ALTEO NYRT.

INVESTOR PRESENTATION – ALTEO Group

2023

(non-audited financial income)

2023 NON-AUDITED FINANCIAL INCOME

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 2023 results and have not been audited by an independent auditor. This presentation is for advance information purposes only.

KEY ECONOMIC EVENTS IN 2023

- **ALTEO achieved outstanding results** in 2023, as a proof that the Company's strategy was updated at the beginning of 2022 and its implementation are successful and effective, where environmental and social sustainability plays a key role in addition to business considerations.
- The energy market in 2023 was characterized by consolidating prices, which are still significantly above the levels seen before the price increase at the end of 2021. Thanks to its structure, its strategy based on sustainability and renewable energy production, its diversified portfolio and its outstanding team of professionals, ALTEO intends to continue to exploit the maximum of the opportunities offered by the market in the period ahead. Possibly higher energy price stabilization have a positive impact on ALTEO's long-term strategy, highlighting that energy market opportunities starting in 2022 and continuing in 2023 are unlikely to be persist in the long term. ALTEO's current profitability significantly exceeds the upper band of the median EBITDA range presented at the beginning of 2022.
- **CONSOLIDATED EBITDA AMOUNTED TO HUF 19.6 BILLION,** down only slightly compared to last year, despite energy market opportunities gradually declining since 2022, a year that ended with exceptionally high earnings. Considering that energy prices in 2023 have shown a sharp decrease during the year, this year's result may be seen as an outstanding performance. The Heat and Electricity Generation and Energy Retail segments performed well in a declining price environment, while the Waste Management segment delivered strong growth in line with expectations.
- **THE CONSOLIDATED NET PROFIT WAS HUF 12.9 BILLION,** which is identical with last year's result. Lower EBITDA is compensated by the interest earned in the outstanding interest rate environment.
- ALTEO's management considers the ramp-up of the Renewable Production Management business, launched at the end of 2020, to be highly successful. Currently, this business line is the clear market leader in the domestic market in terms of managed renewable power plant capacities, which capacity has now reached almost 1,700 MW.
- For the **WASTE MANAGEMENT** segment, which underwent significant growth after the acquisition of FE-GROUP INVEST Zrt. in 2022, the waste management concession launched on 1 July 2023 could represent additional opportunities, and this fact seems to be already confirmed by the experience of the first half-year of operation.
- ALTEO continues to pursue the active **INVESTMENT ACTIVITY** highlighted in its strategy. The transaction involving 100% of the share capital of Energikum Zrt. and 33% of the issued capital of ECO-FIRST Kft. was closed on May 25, 2023. Energikum Zrt. holds the business quota representing 99% of the issued capital of Energigas Kft., which is the owner of the biogas plant in Nagykőrös, while ECO-FIRST Kft. is engaged in waste trade. In addition to the above, ALTEO is continuously exploring energy and waste management investment opportunities in Hungary and the region.

