

ALTEO NYRT.

# INVESTOR PRESENTATION – ALTEO Group

2024

(non-audited financial income)



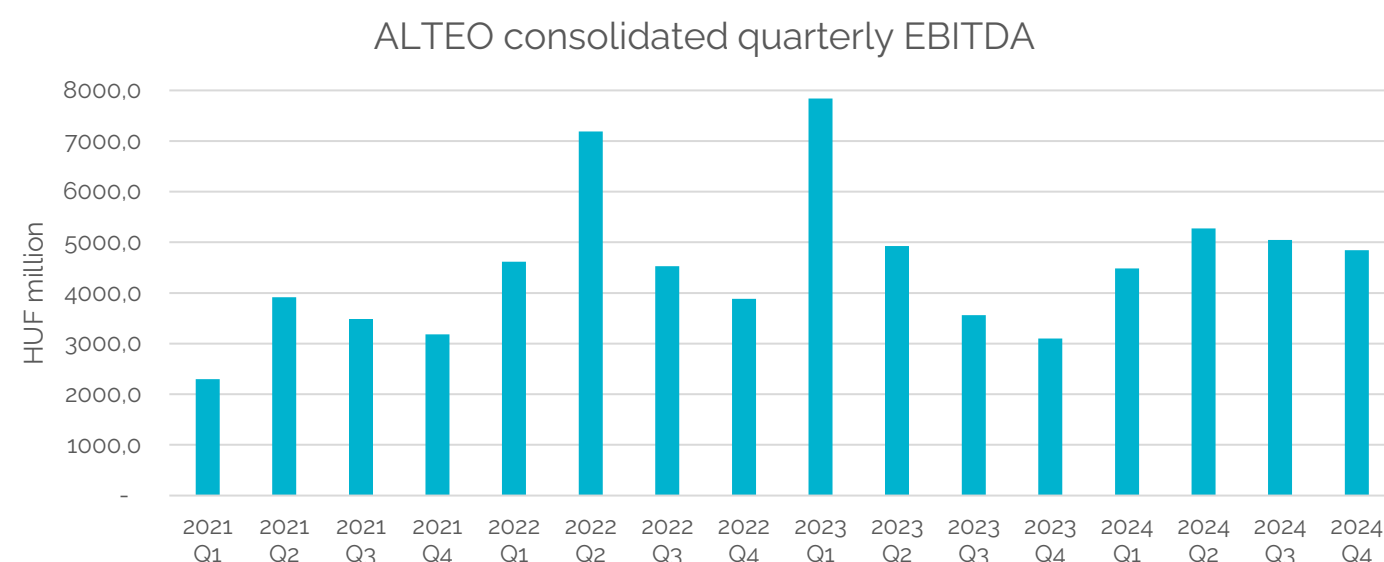


# 2024 NON-AUDITED FINANCIAL INCOME

This information was not compiled on the basis of international accounting standard IAS 34 – Interim Financial Reporting; the information contained therein are non-audited in terms of the 2024 results, and have not been audited by an independent auditor. This presentation is for advance information purposes only.

# KEY ECONOMIC EVENTS IN 2024

- In line with previous expectations, the energy market opportunities that arose in 2022 and continued in 2023 did not stay alive in the long term, and prices started to fall.
- Thanks to its structure, its strategy based on sustainability and renewable energy production, its diversified portfolio and its outstanding team of professionals, ALTEO was able to actively take advantage of the arising opportunities. **With a view to its long-term strategy, ALTEO** has seized opportunities to stabilize its profitability at a higher level than before the energy price boom in 2022, despite the moderating energy market price environment. Accordingly, taking into account the energy prices in this period, ALTEO **achieved an outstanding result, exceeding the EBITDA achieved in the 2023 comparative period.**



- **THE CONSOLIDATED EBITDA was HUF 19.7 billion**, slightly above the 2023 figure, which was realized in a **more favorable and significantly higher priced** energy market environment, with the profit being between HUF 4.5 and 5.5 billion in each quarter.
  - **THE CONSOLIDATED NET PROFIT WAS HUF 10.2 BILLION**, down by HUF 2.5 billion from 2023, mainly due to increased depreciation due to a higher asset portfolio and the normalization of interest income realized in the extremely high interest rate environment of the preceding year and exchange rate effects.
- ALTEO intends to continue to exploit as many opportunities as are offered by the market in the period ahead. **ALTEO's management considers the results of the major segments and business lines to be successful.** The **waste management** business achieved outstanding growth. In **renewable energy production**, investments and acquisitions are having an impact. Despite dropping prices, the **retail** segment more than doubled its sales by increasing its portfolio. In the same environment, **heat and electricity production and management** decreased slightly.
  - ALTEO continues the active **INVESTMENT ACTIVITY** announced in its strategy. In 2024, the investment projects launched in 2023 were delivered. ALTEO has further expanded and intends to further expand its renewable energy and waste management activity, completed significant acquisitions and actively started the largest greenfield investment project in its history with the development of an energy storage facility worth nearly HUF 28 billion. In addition, it continues to identify opportunities in the strategic cooperation between MOL and ALTEO.

