

ANNOUNCEMENT

Extraordinary communication

In compliance with its obligation to provide notification of extraordinary events under Act CXX of 2001 on the Capital Market (hereinafter: “**Capital Market Act**”) and Section 1.24 of Annex 4 of Decree No. 24/2008 (VIII. 15.) of the Minister of Finance, **ALTEO Energy Services Public Limited Company** (registered office: H-1033 Budapest, Kórház utca 6-12, company registration number: Cg.01-10-045985) (hereinafter: “**Company**” or “**ALTEO**”) hereby provides the following information.

With reference to the Company’s announcement published on January 20, 2023, in which the Company informed Investors that ALTEO has made a binding takeover bid to the owners of Energikum Zrt. (registered office: H-3011 Heréd, Kökényesi út 8, company registration number: Cg. 10-10-020308; hereinafter: “**Energikum**”) to acquire shares embodying 100% of the share capital of Energikum, and for the acquisition of the stake embodying 33% of the issued capital of ECO-FIRST Kft. (registered office: H-1033 Budapest, Kórház utca 6-12, company registration number: Cg. 01-09-344380; hereinafter: “**ECO-FIRST**”), ALTEO hereby informs its Investors of the following.

ALTEO as buyer has concluded a share purchase contract with the owners of Energikum to acquire shares embodying 100% of the share capital of Energikum. Energikum holds the stake embodying 99% of the issued capital of Energigas Kft. (registered office: H-1055 Budapest, Kossuth Lajos tér 18, company registration number: Cg. 01-09-715418; hereinafter: “**Energigas**”), which owns the biogas plant in Nagykőrös. ALTEO is currently the 1% minority shareholder of Energigas. Furthermore, ALTEO also operates the Nagykőrös biogas plant, which produces electricity from biomethane generated from organic waste.

The acquisition of the biogas plant with a nominal electricity generation capacity of 2 MW is fully in line with ALTEO’s strategy and will also strengthen its role in the circular economy. Beyond the current mode of operation, it is worth noting that the produced biomethane is suitable, under certain conditions, to be a substitute for natural gas and can even feed into the natural gas distribution system, which represents valuable potential for the appreciation of the investment project in the future.

Furthermore, ALTEO - as buyer - entered into a sale and purchase agreement for the purchase of the business unit representing 33% of the registered capital of ECO-FIRST, in which ALTEO is already a 67% shareholder. ECO-FIRST is an active player in the trade of waste and, as such, plays an important role in the procurement of raw materials for the Nagykőrös biogas plant.

The conclusion of the contracts are one of the steps of the transactions. The ownership of the shares embodying 100% of the share capital of Energikum and the ownership of the business unit representing 33% of the registered capital of ECO-FIRST will be transferred to the Company once the conditions detailed in the contracts have been met.

For closing the acquisition of Energikum, it is also necessary to obtain the approval of the authorities and the bank involved in the financing of Energigas.

The Company will provide Investors with all information required by the governing laws in connection with the ongoing transaction.

Budapest, March 10, 2023

ALTEO Plc.



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