alteo

KEY CORPORATE EVENTS IN 2023

- On March 13, 2023, the joint **STATUTORY PUBLIC TAKEOVER BID PROCEDURE** by MOL RES Investments Zrt., Főnix Private Equity Fund and Riverland Private Equity Fund to acquire controlling interest was successfully concluded.
- 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**, which transaction complies with the EU Taxonomy, the most stringent set of sustainability rules of the European Union.
- The electrical boiler in Sopron commenced operation. The consortium of ALTEO and the Alfréd Rényi Institute of Mathematics was awarded funding for the development of the system in the tender announced by the Hungarian National Research, Development and Innovation Office.
- The HUF 6 billion **PARENT COMPANY LOAN** received in December 2022 from Wallis Asset Management Zrt. was repaid in full on March 16, 2023.
- On April 2, 2023, the new members of the Board of Directors and the Supervisory Board were elected at the Extraordinary General Meeting.
- On April 21, 2023, the General Meeting adopted ALTEO's 2022 annual report.
- On April 28, 2023, ALTEO's Board of Directors adopted a decision to introduce a new long-term share-based incentive for senior and middle managers as well as for key talents and specialists.
- On May 17, 2023, the Company announced that a framework agreement was signed with MOL Nyrt. to provide industrial and power plant rotary machine maintenance services for ALTEO, MOL, and its domestic and foreign subsidiaries, thus exploiting the synergies of the cooperation between the two companies.
- The transaction for 100% of the share capital of Energikum Zrt. and 33% of the issued capital of ECO-FIRST Kft. was closed on May 25, 2023.
- On June 23, 2023, SCOPE Ratings GmbH upgraded ALTEO as an issuer from "BB+" to "BBB-". The credit rating agency has left the bonds' previous rating of "BBB-" unchanged.
- On June 29, 2023, FE-GROUP INVEST Zrt., a subsidiary of ALTEO Nyrt. entered into a two-year contract (renewable for an additional two years) with MOHU MOL Hulladékgazdálkodási Zrt. for the collection, transport, storage and pre-treatment of waste.

alteo

KEY CORPORATE EVENTS IN 2023

- On July 3, 2023, the result of the ESG certification review was published, in which the company received a **HIGHER ESG RATING** than the last year's risk level. During the year, the Company developed and set up its own green financing framework, with Deloitte Zrt. providing the second party opinion.
- On July 6, 2023, ALTEO's Board of Directors approved the plans for the construction of Edelyn Solar, which will double the company's own solar power plant portfolio from its current nominal capacity of approximately 20 MW to 40 MW.
- As of October 2, 2023, Magdolna Tokai joined ALTEO's management as Deputy CEO for Corporate Support, and will be responsible for establishing and operating two new corporate units: the project portfolio management area, which will primarily support resource planning and allocation at ALTEO level, and the BoD cabinet, which will coordinate the work of decision-making bodies, and will also include the areas of IT, purchasing, legal and office management.
- On November 16, 2023, two electric hot water boilers with a capacity of 6MW each were commissioned in Kazincbarcika and Tiszaújváros. The development project, worth a total of HUF 1.9 billion, was financed entirely from the company's own funds. The hot water produced by the boilers installed in the power plants in Kazincbarcika and Tiszaújváros is utilized in the local district heating system. With these investments, ALTEO adds additional balancing capacities to the electricity system, further expanding its flexible portfolio that can contribute to ensuring system balance.
- It was announced on November 29, 2023 that ALTEO will implement a HUF 5.5 billion additional self-funded investment project in Sopron and Győr. This involves the commissioning of an 8MW/15MWh battery electricity storage facility, and a 3MW and a 6MW gas engine in the first half of next year at the two sites. ALTEO will thus further increase the capacity and flexibility of its Virtual Power Plant, which also supports the increased use of renewable energy.