# KEY EVENTS IN 2024

- 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.
- January 18, 2024 – **FE-GROUP INVEST ZRT. HAS WON A HUF 300 MILLION SUBSIDY** in the tender published 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.
- On March 1, 2024, ALTEO Nyrt., a company listed on the Prime Market of the Budapest Stock Exchange, was awarded the "Company with Long-term Share Price Increase" prize at the **BEST OF BSE 2023** awards ceremony.
- On April 19, 2024, the **GENERAL MEETING ADOPTED ALTEO'S 2023 ANNUAL REPORT AND INTEGRATED REPORT**.
- The General Meeting adopted a decision on the payment of a **DIVIDEND OF HUF 4 BILLION GROSS** and an additional extraordinary dividend of HUF 4 billion gross (starting date of dividend payment: June 7, 2024; reporting date: May 31, 2024) on April 19, 2024.
- On May 27, 2024, **ALTEO'S SUBSIDIARY AND MOL CONCLUDED A 10-YEAR LONG-TERM SERVICE CONTRACT** for the utilization of high inert natural gas. The service consists of the preparation for transport and the actual transport of the high inert natural gas extracted from the gas wells in Csombárd, as well as their unloading at the MOL site and delivery to the combustion equipment. ALTEO is implementing an investment of approximately HUF 820 million to provide the service.
- On May 28, 2024, Scope Ratings GmbH carried out the annual review of the credit rating of the bonds issued by ALTEO, as a result of which the rating remained unchanged, ALTEO as issuer and the bonds **REMAINED IN THE BBB- CATEGORY WITH A STABLE OUTLOOK**.



# KEY EVENTS IN 2024

- On June 24, 2024, the **CONTRACTS FOR THE ENERGY STORAGE PROJECT WITH AN INSTALLED CAPACITY OF NEARLY 70 MW, IMPLEMENTED UNDER THE GRANT CONTRACTS ANNOUNCED IN THE RRF TENDER, WERE SIGNED** and then entered into the implementation phase on October 17, 2024. Several ALTEO subsidiaries were awarded **GRANTS TOTALING HUF 9.4 BILLION** for **INVESTMENTS WORTH NEARLY HUF 28 BILLION**. All in all, the investments implemented under the project represent the largest greenfield investments in ALTEO's history. ALTEO agreed to operate the storage facilities involved in the grant for at least 10 years, for which the tender provides **FIXED REVENUE-BASED COMPENSATION BASED ON STORAGE FACILITY PERFORMANCE FOR 10 YEARS**. According to the tender, the operation of the storage facilities must commence by April 30, 2026.
- On August 8, 2024, ALTEO's largest solar power plant, with a capacity of 20 MW, **STARTED OPERATIONAL PRODUCTION** in the Tereske region.
- September 26, 2024 – **ALTEO NYRT. HAS BEEN AWARDED SILVER RATING** in one of the world's most trusted sustainability schemes. EcoVadis is an independent assessment platform that evaluates the performance of companies and suppliers based on environmental, social and governance criteria. It currently assesses more than 130,000 companies all around the world. ALTEO's silver rating also means that it is rated as one of the top 15% of the companies assessed.
- October 4, 2024 – **ALTEO'S NEW 8MW/16MWH BATTERY ELECTRICITY STORAGE FACILITY IN GYŐR HAS STARTED OPERATIONS**, and will significantly contribute to the utilization of weather-dependent renewable energy sources.
- On October 18, 2024, **ALTEO SIGNED BUSINESS QUOTA PURCHASE CONTRACTS FOR THE ACQUISITION OF 100% OF THE MOV-R QUOTAS**. The transaction was successfully concluded on November 29, 2024: the conditions for closure set out in detail in the contracts were fulfilled, and **ALTEO BECAME THE EXCLUSIVE OWNER OF THE MOV-R BUSINESS QUOTAS**. Mov-R currently operates 12 wind turbine towers with a total capacity of 24MW and with individual capacities of 2MW, in the villages of Levél and Mosonszolnok. **WITH THE CLOSING OF THE TRANSACTION, ALTEO'S CAPACITY IN THE HUNGARIAN WIND TURBINE MARKET IS NOW 71.5 MW**, bringing ALTEO's total renewables-based electricity generation capacity to over 115 MW.



# KEY EVENTS IN 2024

- On October 31, 2024, ALTEO exercised its call option to acquire the **24.9% SHARE OF THE BLUE PLANET FOUNDATION** in FE-GROUP Invest Zrt., becoming the sole owner of FE-GROUP Invest Zrt.
- November 15, 2024 – Morningstar Sustainalytics **CONFIRMED ALTEO ENERGIASZOLGÁLTATÓ NYRT.'S 'MEDIUM' ESG RISK RATING**. ALTEO reduced the 'high' risk level of its certification, first obtained in 2022, to 'medium' last year and has maintained this level for this year.
- November 18, 2024 – ALTEO established its new, wholly owned subsidiary **ARTEMIS TECHNOLOGIES** Zártkörűen Működő Részvénytársaság
- On December 10, 2024, **ALTEO WON THE GENERAL CONTRACTOR'S TENDER PUBLISHED BY MOL NYRT. FOR ITS 37.5 MWP POWER PLANT IN ALGYŐ**, meaning that ALTEO will be the general contractor for the investment project implemented in the largest hydrocarbon field in Hungary. Following the design and permit approval phase, on-site construction works are scheduled to start in the spring of 2025 and to be completed in April 2026. A general contractor's contract worth nearly HUF 11 billion was signed by the parties.
- December 11, 2024 – **ALTEO IMPLEMENTED A HUF 1 BILLION INVESTMENT AT ITS SOPRON POWER PLANT**, to further expand the capacity of its Virtual Power Plant. This investment included the **INSTALLATION AND COMMISSIONING OF A 3 MW GAS ENGINE**. As a result ALTEO's gas engine portfolio has been expanded to a capacity of 110 MW. The heat recovery system of the gas engine can supply 1.2 MWth of steam and 1.6 MWth of hot water to the heat consumers of the Sopron Power Plant.
- On December 12, 2024, ALTEO exercised its option under the contract concluded with Callis Befektetési Zrt. **TO ACQUIRE OWNERSHIP OF AEROPE HOLDING KFT**. This is a project company that owns a solar farm project with a current total of 19.95 MW grid connection in the early permit phase. Through the acquisition, ALTEO intends to further expand its portfolio of power plants utilizing renewable energy.

