

PRESS RELEASE

ALTEO Group subsidiary awarded grant to transition to the circular economy

January 18, 2024 – FE-GROUP INVEST Zrt. has won a HUF 300 million grant in the call for applications announced by the Energy Strategy Institute, which it will use to ensure technological support in the transitioning of waste from products subject to product charges collected in the deposit refund system – introduced from January 2024 – to the circular economy. This will enable the ALTEO subsidiary to implement an investment project that will allow it to appropriately sort and treat more than 15 thousand tons of waste collected in the deposit refund system per year.

FE-GROUP INVEST Zrt. will use the non-reimbursable grant awarded in the call for applications* announced by Energiastratégia Intézet Nonprofit Kft. to set up a new waste processing plant and to purchase and install the related specialized machinery line. The HUF 300 million covers approximately 70 percent of the total project, with the remainder financed using own funds.

The grant will be used to install a complex machinery line capable of handling an annual input of 15,210 tons. It will be able to process waste from products subject to product charges collected through the Deposit Refund System (DRS), which was introduced in January: The technology, which consists of an automatic sorter with mechanical separation technology (magnetic belts, material separators and color separators) and two baling machines for metal beverage cans and PET bottles, is complemented by a conveyor system for material handling (feeding the machines and material transport).

At full capacity, the equipment can produce 11,400 tons of PET bales and 3,050 tons of aluminum bales per year from the 15,210 tons of mixed waste that is delivered to the site each year, with 760 tons of tinned and ferrous metal also separated during processing.

'It is equally important for our commitment to sustainability and for the development of our waste management business that we use the funds awarded to provide technological support for the transition of waste from the DRS system to the circular economy.' said Anita Simon, ALTEO's Deputy CEO for Sustainability and Circular Economy. According to Ms. Simon, this investment project is also closely linked to the agreement signed in the summer of 2023 between the ALTEO subsidiary and MOHU MOL Hulladékgazdálkodási Zrt., the winner of the 35-year waste concession in Hungary. The two-year service contract, renewable for an additional two years, covers the collection, transport, storage and pre-treatment of waste.

**Call for Applications No. TDIJ-EI/2023, entitled 'Industrial development grant for waste management related to waste from products subject to product charges in 2023'.*



ALTEO Group

ALTEO is a Hungarian-owned energy service and trading company with a modern mindset. The scope of its business activities include the production and trade of energy from renewable energy carriers and natural gas, as well as energy services and development customized to individual corporate needs. The Company provides a reliable and environmentally responsible energy supply based on the sustainable use of renewable energy to its costumers, which include small and medium-sized Hungarian enterprises as well as large corporations. Due to its own, optimally designed assets and virtual power plant, the company provides the most innovative services of the highest quality to its partners. In recent years, innovative business sectors such as e-mobility, waste management and scheduling have been added to this range, where aspects of the circular economy are even more prevalent.

ALTEO was first listed on the Budapest Stock Exchange in October 2010. In 2016, the Company successfully completed a public offering. The Company is continuously active in the capital market, and following its public offering, it continued to carry out private placements of shares and bonds among institutional investors, raising an aggregate total of close to HUF 20 billion in funds. Sales revenues have been growing dynamically and exceeded HUF 100 billion in 2022, and the value of its portfolio of non-current assets surpassed HUF 34 billion. ALTEO is a dynamically developing company committed to sustainability, and is always on the lookout for new opportunities for investment and growth, and the Company is continuously working to ensure that they provide their customers and partners with the most innovative range of services of the highest quality in an effort to achieve a steady increase in shareholder value.

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