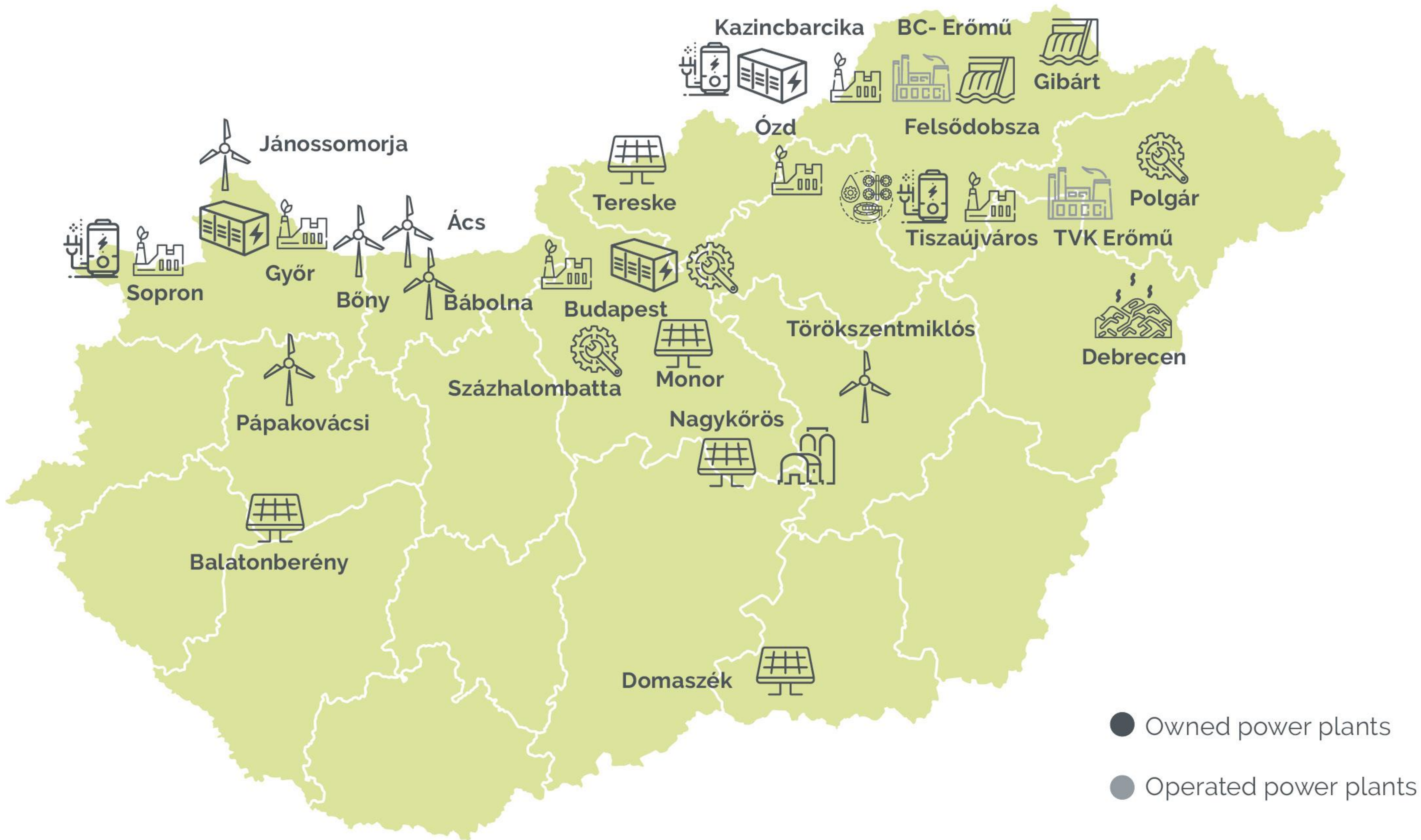
alteo

KEY CORPORATE EVENTS IN 2023

Events after the closing of the statement of financial position

- As of January 10, 2024, László Hegedűs joined ALTEO's management as Deputy CEO for Strategic HR and Communications. Mr. Hegedűs has more than 20 years of professional experience, including as HR Director at the Central European University and as International HR Manager at BlackRock's Service Centre.
- On January 18, 2024, FE-Group Zrt. that is a member of ALTEO Group, 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.
- In relation to the extra profit tax affecting ALTEO's biogas power plant, which taxes the difference between the KÁT price and the market price in case of power plants removed from the KÁT system, the National Tax Authority of Hungary conducted a compliance audit. The audit report drew attention to the need to review our procedure for determining the liability to pay extra profit tax. The impact of the tax on ALTEO's EBITDA for 2023 amounts to approximately HUF 145 million.