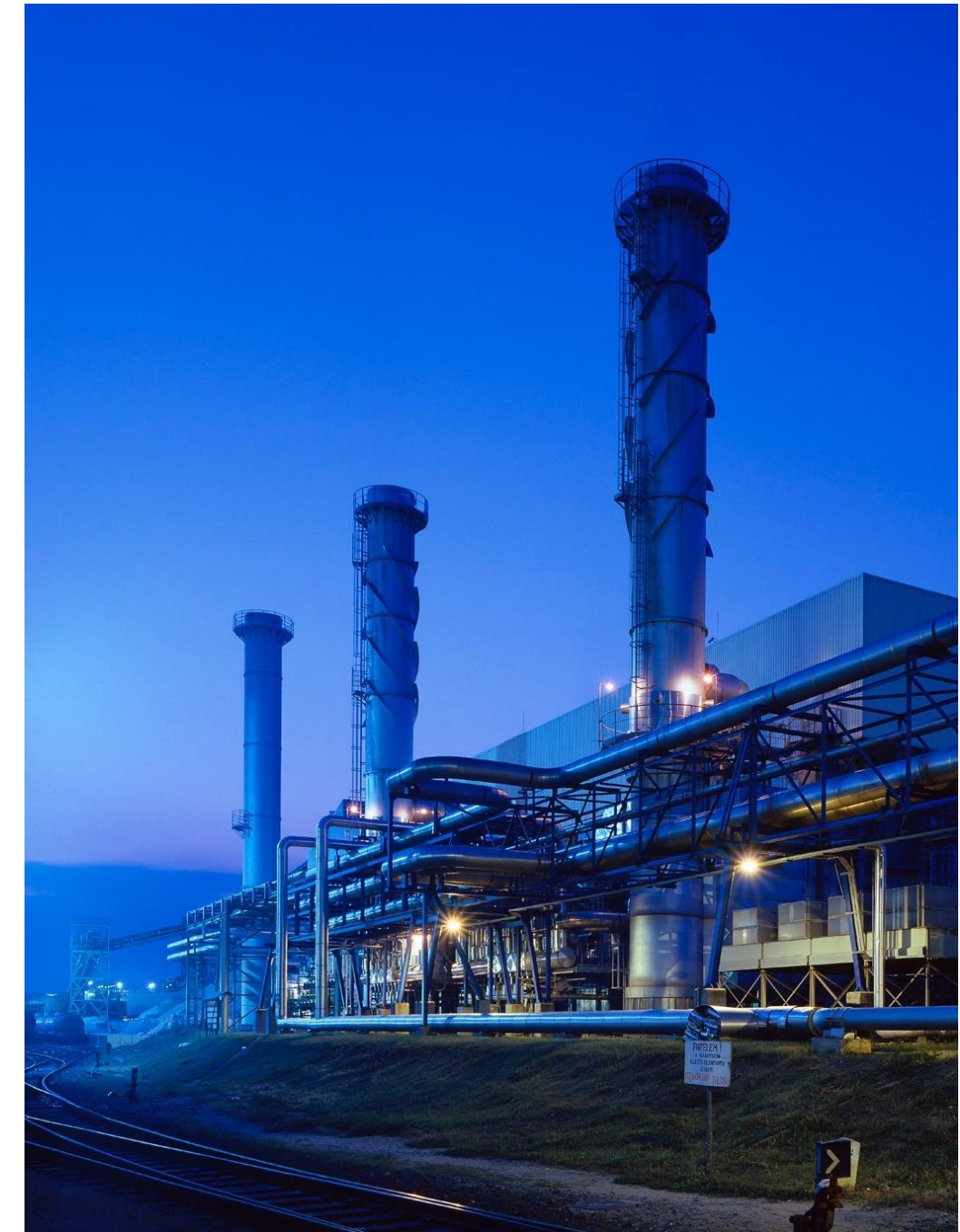


# KEY EVENTS IN 2024

- On December 20, 2024, **ALTEO SIGNED BUSINESS QUOTA PURCHASE CONTRACTS FOR THE ACQUISITION OF 100% OF THE ÉLTEX KFT. QUOTAS.** Upon full satisfaction of the closing conditions, which ALTEO expects to occur in 2025, ALTEO becomes the holder of the business quotas. ÉLTEX Kft., which has been operating for more than 30 years, is a key player in the circular economy in Hungary, and its core activities include the treatment, transport and sorting of electronic waste and other hazardous and non-hazardous waste, and seeking out and exploring markets for recycled materials. With the transaction, ALTEO aims to elevate its role in the circular economy to a new level.

## Events after the closing of the statement of financial position

- On January 9, 2025, ALTEO published its business strategy for 2025-2030, which will enable the Company to achieve a veritable **LEAP IN SCALE, BOTH IN THE GEOGRAPHICAL AND FINANCIAL SENSE.**
- On February 6, 2025, ALTEO signed the largest credit facility agreement in its history with MBH Bank Nyrt. and Gránit Bank Nyrt. Under the agreement, the financing parties provide ALTEO with a **FACILITY OF UP TO HUF 40 BILLION** for general corporate financing purposes. ALTEO intends to use the available facility **TO IMPLEMENT ITS STRATEGY**, to support its further growth and to optimize its financing structure.



# 2025-2030 STRATEGY (extract)

## ALTEO's new strategy aims to achieve a leap in scale through regional expansion

The Company's results over the past 3 years have significantly exceeded the targets set in its 2022-2026 strategy, with EBITDA actually achieved in 2023 almost double the target for 2026, and planned capital investment volumes 20% higher with projects approved by the end of 2024. The strategy update not only took into account the fact that the Company has made good use of arising market opportunities and exceeded the targets of the strategy well in advance, but also that its majority owners, with their presence in foreign markets, market knowledge and network of contacts, offer **SIGNIFICANT POTENTIAL FOR BOTH REGIONAL EXPANSION AND THE EXPLOITATION OF SYNERGIES**.

