

ANNOUNCEMENT

Opinion of ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság (registered office: H-1033 Budapest, Kórház utca 6-12; company registration number: 01-10-045985; hereinafter: **"Company"** or **"ALTEO"**) pursuant to Section 73/A(4) of Act CXX of 2001 on the Capital Market concerning the statutory public takeover bid by MOL RES Investments Zártkörűen Működő Részvénytársaság (registered office: H-1117 Budapest, Dombóvári út 28; company registration number: 01-10-046154; hereinafter: **"Offeror"**) as designated offeror under Section 68 of the Capital Market Act.

As the Company announced on December 17, 2022, the Offeror made a statutory public takeover bid to the shareholders of the Company – excluding the Offeror, Főnix Private Equity Fund (Főnix Magántőkealap) managed by Diófa Alapkezelő Zrt. and Riverland Private Equity Fund (Riverland Magántőkealap) managed by Indotek-Investments Alapkezelő Zrt. and the quotaholders of these persons pursuant to Section 5(1)(27) of the Capital Market Act, including in particular members of MOL Group, Diófa Alapkezelő Zártkörűen Működő Részvénytársaság and Indotek-Investments Alapkezelő Zártkörűen Működő Részvénytársaság together – (hereinafter: **"Shareholder"** or **"Shareholders"**) in respect of series 'A' ALTEO Nyrt. ordinary shares (ISIN identifier: HU0000155726) issued by the Company with a face value of HUF 12.5 each. The consideration offered amounts to HUF 3,040 per share.

The Offeror qualifies as a designated offeror pursuant to Section 68(3) of the Capital Market Act, acting in the course of the takeover bid pursuant to syndicate and coordination agreements with Főnix Private Equity Fund managed by Diófa Alapkezelő Zrt. and with Riverland Private Equity Fund managed by Indotek-Investments Zrt. (the Offeror, Főnix Private Equity Fund, and Riverland Private Equity Fun hereinafter collectively: **"Acquirers"**) concluded after the close of trading on the Budapest Stock Exchange on December 16, 2022. The Acquirers aim to acquire a controlling interest and joint control over ALTEO.

In accordance with the provisions of the Capital Market Act, the takeover bid has been submitted to the Central Bank of Hungary (Magyar Nemzeti Bank, hereinafter: **"MNB"**) for approval and sent to the Board of Directors of the Company, and it was published by both the Offeror and the Company on December 17, 2022. Furthermore, the Offeror 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. In view of the proceedings pending before HEPURA, the Central Bank of Hungary suspended the approval procedure for the takeover bid by MNB Resolution No. N-KE-III-455/2022 of December 20, 2022.

Once the prior approval of HEPURA obtained, the authorization procedure before the Central Bank of Hungary continued. Consequently, by MNB Resolution No. H-KE-III-77/2023 dated February 3, 2023, the Central Bank of Hungary approved the takeover bid (hereinafter: "**Bid**") of December 17, 2022, as amended on February 2, 2023, which the Company received on February 6, 2023 and published the same day.

Therefore, the Board of Directors of the Company hereby publishes

- the opinion of the Board of Directors on the Bid, including the opinion of the employees of the Company, and
- the evaluation prepared by an independent financial advisor, in annex to the opinion of the Board of Directors.

1. Name and registered office of the Company

Company name: ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság

Registered office: H-1033 Budapest, Kórház utca 6-12

2. Summary of the takeover bid

Capitalized terms used in this section have the meanings assigned to them in the Bid, unless a definition is provided in this Opinion or the Announcement.

Shareholders not acting in concert are advised that – given that the WAM Minority Share Purchase Contracts of December 16, 2022 between the Acquirers and WALLIS ASSET MANAGEMENT Zrt. (see Clause 19 of the Bid) have already been concluded – in the event that the closing conditions set out in the WAM Majority Share Purchase Contract concluded between the Acquirers and WALLIS ASSET MANAGEMENT Zrt. on December 16, 2022 (see Clause 19 of the Bid) are met in full and if no other termination event specified in the WAM Majority Share Purchase Contract occurs, the Acquirers will collectively obtain a controlling interest of at least 61.576% in the Company, irrespective of the number of Shareholders making a Declaration of Acceptance.

The Offeror:

MOL RES Investments Zártkörűen Működő Részvénytársaság, as the designated bidder.

