HUF million over previous year	Change % over previous year
Revenue	**0**	**5**	**(5)**	**(93%)**
Capitalized own production	-	-	-	n.a.
Material expenses	(323)	(261)	(62)	24%
Personnel expenses	(717)	(699)	(18)	3%
Other revenues and Other expenses	(8)	(1)	(8)	1 350%
EBITDA*	**(1 048)**	**(955)**	**(93)**	**10%**

**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 specific segments, but rather the Group as a whole, and as such are not part of distributed administrative expenses.
- The cost overrun relative to the comparative period was primarily caused by acquisition activity-related costs, the support provided to UNICEF as a result of the war in Ukraine, the interim salary increase to compensate for inflation, and by the general cost increase corresponding to the Group's growth, mitigated by a decrease in employer contributions.

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THANK YOU FOR YOUR ATTENTION

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