## Strategic focal points

ALTEO's revised strategy continues to focus on **ENERGY**, laying the foundations for growth through the continuous development of market-leading digitalization and **KNOWLEDGE-BASED COMPLEX PRODUCTION MANAGEMENT** solutions, the **EXPANSION OF ITS RENEWABLE PORTFOLIO** and, in maintenance, operations and energy trading activities, through the exploitation of synergy opportunities within the ownership group in addition to new business acquisitions.

ALTEO aims to achieve a leap in scale in the **CIRCULAR ECONOMY** by building competences and activities across the waste management value chain and further increasing the share of materials that are returned to the cycle by integrating new technologies and material streams, such as spent batteries or solar panels.





# 2025-2030 STRATEGY (extract – cont.)

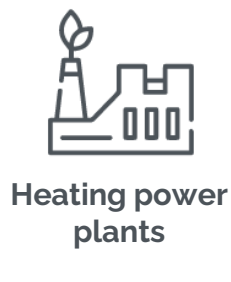
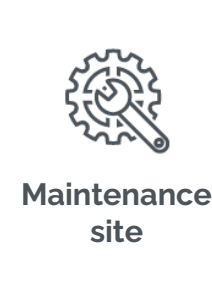
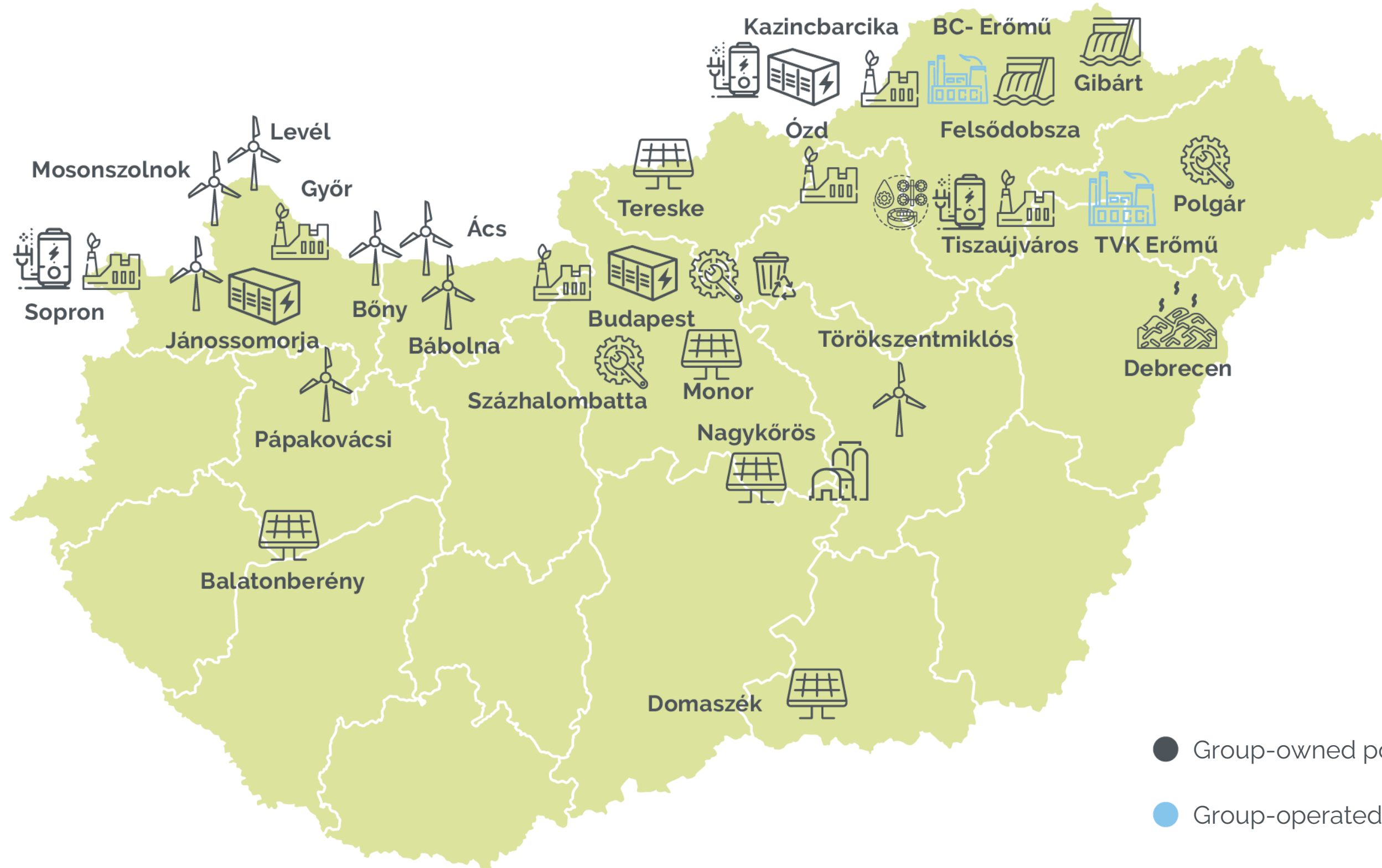
A significant new feature of the newly published strategy is its **REGIONAL FOCUS**, with the aim of expanding the Company's presence in the domestic market as well as entering specific markets in the Central European region. In this regard, the regional markets are of particular interest since this is where ALTEO's majority ownership group already has a strong presence and market connections.

- It plans to accomplish this by **EXPANDING ITS RENEWABLE PORTFOLIO, BOTH DOMESTICALLY AND REGIONALLY**, with the aim of developing a regional green portfolio with a total capacity of **1,500-2,000 MW BY THE END OF 2030**.
- The strategic plan also includes the expansion of ALTEO's unique **PRODUCTION MANAGEMENT SERVICES, AND OPERATIONAL AND MAINTENANCE CAPABILITIES TO OTHER COUNTRIES IN THE REGION**, as well as the strengthening of its retail and wholesale presence in these countries.
- In terms of **CIRCULAR ECONOMY**, the primary objective is to become a leader in the domestic market, after which **OPPORTUNITIES FOR EXPANSION ABROAD CAN BE EXPLORED..**

To achieve its strategic objectives, ALTEO aims to invest up to EUR 2-2.5 billion and set an EBITDA target of HUF 300 million by 2030. By implementing its strategic plans and diversifying its country and regulatory risks through its presence in the whole region, ALTEO will be able to achieve even more stable profit generated from a multiple sources, and thus create even greater value for its shareholders.