ALTEO GROUP PORTFOLIO



alteo

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

HYDROPOWER PLANTS
- Felsődobsza
- Gibárt

SOLAR POWER PLANTS
- Domaszék
- Monor
- Balatonberény
- Nagykőrös
- Tereske

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
- BC Power - operation

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

Heineken Soproni Sörgyár
- heat supply

MAINTENANCE SITE
- Százhalombatta
- Polgár
- Füredi út

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

ELECTRICAL BOILERS
- Tiszaújváros Heating Power Plant
- Kazincbarcika Heating Power Plant
- Sopron Power Plant

alteo

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

Consolidated Statement of Profit or Loss				
data in HUF million	12.31.2023 non-audited	12.31.2022 audited	Change HUF million over previous year	Change % over previous year
Sales revenues	**98 954**	**103 027**	**(4 073)**	***(4%)***
Material expenses	(63 869)	(70 449)	6 580	*(9%)*
Personnel expenses	(7 876)	(5 952)	(1 925)	*32%*
Depreciation and amortization	(4 268)	(3 527)	(741)	*21%*
Other revenues, expenses, net	(8 316)	(6 765)	(1 551)	*23%*
Capitalized own production	539	359	180	*(50%)*
Operating Profit or Loss	**15 163**	**16 693**	**(1 530)**	***(9%)***
Net financial income	720	(937)	1 656	*(177%)*
Profit or loss before taxes	**15 883**	**15 757**	**126**	***1%***
Income tax expenses	(3 121)	(2 913)	(207)	*7%*
Net profit or loss	**12 762**	**12 843**	**(81)**	***(1%)***
Of which the owners of the Parent Company are entitled to:	*12 803*	*12 898*	*(94)*	*(1%)*
Of which the minority interest is entitled to:	*(41)*	(45)	3	*7%*
Base EPS (HUF/share)	**645,06**	**653,61**	**(8,55)**	***(1%)***
Diluted EPS (HUF/share)	**642,37**	**653,40**	**(11,03)**	***(2%)***
EBITDA*	**19 432**	**20 221**	**(789)**	***(4%)***

Consolidated Comprehensive Statement of Profit or Loss				
Net profit or loss	**12 762**	**12 843**	**(81)**	***(1%)***
Other comprehensive income (after taxes on profits)	**(4 458)**	**(3 237)**	**(1 221)**	***(38%)***
Comprehensive income	**8 304**	**9 606**	**(1 302)**	***(14%)***
Of which the owners of the Parent Company are entitled to:	8 345	9 651	(1 305)	*(14%)*
Of which the minority interest is entitled to:	(41)	(45)	3	*8%*

EBITDA was down by HUF 789 million, with sales revenue dropping by HUF 4,073 million

Most important changes in operating profit and loss items:

- **REVENUE:** The decrease is mainly due to the significantly lower energy market price environment in the Heat and Electricity Generation and Retail segments. The ramp-up of the waste management segment mitigates this effect.
- **MATERIAL EXPENSES:** Falling energy market prices are also making an impact here, with the decrease offset by the waste management segment and the Nagykőrös biogas plant acquired in 2023, whose material expenses ratio is significantly higher than other renewable producers, mainly due to feedstock costs.
- **DEPRECIATION:** Depreciation exceeds the 2022 level, in line with the larger asset portfolio.
- **OTHER REVENUES, EXPENSES:** Other expenses increased substantially. In addition to CO_2 expenses, this is also where the extra profit tax is recognized, as well as the expenditures of the RPM business and the EEOS (Energy Efficiency Obligation Scheme) and the difference between the market price and subsidized price granted for renewables produced in the METÁR system.

In the opinion of the Company management, 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 PROFIT OR LOSS (IFRS)

