

Independent Auditor's Report to the Shareholders of ALTEO Nyrt.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of ALTEO Nyrt. and its subsidiaries (the „Group”) in the 529900PHL3J3ZRBC2J44-2023-12-31-hu.zip¹ digital file for the year 2023 which comprise the consolidated statement of financial position as at December 31, 2023 (which shows a total assets of **HUF 91 977 779 thousands**) and the related consolidated statement of recognized income, consolidated statement of other comprehensive income (which shows a comprehensive income for the year of **HUF 8 303 845 thousands**), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and consolidated notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of ALTEO Nyrt. and its subsidiaries as at December 31, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (the „EU IFRS”), and the consolidated financial statements were prepared in all material respects in accordance with the provisions of the effective Hungarian Act C of 2000 on Accounting (hereinafter: “the Accounting Act”) relevant to the entities preparing consolidated financial statements in accordance with EU IFRS.

Basis for the opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing (“HNSA”) and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report.

We are independent of the Group in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors’ Rules on ethics and professional conduct of auditors and on disciplinary process and, as well as with respect to issues not covered by these Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we also comply with further ethical requirements set out in these.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

¹ the digital identification of above 529900PHL3J3ZRBC2J44-2023-12-31-hu.zip consolidated financial statements with SHA 256 HASH algorithm: 009D7D967BE1C45E8216A12034400154FDDC178F26CABF42587D6095D85441BF

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition Refer to Notes IV.1. in the consolidated financial statements	<p>Our audit work supporting the revenue recognition included the following substantive audit procedures.</p> <p>Existence and accuracy of sales revenue have been tested on a sample basis and the items selected have been reconciled to turnover confirmation letters as well as source documents (invoice, contract, certificate of performance).</p> <p>We have tested on a sample basis the accuracy of prepaid or deferred income.</p> <p>Also, we have tested the credit notes issued after the above balance sheet date in order to ensure that they did not refer to sales revenue recognized in the financial year of 2023.</p> <p>We have applied analytical review procedures as well for analysing sales turnover.</p> <p>We have checked the appropriate compliance with relevant financial reporting standards, accounting records and disclosures.</p>

Other information

Other information comprises the information included in the consolidated business report and in the integrated report of the Group for 2023. Management is responsible for the other information and for the preparation of the consolidated business report in accordance with the provisions of the Accounting Act and other relevant regulations. Our opinion on the consolidated financial statements expressed in the “Opinion” section of our independent auditor’s report does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that the other information is materially misstated we are required to report this fact and the nature of the misstatement.

Furthermore, in accordance with the Accounting Act, our responsibilities regarding the consolidated business report also include reviewing the consolidated business report to assess whether the consolidated business report was prepared in accordance with the relevant provisions of the Accounting Act and other regulations, if any, including the assessment whether the consolidated business report complies with the requirements of Section 95/B. (2) e) and f) of the Accounting Act. Furthermore, in accordance with the Accounting Act we shall make a statement whether the information referred to in Section 95/B. (2) a)-d), g) and h) and Section 95/C (2) a)-e) has been provided in the consolidated business report.

In course of performing this responsibility, forming our opinion relating to the business report, we have considered the Commission Delegated Regulation (EU) 2019/815 (17 December 2018) on the European Single Electronic Format (“ESEF Delegated Regulation”) of the Directive 2004/109/EC of the European Parliament and the Council as other regulation prescribing further content requirements for the business report.

In our opinion, the consolidated business report and the integrated report of ALTEO Nyrt. and its subsidiaries for 2023 corresponds to the consolidated financial statements of ALTEO Nyrt. and its subsidiaries for 2023 and the relevant provisions of the Accounting Act as well as the previously mentioned other regulation in all material respects. The information referred to in Section 95/B. (2) a)-d), g) and h)) and Section 95/C (2) a)-e) of the Accounting Act has been provided.

We are not aware of any other material inconsistency or material misstatement in the consolidated business report and in the integrated report therefore we have nothing to report in this respect.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HNSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HNSAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis in the preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of ALTEO Nyrt. by the General Meeting of Shareholders on 21 April 2023 and our engagement has been lasting for four years without interruption.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of ALTEO Nyrt., which we issued on 28 March 2024 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Group. In addition, there are no other non-audit services which were provided by us to the ALTEO Nyrt. and its controlled undertakings and which have not been disclosed in the consolidated financial statements or in the consolidated business report.

The engagement partners on the audit resulting in this independent auditor's report are the signatories of the report.

REPORT ON THE COMPLIANCE WITH THE PROVISIONS OF THE REGULATION ON THE EUROPEAN SINGLE ELECTRONIC FORMAT REGARDING THE PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

We have performed a reasonable assurance engagement about the compliance with the provisions of the ESEF Delegated Regulation regarding the presentation of the consolidated financial statements of the Group in the 529900PHL3J3ZRBC2J44-2023-12-31-hu.zip digital file ("consolidated financial statements in ESEF").

Responsibilities of management and those charged with governance for the consolidated financial statements in ESEF

Management is responsible for the presentation of the consolidated financial statements in ESEF complying with the ESEF Delegated Regulation. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable XHTML format;
- selection and application of appropriate iXBRL mark-ups in accordance with the provisions of ESEF Delegated Regulation, using judgement if needed, including the full application of core mark-ups, as well as the appropriate creation and connection of extension elements; and

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- the design, implementation and operation of internal control relevant for the adaptation of ESEF Delegated Regulation.

Those charged with governance are responsible for overseeing the Group's financial reporting process, including the compliance with the of ESEF Delegated Regulation.

Our responsibility and summary of the work performed

Our responsibility is to provide an opinion, based on the evidence we have obtained, about that the presentation of the consolidated financial statements in ESEF complies, in all material respects, with the provisions of the ESEF Delegated Regulation. We conducted our reasonable assurance engagement in accordance with the Hungarian National Standard on Assurance Engagements 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000").

The reasonable assurance engagement in accordance with ISAE 3000 includes performing procedures to obtain evidence about the compliance with ESEF Delegated Regulation. The nature, timing and extent of the procedures selected, including the assessment of risk of material discrepancy, whether due to fraud or error, from the provisions of ESEF Delegated Regulation, depend on the auditor's judgement.

Our reasonable assurance engagement included the assessment of the marking up, the assessment of the Group's internal controls relevant for the adaptation of the provisions of ESEF Delegated Regulation as well as the examination of whether the XHTML format is properly applied; valuation of the completeness of the Group's marking up of the consolidated financial statements using XBRL mark-up language, examination of the appropriateness of the iXBRL elements selected from ESEF taxonomy applied by the Group and, where appropriate element was not identified in ESEF taxonomy, the appropriateness of creation of extension elements, as well as the valuation of connection applied regarding the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion

In our opinion, the presentation of the Group's consolidated financial statements in ESEF in the 529900PHL3J3ZRBC2J44-2023-12-31-hu.zip digital file for the year ending December 31, 2023 complies, in all material respects, with the provisions of the ESEF Delegated Regulation.

Budapest, 28 March 2024

BDO Hungary Audit Ltd.
1103 Budapest, Kőér utca 2/A
Registration number: 002387

András Schillinger
Director

Péter Kékesi
Certified Auditor
Chamber registration No.:
007128

This is the translation of the original Hungarian statutory report. In case of any discrepancies, the original Hungarian version prevails.

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