# ALTEO GROUP PORTFOLIO



# ALTEO GROUP PORTFOLIO



## RENEWABLE ENERGY PRODUCTION

ALTEO Group has significant competences, among others, in exploiting renewable energy sources.

### WIND FARMS

- Ács – 2 MW
- Bábolna – 15 MW
- Bőny – 25 MW
- Jánossomorja – 2 MW
- Pápakovácsi – 2 MW
- Törökszentmiklós – 1.5 MW
- Levél and Mosonszolnok – 24 MW

### RENEWABLE GAS

- Debrecen – landfill gas – 1.1 MW
- Nagykőrös – biogas – 2 MW

### HYDROPOWER PLANTS

- Felsődobsza – 0.9 MW
- Gibárt – 1 MW

### SOLAR POWER PLANTS

- Domaszék – 2 MW
- Monor – 4 MW
- Balatonberény – 6.2 MW
- Nagykőrös – 7 MW
- Tereske – 20 MW



## 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 – 47 MW<sub>e</sub> / 296 MW<sub>th</sub>
- BC-Power – operation – 50 MW<sub>e</sub> / 123 MW<sub>th</sub>

### MOL Petrolkémia

- TVK Power Plant – operation – 34 MW<sub>e</sub> / 300 MW<sub>th</sub>
- 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 – 4.9 MW<sub>e</sub> / 4.9 MW<sub>th</sub>
- Tiszaújváros Heating Power Plant – 9.4 MW<sub>e</sub> / 45.6 MW<sub>th</sub>
- Kazincbarcika Heating Power Plant – 9.3 MW<sub>e</sub> / 54.3 MW<sub>th</sub>
- Füredi út Gas Engine Block Power Plant – 18.2 MW<sub>e</sub> / 16.5 MW<sub>th</sub>
- Győr Power Plant – 18 MW<sub>e</sub> / 24 MW<sub>th</sub>
- Sopron Power Plant – 9.1 MW<sub>e</sub> / 39.9 MW<sub>th</sub>

### ELECTRICITY STORAGE FACILITIES

- Füredi út Storage Facility – 6 MW<sub>e</sub>
- Kazincbarcika Storage Facility – 5 MW<sub>e</sub>
- Győr Storage Facility – 8 MW<sub>e</sub>

### ELECTRICAL BOILERS

- Tiszaújváros Heating Power Plant – 6 MW<sub>th</sub>
- Kazincbarcika Heating Power Plant – 6 MW<sub>th</sub>
- Sopron Power Plant – 5.1 MW<sub>th</sub>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

EBITDA was up by HUF 227 million year-on-year, with sales revenue rising by HUF 6,653 million.

Consolidated Statement of Profit or Loss				
	12/31/2024	12/31/2023	Change	Change
<i>data in million HUF</i>	non-audited	audited	HUF million compared to the previous year	% compared to the previous year **
<b>Revenues</b>	<b>105 607</b>	<b>98 954</b>	<b>6 653</b>	<b>7%</b>
Material expenses	(69 671)	(63 869)	(5 801)	(9%)
Personnel expenses	(10 822)	(7 876)	(2 945)	(37%)
Depreciation and amortization	(5 542)	(4 268)	(1 274)	(30%)
Other revenues, expenses, net	(6 170)	(8 316)	2 146	26%
Capitalized own production	714	539	175	33%
<b>Operating Profit or Loss</b>	<b>14 117</b>	<b>15 163</b>	<b>(1 047)</b>	<b>(7%)</b>
Net financial income	(534)	720	(1 254)	(174%)
<b>Profit or loss before taxes</b>	<b>13 582</b>	<b>15 883</b>	<b>(2 300)</b>	<b>(14%)</b>
Income tax expenses	(3 348)	(3 121)	(227)	(7%)
<b>Net profit or loss</b>	<b>10 235</b>	<b>12 762</b>	<b>(2 527)</b>	<b>(20%)</b>
<i>Of which the owners of the Parent Company are entitled to:</i>	10 235	12 803	(2 569)	(20%)
<i>Of which the minority interest is entitled to:</i>	-	(35)	35	100%
<b>Base EPS (HUF/share)</b>	<b>515,55</b>	<b>645,06</b>	<b>(129,51)</b>	<b>(20%)</b>
<b>Diluted EPS (HUF/share)</b>	<b>513,49</b>	<b>642,37</b>	<b>(128,88)</b>	<b>(20%)</b>
<b>EBITDA*</b>	<b>19 659</b>	<b>19 432</b>	<b>227</b>	<b>1%</b>

## Consolidated Comprehensive Statement of Profit or Loss

<b>Net profit or loss</b>	<b>10 235</b>	<b>12 762</b>	<b>(2 527)</b>	<b>(20%)</b>
Other comprehensive income (after income tax)	<b>3 865</b>	<b>(4 458)</b>	<b>8 323</b>	<b>187%</b>
<b>Comprehensive income</b>	<b>14 100</b>	<b>8 304</b>	<b>5 796</b>	<b>70%</b>
<i>Of which the owners of the Parent Company are entitled to:</i>	14 100	8 339	5 761	69%
<i>Of which minority interest is entitled to:</i>	-	(35)	35	n/a

\*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.