Consolidated Statement of Profit or Loss				
data in HUF million	12.31.2023 non-audited	12.31.2022 audited	Change HUF million over previous year	Change % over previous year
Sales revenues	**98 954**	**103 027**	**(4 073)**	***(4%)***
Material expenses	(63 869)	(70 449)	6 580	*(9%)*
Personnel expenses	(7 876)	(5 952)	(1 925)	*32%*
Depreciation and amortization	(4 268)	(3 527)	(741)	*21%*
Other revenues, expenses, net	(8 316)	(6 765)	(1 551)	*23%*
Capitalized own production	539	359	180	*(50%)*
Operating Profit or Loss	**15 163**	**16 693**	**(1 530)**	***(9%)***
Net financial income	720	(937)	1 656	*(177%)*
Profit or loss before taxes	**15 883**	**15 757**	**126**	***1%***
Income tax expenses	(3 121)	(2 913)	(207)	*7%*
Net profit or loss	**12 762**	**12 843**	**(81)**	***(1%)***
Of which the owners of the Parent Company are entitled to:	*12 803*	*12 898*	*(94)*	*(1%)*
Of which the minority interest is entitled to:	*(41)*	(45)	3	*7%*
Base EPS (HUF/share)	**645,06**	**653,61**	**(8,55)**	***(1%)***
Diluted EPS (HUF/share)	**642,37**	**653,40**	**(11,03)**	***(2%)***
EBITDA*	**19 432**	**20 221**	**(789)**	***(4%)***
Consolidated Comprehensive Statement of Profit or Loss				
Net profit or loss	**12 762**	**12 843**	**(81)**	***(1%)***
Other comprehensive income (after taxes on profits)	**(4 458)**	**(3 237)**	**(1 221)**	***(38%)***
Comprehensive income	**8 304**	**9 606**	**(1 302)**	***(14%)***
Of which the owners of the Parent Company are entitled to:	8 345	9 651	(1 305)	*(14%)*
Of which the minority interest is entitled to:	(41)	(45)	3	*8%*

- **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 for the majority of its long-term liabilities. The interest revenue realized on outstanding and available cash balances significantly exceeded that in the previous period, surpassing the interest costs of loan-type funds.

- **INCOME TAXES:** The distribution of income generation between the various subsidiaries has changed relative to 2022, slightly increasing the specific tax payment liability.

- The **NET PROFIT** was slightly below last year's result.

- **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 management, 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)

Assets and receivables				*data in HUF million*
	12.31.2023 non-audited	12.31.2022 audited	Change HUF million over previous year	Change % over previous year
Non-current assets	**43 573**	**34 941**	**8 631**	**25%**
Current assets	**48 405**	**65 079**	**(16 674)**	**(26%)**
of which effect of Other comprehensive income	*877*	*2 598*	*(1 721)*	*(66%)*
of which cash and cash equivalents	*24 345*	*16 465*	*7 880*	*48%*
of which Inventories	*990*	*1 779*	*(789)*	*(44%)*
of which Trade receivables and accruals	*15 560*	*31 384*	*(15 825)*	*(50%)*
of which Other current assets	*6 633*	*12 853*	*(6 219)*	*(48%)*
TOTAL ASSETS	**91 978**	**100 020**	**(8 043)**	**(8%)**

Equity and liabilities				*data in HUF million*
	12.31.2023 non-audited	12.31.2022 audited	Change HUF million over previous year	Change % over previous year
Equity	**33 854**	**26 688**	**7 166**	**27%**
of which effect of Other comprehensive income	*(2 389)*	**2 069**	*(4 458)*	*(215%)*
Long-term liabilities	**28 653**	**26 717**	**1 937**	**7%**
of which effect of Other comprehensive income	*127*	*205*	*(78)*	*(38%)*
of which credit, loans, bonds, leasing	*24 398*	*21 177*	*3 221*	*15%*
of which Other long-term liability	*4 128*	*5 335*	*(1 207)*	*(23%)*
Short-term liabilities	**29 470**	**46 616**	**(17 146)**	**(37%)**
of which effect of Other comprehensive income	*3 139*	*324*	*2 815*	*868%*
of which credit, loans, bonds, leasing	*2 234*	*7 577*	*(5 343)*	*(71%)*
of which Trade payables and accruals	*15 802*	*27 271*	*(11 469)*	*(42%)*
of which Other short-term liability	*8 296*	*11 444*	*(3 148)*	*(28%)*
TOTAL EQUITY and LIABILITIES	**91 978**	**100 020**	**(8 043)**	**(8%)**

