

Independent Expert Evaluation

for



the Board of Directors of

ALTEO Energiaszolgáltató Nyrt.

Concerning a Statutory Public Takeover Bid

Prepared by



Erste Befektetési Zrt.

February 7, 2023

Dear Members of the Board of Directors,

1 Background

On December 16, 2022, **MOL RES Investments Zártkörűen Működő Részvénytársaság** (registered office: H-1117 Budapest, Dombóvári út 28; company registration number: 01-10-046154; hereinafter: **“Offeror”**) made a statutory public takeover bid (hereinafter: **“Bid”**) under Section 68 of the Capital Market Act¹ for all series ‘A’ ALTEO Nyrt. ordinary shares (ISIN identifier: HU0000155726) issued by **ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság** (registered office: H-1033 Budapest, Kórház utca 6-12; company registration number: 01-10-045985; hereinafter: **“Company”** or **“ALTEO”**) with a face value of HUF 12.5 (twelve point five Hungarian forints) each.

The Offeror qualifies as a designated offeror pursuant to Section 68(3) of the Capital Market Act, acting in the course of the Bid under syndicate and coordination agreements entered into with **Főnix Private Equity Fund (Főnix Magántőkealap)** (MNB registration number: 6122-163) managed by **Diófa Alapkezelő Zrt.** and with **Riverland Private Equity Fund (Riverland Magántőkealap)** (MNB registration number: 6122-164) managed by **Indotek-Investments Alapkezelő Zrt.** (hereinafter: **“Persons Acting in Concert”**). The aim of the Persons Acting in Concert is to acquire a controlling interest in and joint control over ALTEO. The Offeror instructed **EQUILOR Befektetési Zrt.** to conduct the acquisition of control as per the Bid.

The Offeror informed ALTEO that it had submitted the Bid for approval to the Central Bank of Hungary (Magyar Nemzeti Bank, hereinafter: **“MNB”**) and submitted a request for prior approval to the Hungarian Energy and Public Utility Regulatory Authority (hereinafter: **“HEPURA”**) with a view to acquiring indirect control in ALTEO's license holder subsidiaries. It is also filing a merger notification with the relevant competition authorities in view of the planned merger through acquisition of control. The Offeror also informed the Company that it had requested the Central Bank of Hungary to suspend the approval procedure of the Bid while the procedure for prior HEPURA approval for the acquisition of indirect control in the license holder subsidiaries is pending, and that the suspension came into effect by virtue of MNB Resolution No. N-KE-III-455/2022 dated December 20, 2022.

In terms of the public takeover bid published, the Offeror is offering a cash consideration of HUF 3,040 (three thousand forty Hungarian forints) per share (**“Offer Price”**). As stated in the Bid, the Offeror will pay the consideration into the deposit account opened for this purpose with OTP Bank Nyrt. as security for the Offer Price, while reserving the right to certify to the Central Bank of Hungary such security for the Offer Price by providing a bank guarantee issued by the Hungarian Branch of BNP PARIBAS, in lieu of a deposit payment.

The Board of Directors of ALTEO is required to comment on the Bid. **Erste Befektetési Zrt.** (registered office: H-1138 Budapest, Népfürdő utca 24-26, 8. em.; company registration number: 01-10-041373; hereinafter: **“Erste”**) has been providing independent financial analysis for ALTEO since May 2022, the

¹ Act CXX of 2001 on the Capital Market

Company has therefore instructed Erste to prepare an Independent Expert Evaluation concerning the Offer Price indicated in the Bid.

The purpose of the Independent Expert Evaluation is to assist the Board of Directors of ALTEO in considering the Bid.

The Board of Directors of ALTEO wishes to make the Independent Expert Evaluation available to shareholders as additional information concerning the Bid, in accordance with Section 73/A(5) of the Capital Market Act.

2 The Independent Expert Evaluation and the data and information used

This Independent Expert Evaluation (“**Evaluation**”) applies as at February 7, 2023. The Evaluation relies heavily on our investment analysis published on December 7, 2022 (“**Public Analysis**”), revised and updated on February 7, 2023. The Evaluation was prepared using information on the macroeconomic, market, financial and regulatory environment prevailing at the above date and is, therefore, valid as at the date of this document. Erste has not undertaken to provide further updates to the Evaluation following its publication.

Please note that the financial and market forecasts used in the Evaluation are based on expectations and forward-looking assumptions. Due to the uncertainty associated with forecasts, there may be significant differences between the actual cash flows that will materialize in the future and the cash flows estimated in advance for the same period.