## Most important changes in operating profit and loss items:

- **REVENUE:** The increase in revenues is mainly due to more precipitation and windier weather conditions in the first half of the year, as well as the growth of the renewable segment due to the production launched at the Tereske solar power plant, and the larger electricity portfolio in the Retail segment. The above increase is slightly offset by the significantly lower energy market price environment in the Heat and Electricity Production segment.
- **MATERIAL EXPENSES:** Expenses were caused to increase by the significant portfolio expansion in the Retail segment in proportion to revenues. However, falling energy market prices affecting the heat and electricity production segment are also making their mitigating impact felt here, in parallel with sales revenue.
- **PERSONNEL EXPENSES:** The higher cost level is mainly due to the increase in headcount needed for growth, the labor market situation and the long-term incentive programs, especially the share price tracking thereof.
- **DEPRECIATION:** Depreciation exceeds the 2023 level, due to a larger asset portfolio and the acquisition of Mov-R in the last quarter. This was compounded by impairments recognized on various assets.
- **OTHER REVENUES, EXPENSES:** The increase in other income, in addition to the improvement in the scheduling accuracy of Renewable Production Management and the introduction of the balancing price cap by MAVIR in December, was due to the clarification of an earlier penalty settlement.



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

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- **FINANCIAL INCOME:** A lower interest rate environment compared to last year resulted in lower interest income, offset in part by higher profit on foreign exchange differences and lower interest paid. As a result of these opposite effects, the net financial income decreased by HUF 1.3 billion.
- **INCOME TAXES:** Despite the decrease in profit before taxes, income taxes increased slightly. This is mainly due to the differences in the tax base relative to 2023 between individual companies following the rebalancing of activities, which may not fully correspond to the consolidated profit before taxes under IFRS.
- **NET PROFIT** dropped by 20% compared to the base period, as a result of the above operational impacts.
- **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.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

Assets and receivables		data in HUF million		
	12/31/2024	12/31/2023	Change HUF million compared to the previous year	Change % compared to the previous year
	non-audited	audited		
<b>Non-current assets</b>	<b>60 206</b>	<b>43 573</b>	<b>16 634</b>	<b>38%</b>
<b>Current assets</b>	<b>37 734</b>	<b>48 405</b>	<b>(10 670)</b>	<b>(22%)</b>
of which effect of Other comprehensive income	1 476	877	599	68%
of which financial assets	10 202	24 345	(14 143)	(58%)
of which Inventories	1 300	990	310	31%
of which Trade receivables and accruals	20 592	15 560	5 032	32%
of which Other current assets	4 165	6 633	(2 468)	(37%)
<b>TOTAL ASSETS</b>	<b>97 941</b>	<b>91 978</b>	<b>5 963</b>	<b>6%</b>

Equity and liabilities		data in HUF million		
	12/31/2024	12/31/2023	Change HUF million compared to the previous year	Change % compared to the previous year
	non-audited	audited		
<b>Equity</b>	<b>40 075</b>	<b>33 854</b>	<b>6 220</b>	<b>18%</b>
of which effect of Other comprehensive income	1 476	(2 389)	3 865	162%
<b>Long-term liabilities</b>	<b>28 896</b>	<b>28 653</b>	<b>243</b>	<b>1%</b>
of which effect of Other comprehensive income	-	-	-	0%
of which credit, loans, bonds, leasing	22 978	24 398	(1 420)	(6%)
of which Other long-term liability	5 918	4 255	1 663	39%
<b>Short-term liabilities</b>	<b>28 970</b>	<b>29 470</b>	<b>(500)</b>	<b>(2%)</b>
of which effect of Other comprehensive income	-	3 266	(3 266)	(100%)
of which credit, loans, bonds, leasing	2 215	2 234	(20)	(1%)
of which Trade payables and accruals	20 822	16 101	4 722	29%
of which Other short-term liability	5 933	7 869	(1 936)	(25%)
<b>TOTAL EQUITY and LIABILITIES</b>	<b>97 941</b>	<b>91 978</b>	<b>5 963</b>	<b>6%</b>

- **INVESTMENTS, CAPITAL EXPENDITURES:** During the period in question, a solar power plant with an installed capacity of 20 MW was commissioned in the Tereske area, and other capacity expansion and efficiency-increasing projects with significant investment needs are also underway. In addition, the value of non-current assets increased significantly due to the acquisitions made in the last quarter (Mov-R and Aerope).
- **WORKING CAPITAL:** Available liquid cash and cash equivalents have been significantly reduced due to the dividend payment in June 2024, increased capital expenditures as well as acquisitions in the last quarter. The significant decrease in other current assets was due to changes in or "release" of advances, deposits and guarantees given. The portfolio of trade receivables increased significantly, as a result of the portfolio expansion in the Retail segment, the monthly revenue structure of the Heat and Electricity Production and Management segment, and the launch of the MOL Algyő PV project. The increase in trade payables and accruals was partly in line with the change of trade receivables and partly grew due to the late invoicing of certain partners. The decrease in other short-term liabilities can be traced back to the lower income tax payable primarily as a result of the settlement of the tax liability arising from the year-end release of the previous development reserve.
- In addition to loan repayments set out in contracts, the portfolio of **LONG-TERM LIABILITIES, SHORT-TERM LOANS** decreased with the repayment of the loan from FE-GROUP INVEST Zrt., but increased by the leasing value of newly leased office space.



# HEAT AND ELECTRICITY PRODUCTION AND MANAGEMENT

Heat and electricity production and management				
	12/31/2024	12/31/2023	Change HUF million	Change %
<i>data in HUF million</i>	non-audited	audited	compared to the previous year	compared to the previous year
<b>Revenue</b>	<b>62 412</b>	<b>75 521</b>	<b>(13 110)</b>	<b>(17%)</b>
Capitalized own production	273	277	(4)	(1%)
Material expenses	(39 802)	(50 322)	10 519	(21%)
Personnel expenses	(2 263)	(1 694)	(569)	34%
Other revenues and Other expenses	(5 702)	(8 317)	2 615	(31%)
<b>EBITDA*</b>	<b>14 917</b>	<b>15 465</b>	<b>(548)</b>	<b>(4%)</b>
Allocated administrative expenses	(1 164)	(911)	(253)	28%
<b>EBITDA II*</b>	<b>13 753</b>	<b>14 554</b>	<b>(801)</b>	<b>(6%)</b>

\*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).