- **INVESTMENTS, CAPITAL EXPENSES** Several capacity expansion and efficiency improvement projects were delivered during the period, and significant additional projects are also underway, with delivery expected in 2024 H1.
- The change in **CURRENT ASSETS** was primarily the result of the impact that the decrease in energy prices had on trade receivables and trade payables. Falling energy prices have also reduced the level of deposits, security deposits and advance payments required. The significant increase in cash and cash equivalents is mainly due to the positive change in the generated profit and net working capital. By tying up its available cash and cash equivalents, ALTEO has earned significant interest income in the short term in the rising interest rate environment.
- In addition to loan repayments set out in contracts, the portfolio of **LONG-TERM LIABILITIES, SHORT-TERM LOANS** decreased with the repayment of the HUF 6 billion short-term loan disbursed by Wallis Asset Management Zrt. and the prepayment of the HUF 0.6 billion loan from FE-GROUP INVEST Zrt. The HUF 4 billion loan concluded with K&H in the preceding year was utilized, and land rentals qualifying as leases under IFRS were recorded.

alteo

HEAT AND ELECTRICITY PRODUCTION AND MANAGEMENT

Heat and electricity production and management				
data in HUF million	12.31.2023 non-audited	12.31.2022 audited	Change HUF million over previous year	Change % over previous year
Sales revenue	**75 521**	**80 897**	**(5 376)**	**(7%)**
Material expenses	(50 322)	(56 631)	6 310	(11%)
Personnel expenses	(1 694)	(1 436)	(258)	18%
Other revenues and Other expenses	(8 317)	(6 447)	(1 870)	29%
Capitalized own production	277	141	135	96%
EBITDA*	**15 465**	**16 525**	**(1 060)**	**(6%)**
Allocated administrative expenses	(911)	(796)	(115)	14%
EBITDA II*	**14 554**	**15 729**	**(1 175)**	**(7%)**

**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** decreased by 7% (HUF 5.37 billion), partly due to the drop in global electricity prices and the price decrease in Ancillary Services, and due to a significant decline in the sales revenue realized by the Renewable Production Management sub-segment.
- The drop in **MATERIAL EXPENSES** was mainly due to decreasing energy prices and lower Renewable Production Management expenses, in line with the decline in Sales Revenue.
- Higher **OTHER EXPENSES** were due to increased CO_2 quota expenses and Renewable Production Management's own costs, the scheduling surcharge.
- As a result of these factors, **EBITDA II DROPPED BY HUF 1.17 BILLION (-7%).**

RENEWABLES-BASED ENERGY PRODUCTION

Renewables-based energy production				
	12.31.2023	**12.31.2022**	**Change HUF million**	**Change %**
data in HUF million	**non-audited**	**audited**	**over previous year**	**over previous year**
Sales revenue	**5 211**	**5 163**	**48**	**1%**
Material expenses	(1 846)	(967)	(879)	91%
Personnel expenses	(342)	(219)	(123)	56%
Other revenues and Other expenses	(325)	(243)	(82)	34%
Capitalized own production	(12)	-	(12)	n.a.
EBITDA*	**2 685**	**3 734**	**(1 049)**	**(28%)**
Allocated administrative expenses	(261)	(205)	(56)	27%
EBITDA II*	**2 424**	**3 529**	**(1 105)**	**(31%)**