In the course of the evaluation, we compared the Offer Price with the target value Erste had determined. The Evaluation is based primarily on a discounted cash flow (DCF) valuation. At the same time, we also carried out peer valuation as a control measure.

In preparing this Evaluation, we carried out a number of activities, including the following:

- (a) We reviewed publicly available financial statements, reports relating to ALTEO, as well as data and information from databases we have access to and documents containing key financial data concerning ALTEO that were made available to us.
- (b) We consulted with ALTEO's senior management on the Company's present and future outlook.
- (c) We also conducted peer valuation against listed competitors, comparing ALTEO's financial results with publicly available competitor data.
- (d) Based on publicly available information and forecasts published by ALTEO, as well as additional information provided to us by ALTEO, we performed a value analysis using discounted cash flow valuation methodology.
- (e) In light of the above, a possible target value was identified for ALTEO shares as part of the independent expert evaluation.

3 Assumptions and limitations

3.1 In preparing the Evaluation, the following assumptions were made in particular:

- (a) All publicly available information about ALTEO and all information provided by the management, staff or advisors of ALTEO is timely, true, accurate, complete, correct and not misleading.
- (b) The market and financial forecasts used in the preparation of the Evaluation are based on actual data and reasonable and probable expectations.
- (c) There will be no changes in ALTEO's professional management or changes will not have a material impact on the Company's operations over the forecast horizon. ALTEO's financial statements are fair and complete, and ALTEO's ownership and other rights are validly upheld.
- (d) ALTEO was established and operates in compliance with the applicable legislation and holds all necessary permits and authorizations.

3.2 The aim of this Evaluation is not to provide an independent valuation of specific assets or liabilities of ALTEO, nor to carry out a legal investigation, due diligence or assessment of the Company.

3.3 With regard to 3.1(a) above, we did not verify the accuracy and completeness of the information and we did not carry out any audit or equivalent review of the books. We accepted ALTEO's representation that all information provided to us by ALTEO is, in their opinion, timely, true, accurate, correct and not misleading. Erste assumes no liability for the accuracy or completeness of the information and other financial or industry data. Moreover, Erste does not assume any liability in connection with ownership or any other legal matters.

3.4 The Board of Directors of ALTEO will form its own opinion on the Bid. This Evaluation does not constitute and cannot be considered investment advice to ALTEO shareholders regarding the acceptance or rejection of the Bid. This Evaluation does not replace other investigations and inquiries that might be warranted for formulating an opinion or making decisions concerning the Bid. The Evaluation does not include corporate, legal, tax, financial, investment or any other type of advisory services.

3.5 Any existing and future rights in all documents produced as a result of preparing this Evaluation – including but not limited to opinions, reports, drafts, etc. – are the exclusive property of Erste. This Evaluation was prepared for the Board of Directors of ALTEO in connection with the Bid and may be used and disclosed in accordance with the applicable legislation in force. Any disclosure, summary, publication of or reference to the Evaluation, in whole or in part, in any other form is subject to the prior express authorization of Erste.

4 Independence

This is an expert evaluation prepared by an independent financial advisor. The Evaluation is independent of ALTEO and the Company has had no influence on the content or conclusions thereof.

Erste hereby represents and declares that there is no conflict of interest that would affect its ability to provide an unbiased assessment. The content of the Evaluation is independent of the remuneration Erste receives, therefore, the fact or amount of remuneration is not dependent on any evaluation outcome. The Evaluation and the underlying analyses are based on Erste's independent professional judgment.

5 Evaluation opinion

In light of the foregoing – also taking into account the assumptions and limitations set out above –, we are of the opinion that the consideration of HUF 3,040 per share offered by the Offeror to ALTEO shareholders is in line with the relevant provisions of the Capital Market Act. However, in accordance with the Public Analysis prepared by us and published by both ALTEO and Erste, our Evaluation puts the Offer Price below the target price of HUF 3,920 per share.

Budapest, February 7, 2023

Sincerely,

Róbert Cselovszki
Digitally signed by
Róbert Cselovszki
Date: 2/7/2023
09:39:37 +01'00'

Róbert Cselovszki
Chairman & CEO

Mihály István Geiszbühl
Digitally signed by:
Mihály István Geiszbühl
Date: 2/7/2023
09:14:57 +01'00'

Mihály Geiszbühl
Member of the Board of Directors

Erste Befektetési Zrt.

Disclaimer: All information contained within this article is for information purposes only, and shall not be considered an official translation of the official communication referred to herein. This document does not include the integral wording of the official communication referred to herein, the original Hungarian language version of it remains to be the solely legally binding material in the subject matter. For further information, please do not hesitate to contact us.