- Following the high electricity prices in 2023, 2024 has seen a significant drop in electricity prices. The fall in energy prices in H1 had a negative impact on prices in the market for ancillary services which, together with the drop in prices, negatively impacted the segment's EBITDA. However, the more favorable price environment in the regulatory market in H2 significantly mitigated the negative effects seen in H1. MAVIR introduced a dynamic activation price limit in the balancing energy market in December 2023, and this had a positive impact on the balancing surcharge of the Renewable Production Management sub-segment.
- The segment's **SALES REVENUE** decreased by 17% (HUF 13.1 billion) compared to the outstanding 2023 period, which followed the changes in world market prices and as a result adapted to the dynamics of the market environment.
- **MATERIAL EXPENSES** decreased by 21% (HUF 10.5 billion), which in absolute terms is below the decline in revenues. The primary reason for the decrease is the fall in energy prices, while the difference relative to revenue is due to the change in EBITDA distribution between the sub-segments.
- The decline in **OTHER EXPENSES** was partly due to a reduction of a penalty amount related to a gas contract concluded in a previous period, a capacity tax that changed due to the sales mix, as well as the improvement in the scheduling accuracy of Renewable Production Management and a more favorable surcharge rate.
- As a result of these factors, **EBITDA II dropped by HUF 801 million (-6%)**.

# RENEWABLES-BASED ENERGY PRODUCTION

Renewables-based energy production				
	12/31/2024	12/31/2023	Change	Change
<i>data in HUF million</i>	non-audited	audited	HUF million compared to the previous year	% compared to the previous year
<b>Revenue</b>	<b>7 283</b>	<b>5 211</b>	<b>2 073</b>	<b>40%</b>
Capitalized own production	(1)	(12)	11	(92%)
Material expenses	(2 159)	(1 846)	(313)	17%
Personnel expenses	(504)	(342)	(162)	47%
Other revenues and Other expenses	36	(325)	361	(111%)
<b>EBITDA*</b>	<b>4 656</b>	<b>2 685</b>	<b>1 970</b>	<b>73%</b>
Allocated administrative expenses	(333)	(261)	(72)	27%
<b>EBITDA II*</b>	<b>4 323</b>	<b>2 424</b>	<b>1 899</b>	<b>78%</b>

\*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 **EBITDA II INCREASED BY HUF 1,899 MILLION (78%)**, of which the **increase in sales revenue was HUF 2,073 million**.
- The rise in revenues is the combined result of several factors. The 20 MW capacity solar power plant of EDELYN SOLAR Kft. started production in August 2024. As a result of the acquisition of Mov-R Kft. in October 2024, the capacity of ALTEO's power plant portfolio utilizing renewable sources of energy exceeded 115 MW by 2024 year-end. The level of sales revenue realized this year by the solar power plants included in the KÁT balancing group was boosted by the inflation-tracking increase in KÁT prices. The higher level of sales revenue was also helped by the rainier and windier than usual weather in H1, which was somewhat offset by a fall in electricity market prices. Another difference is that as of June 2023, Energigas Kft. was included in ALTEO's scope of consolidation, therefore no sales revenue or expenses was recognized for Energigas Kft. in the segment for the first five months of 2023.
- In addition to inflationary effects, the increase in **MATERIAL AND PERSONNEL EXPENSES** is mainly due to the significant operating and raw material costs of the biogas plant in Nagykőrös, compared to the existing renewable power plants in the portfolio.
- For **OTHER REVENUES AND OTHER EXPENSES**, the most significant impact is the extra profit tax on Energigas in 2023.



# ENERGY SERVICES

Energy services				
	12/31/2024	12/31/2023	Change	Change
<i>data in HUF million</i>	non-audited	audited	HUF million compared to the previous year	% compared to the previous year
<b>Revenue</b>	<b>5 902</b>	<b>4 903</b>	<b>999</b>	<b>20%</b>
Capitalized own production	408	274	134	49%
Material expenses	(2 925)	(2 181)	(745)	34%
Personnel expenses	(2 763)	(2 048)	(715)	35%
Other revenues and Other expenses	(69)	85	(154)	(181%)
<b>EBITDA*</b>	<b>553</b>	<b>1 033</b>	<b>(480)</b>	<b>(46%)</b>
Allocated administrative expenses	(1 335)	(1 073)	(262)	24%
<b>EBITDA II*</b>	<b>(782)</b>	<b>(40)</b>	<b>(742)</b>	<b>1 864%</b>

\*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 Energy Services segment realized EBITDA I of HUF 553 million. The segment's result does not include the added value of inward work, which is reflected in lower investment costs compared to outward work. Management estimates that this would bring the segment's EBITDA II close to zero.

- The **Business and Project Development division** provided **project management services** to external partners with near-similar margins year-on-year, but at higher cost level. In 2024, ALTEO focused on the expansion of its own production capacity which, after implementation, will be reflected in the Renewables-Based Energy Production and Heat and Electricity Production and Management segments. In addition, the MOL PV project launched in Q4 ensures the return of the segment in the following year. The profit realized by the segment from **operation and maintenance services for third parties (MOL, Borsodchem, Budapest Power Plant, Főtáv, Siemens, Uniper)** was lower than in the comparative period, in part due to the 2023 reversal of an impairment on a successful agreement, and in part the rise in headcount required to increase the volume of maintenance and engineering services provided to third parties.
- The **strategic cooperation with MOL, which started last year** continues in 2024, including exploring opportunities for cooperation in implementation, maintenance and operation. In the interest of successful cooperation, ALTEO's specialist staff workforce was upgraded, which resulted in a higher cost level for the segment compared to the previous year, but the cooperation resulted in contracts for several higher volume/revenue projects for 2025.
- The E-MOBILITY business, as expected, has no significant profit-generation capacity at present.