**EBITDA: In the opinion of the Company's management, this is the profit category that can best 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 ACHIEVED BY THE SEGMENT DROPPED BY HUF 1,105 MILLION (31%)** due to the expiry on June 30, 2022, of production opportunities within the subsidized system (KÁT) 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, but with revenues lower than the previous subsidized level. The inclusion of the Nagykőrös biogas plant in the consolidation had a positive impact on keeping sales revenue at last year's level.
- The increase in material expenses is due to **material and raw material costs and insurance premiums rising** because of the biogas power plant, and in the case of wind turbines, a risk mitigating increase in the content of operation contracts.
- The capacity of ALTEO's portfolio of power plants utilizing renewable sources of energy now exceeds 70MW, and further expansion is underway with the additional 20 MW solar power plant of EDELYN SOLAR Kft. acquired last July, which is expected to be handed over in the first half of 2024.
- The biogas power plant acquired by ALTEO in the Energigas Kft. acquisition concluded on May 25, 2023, is consolidated from June 1, 2023 in the renewable segment. In connection with the extra profit tax on the power plant, the National Tax Authority of Hungary conducted a compliance audit, which had a consolidated EBITDA impact of HUF 145 million.
- The segment's result between years may be driven by the deviation arising from the nature of the producers, in addition to changes in market prices.

ENERGY SERVICES

Energy services					
data in HUF million	12.31.2023 non-audited	12.31.2022 comparison	12.31.2022 audited	Change HUF million over previous year	Change % over previous year
Sales revenue	**4 903**	**3 866**	**5 088**	**1 037**	**27%**
Material expenses	(2 181)	(1 636)	(2 675)	(544)	33%
Personnel expenses	(2 048)	(1 838)	(2 116)	(210)	11%
Other revenues and Other expenses	85	(57)	(93)	142	(248%)
Capitalized own production	274	206	218	68	33%
EBITDA*	**1 033**	**541**	**421**	**492**	**91%**
Allocated administrative expenses	(1 073)	(817)	(869)	(256)	31%
EBITDA II*	**(40)**	**(276)**	**(448)**	**236**	**(86%)**

**EBITDA: In the opinion of the Company's management, this is the profit category that can best 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).*

- *As of January 1, 2023, the waste management business, previously presented under Energy Services, is presented as a separate segment.*
- The Energy Services segment realized an EBITDA I of HUF 1,033 million.
- The **Business and Project Development division** provided **project management services** to external partners with higher margins than in the previous year. In the comparative period, the business development resource allocated to the segment is shown as allocated administrative costs in 2023, allocated to the appropriate segments.
- The profit realized by the segment from **operation and maintenance services provided to third parties (MOL, Borsodchem, Budapest Power Plant, Főtáv, Siemens, Uniper)** was higher than in the comparative period.
- In 2023, ALTEO started to increase its external maintenance service potential within the framework of an organizational development project, which was accompanied by the construction of a new maintenance site in Százhalombatta.
- The **E-MOBILITY** business, as expected, has no significant profit-generation capacity at present.
- The moderate EBITDA II value (after allocated administrative costs) is the result of, on the one hand, the higher allocated administrative costs related to the ramp-up of the E-mobility business relative to its profit generating capacity and, on the other, the shift in the focus of project development activities to internal projects that do not generate immediate results at a consolidated level.

alteo

WASTE MANAGEMENT

Waste management					
	12.31.2023	12.31.2022	12.31.2022	Change HUF million	Change %
data in HUF million	non-audited	comparison	audited	over previous year	over previous year
Sales revenue	**4 268**	**1 222**	**-**	**3 047**	**249%**
Material expenses	(2 715)	(1 039)	-	(1 677)	161%
Personnel expenses	(887)	(278)	-	(609)	219%
Other revenues and Other expenses	69	(36)	-	105	(292%)
Capitalized own production	-	**11**	**-**	(11)	(100%)
EBITDA*	**735**	**(120)**	**-**	**855**	**(714%)**
Allocated administrative expenses	(308)	(52)	-	(255)	487%
EBITDA II*	**427**	**(172)**	**-**	**599**	**(348%)**

**EBITDA: In the opinion of the Company's management, this is the profit category that can best 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 Waste Management segment significantly increased in size with the acquisition of FE-Group INVEST Zrt. in 2022. Accordingly, as of January 1, 2023, the waste management business, previously presented under Energy Services, is presented as a separate segment.
- As an impact of the acquisition, **Sales Revenue increased fourfold by HUF 3 billion by 2023,** and FE Group was included in the consolidation from 2022 Q4, thus its 2022 sales revenue increased the segment's performance in the last quarter.
- The typical behavior in the industry in 2023 H1 was to prepare for the concession launched on July 1. The concession was won by MOL Nyrt. for 35 years, and according to this MOL manages the collection and treatment of municipal solid waste. FE-GROUP INVEST Zrt. is an important player in the industry as a direct subcontractor of MOL in this activity. On June 29, 2023, FE-GROUP INVEST Zrt. signed a two-year contract (with a two-year extension option) with the concession holder, MOHU Zrt.
- The results for the concession scheme are in line with expectations, with the segment achieving an EBITDA I result of HUF 643 million in H2. The growth in processed material flows is continuous, and management expects to see further growth as new material flows are added.
- The increase in size and complexity has also led to a significant increase in the administrative costs allocated to the segment.

alteo

RETAIL ENERGY TRADE

Retail energy trade	12.31.2023	12.31.2022	Change HUF million	Change %
data in HUF million	non-audited	audited	over previous year	over previous year
Sales revenue	**18 041**	**24 939**	**(6 898)**	**(28%)**
Material expenses	(14 086)	(22 202)	8 116	(37%)
Personnel expenses	(192)	(168)	(24)	14%
Other revenues and Other expenses	339	33	306	927%
Capitalized own production	-	-	-	n.a.
EBITDA*	**4 102**	**2 601**	**1 501**	**58%**
Allocated administrative expenses	(144)	(142)	(2)	2%
EBITDA II*	**3 957**	**2 459**	**1 498**	**61%**

**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 lower **SALES REVENUE AND MATERIAL EXPENSES** compared to the first half of last year are due to the indexed pricing of contracts within the portfolio. Following last year's price boom, global electricity prices fell significantly in 2023.
- The segment's **DYNAMIC EBITDA GROWTH** was driven by fixed-price contracts with high coverage. This is also noteworthy as, for risk management reasons, the segment has cleared up its portfolio and did not extend contracts with low-margin, riskier customers.
- The significant increase in Other Revenues and Other Expenses is due to the one-off effect of the better-than-expected price of purchased EEOS (Energy Efficiency Obligation Scheme) quotas and the state compensation for the EUR 200 price cap on fixed contracts introduced from July 1. The latter is not a significant part of the portfolio and has no impact on the segment's results, with the state compensating the loss of revenue in full.
- The **COVERAGE OF ELECTRICITY TRADE SHOWS A HUF 1,352 MILLION INCREASE** compared to the previous year. The positive trend is primarily a consequence of the higher price and margin levels from increased electricity prices last year, 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.
- The **GAS TRADE BUSINESS LINE** realized a **SURPLUS MARGIN OF HUF 265 MILLION** year-on-year, mainly due to the higher specific margin. The mild weather and mandatory savings have led to a significant drop in consumption.

alteo

OTHER ACTIVITIES NOT ASSIGNED TO SEGMENTS

Other segments				
data in HUF million	**12.31.2023** **non-audited**	**12.31.2022** **audited**	**Change HUF million over previous year**	**Change %** **over previous year**
Sales revenue	**5**	**0**	**4**	**1 220%**
Material expenses	(737)	(323)	(414)	128%
Personnel expenses	(1 008)	(717)	(291)	41%
Other revenues and Other expenses	(152)	(8)	(143)	1 709%
Capitalized own production	-	-	-	n.a.
EBITDA*	**(1 891)**	**(1 048)**	**(843)**	**80%**

**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 the distributed administrative expenses.
- Compared to the comparative period, the increase in costs is mainly driven by the costs of the long-term management incentive scheme, as well as a substantial increase in consultancy fees related to active investment activities and the exceptionally high inflation rate.

alteo

ALTEO NYRT.

THANK YOU FOR YOUR ATTENTION

www.alteo.hu