# WASTE MANAGEMENT

Waste management				
	12/31/2024	12/31/2023	Change HUF million	Change %
<i>data in HUF million</i>	non-audited	audited	compared to the previous year	compared to the previous year
<b>Revenue</b>	<b>4 909</b>	<b>4 268</b>	<b>641</b>	<b>15%</b>
Capitalized own production	-	-	-	n.a.
Material expenses	(2 314)	(2 715)	401	(15%)
Personnel expenses	(1 084)	(887)	(196)	22%
Other revenues and Other expenses	47	69	(22)	(31%)
<b>EBITDA*</b>	<b>1 559</b>	<b>735</b>	<b>824</b>	<b>112%</b>
Allocated administrative expenses	(404)	(308)	(96)	31%
<b>EBITDA II*</b>	<b>1 155</b>	<b>427</b>	<b>728</b>	<b>170%</b>

\*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).

- **MOHU MOL Hulladékgazdálkodási Zrt.** has won the waste management concession tender announced by the Hungarian State, meaning that after July 1, 2023 it will collect and handle municipal solid waste in Hungarian settlements as a Concession Company for 35 years. FE-GROUP INVEST Zrt. participates in the process as a subcontractor of MOHU. A contract was signed on June 29, 2023 for a fixed term of two years until June 30, 2025 (with the possibility of a two-year extension). In addition to the concession, MOHU also operates the mandatory deposit refund scheme (DRS), in which FE-GROUP is also involved as a subcontractor. The DRS investment takes six months, for which FEG has been granted a subsidy of HUF 300 million. 75% of the subsidy was utilised at the end of 2023.
- The introduction of the concession also defined the activities of market operators in 2023, characterized in H1 on the one hand by preparations for radically changing concession operations, and on the other hand, by a low-key operation due to the uncertainty surrounding the establishment of the concession regulatory environment, which also impacted the Company's results. The concession scheme, which started in 2023 H2, was slow to take off in the first months.
- The changing market environment transformed the Company's activities. As of 2023 H2, the Company has been actively involved in the collection and processing of waste under the concession, and has introduced various technical developments and economization measures to increase efficiency.
- As a result of the above, **sales revenue increased by HUF 641 million (15%)** compared to the base period. The **HUF 401 million (15%) decrease in material expenses** was also caused by the transformation triggered by the concession. Within the framework of the concession, MOHU remains the owner of the waste, FE-GROUP INVEST Zrt. only provides services as a subcontractor, thus the purchase value of the goods sold for the sale of waste has dropped.
- All in all, the segment's **EBITDA I was up by HUF 1,559 million** compared to HUF 735 million in the base period.



# RETAIL ENERGY TRADE

Retail energy trade				
	12/31/2024	12/31/2023	Change	Change
<i>data in HUF million</i>	non-audited	audited	HUF million compared to the previous year	% compared to the previous year
<b>Revenue</b>	<b>37 827</b>	<b>18 041</b>	<b>19 786</b>	<b>110%</b>
Capitalized own production	0	-	0	n.a.
Material expenses	(33 036)	(14 086)	(18 950)	135%
Personnel expenses	(183)	(192)	9	(5%)
Other revenues and Other expenses	(417)	339	(756)	(223%)
<b>EBITDA*</b>	<b>4 191</b>	<b>4 102</b>	<b>89</b>	<b>2%</b>
Allocated administrative expenses	(192)	(144)	(47)	33%
<b>EBITDA II*</b>	<b>3 999</b>	<b>3 957</b>	<b>42</b>	<b>1%</b>

\*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 higher **SALES REVENUE AND MATERIAL EXPENSES** of the segment compared to last year were driven by a strong increase in the electricity portfolio (+309 GWh, +163%), which in turn resulted from the outstanding sales activity of the business line. Compared to 2023, risks and uncertainty have been reduced, which has also generated a reduction in the available specific margins.
- The difference in Other revenues and Other expenses is due to a one-off effect in 2023, and a higher provision for trade receivable impairment due to the increased portfolio.
- The slight change in EBITDA for the segment is due to a significant **PORTFOLIO INCREASE**, mitigated by lower margins in a more competitive environment.
- The **ELECTRICITY TRADE MARGIN shows an approximately HUF 670 MILLION INCREASE** compared to the preceding year. The positive effect is a consequence of the outstanding portfolio growth achieved in a declining price environment and against increasing competition.
- The **GAS TRADE BUSINESS** realized a slightly lower margin compared to the previous year, despite volumes being 22% higher (196 GWh), mainly due to the pricing out of reduced risks and uncertainties.

# OTHER ACTIVITIES NOT ASSIGNED TO SEGMENTS

Other segment				
	12/31/2024	12/31/2023	Change	Change
<i>data in HUF million</i>	non-audited	audited	HUF million compared to the previous year	% compared to the previous year
<b>Revenue</b>	<b>0</b>	<b>5</b>	<b>(5)</b>	<b>(96%)</b>
Capitalized own production	0	-	0	n.a.
Material expenses	(982)	(737)	(245)	33%
Personnel expenses	(1 764)	(1 008)	(756)	75%
Other revenues and Other expenses	(45)	(152)	107	(70%)
<b>EBITDA*</b>	<b>(2 790)</b>	<b>(1 891)</b>	<b>(898)</b>	<b>47%</b>

*\*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 future growth of the Group as a whole, and as such are not part of distributed administrative expenses.
- Relative to the comparative period, the increase in costs is mainly due to a significant rise in advisory fees related to active investment activities, an increase in the general cost level due to inflation, long-term employee incentive schemes and an increase in other costs in line with the growth of the Company.

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