A detailed presentation of the Bidder is contained in the Bid.

The Acquirers:

The Offeror, Főnix Private Equity Fund (Főnix Magántőkealap) managed by Diófa Alapkezelő Zrt., Riverland Private Equity Fund (Riverland Magántőkealap) managed by Indotek-Investments Zrt.

A detailed presentation of the Acquirers, as persons acting in concert, is contained in the bid.

Subject of the Bid:

Series 'A' ALTEO Nyrt. registered ordinary shares issued by the Company with a face value of HUF 12.5 each, with ISIN identifier: HU0000155726 (hereinafter: **"Share"** or **"Shares"**), excluding the shares held by the Persons Acting in Concert (including the designated Offeror).

Offer Price:

The purchase price offered per share (hereinafter: **"Offer Price"**) for each Share is HUF 3,040 which, pursuant to Section 72(1)(a)(ab) of the Capital Market Act, is the highest price under the transfer agreement concluded for ordinary shares of the

Company by the Persons Acting in Concert and their Associated Enterprises within 180 (one hundred and eighty) days prior to the date of submission of the Bid. The method of calculating the Offer Price is detailed in Clause 3.2 of the Bid.

The Offer Price does exceed (i) the volume-weighted average trading price for the 180 days preceding the submission of the Bid to the Central Bank of Hungary, which was HUF 2,889.6631, (ii) the volume-weighted average trading price for the 360 days preceding the submission of the Bid to the Central Bank of Hungary, which was HUF 2,493.8384 HUF, and (iii) the amount of equity per share, which was HUF 953.73, taking into account the most recent annual report (for the year 2021) adopted by the General Meeting of ALTEO, audited and consolidated in accordance with the International Financial Reporting Standards.

The Operator:

EQUILOR Befektetési Zártkörűen Működő Részvénytársaság (registered office: H-1026 Budapest, Pasaréti út 122-124; company registration number: 01-10-041431; hereinafter: “**Operator**”), as investment service provider.

Period available for the acceptance of the Bid (Offer Period)

From 9.00 a.m. CET on February 10, 2023 (Start Date) to 3.00 p.m. CET on March 13, 2023 (Closing Date). The detailed rules for acceptance are contained in Chapter 5 of the Bid.

Method of payment:

The Offeror undertakes to pay to the Shareholders validly accepting the Bid the full amount of the purchase price (which is the Offer Price multiplied by the number of Shares specified by the Accepting Shareholder in the Declaration of Acceptance) in cash (HUF only) within five (5) business days after the Closing Date or the Competition Authority Permit Date (whichever is earlier), by transfer to the bank account or client account with a Hungarian account provider specified in the Declaration of Acceptance.

Conclusion of the share purchase contract

Subject to the fulfilment of the terms and conditions set out in the Bid, the share purchase contract between the Offeror and the Accepting Shareholder will be concluded with the content set out in the Bid and become effective on either the Closing Date or the Competition Authority Permit Date, whichever is later.

3. Declaration on whether the executive employees of the Company hold any executive position or have any participating interests in the Offeror, or in the holder of a participating interest in the Offeror, or on any other relationship between the aforementioned

No Director of the Company holds any executive position or has any participating interest in the Offeror or any holder of a participating interest in the Offeror, and there is no other business relationship with these.

4. The ownership structure of the company, the list of persons holding at least five percent of voting rights, the number of shares and the number of votes they hold

Name	Number of shares	Number of available votes
WALLIS ASSET MANAGEMENT Zrt.	10,278,009	10,278,009
ALTEO ESOP Organization	1,158,263	1,158,263
MOL RES Investments Zártkörűen Működő, Részvénytársaság, Főnix Private Equity Fund (Főnix Magántőkealap), Riverland Private Equity Fund (Riverland Magántőkealap), as persons acting in concert	1,991,155	1,991,155

5. Effect of the acquisition of participating interest on the Company's employees

The Offeror has stated that it does not intend to introduce changes in the terms and conditions of employment at the Company or regarding the Company's employees. The Offeror intends to support the Company's operation on the basis of the Company's current human resources, with the involvement of its current employees.

Based on the Operating Plan prepared and published by the Offeror, an acceptance of the Bid by the Shareholders concerned does not affect the employees of the Company.

6. Recommendation of the Company's Board of Directors whether to accept or reject the takeover bid, with detailed justification

Based on the documents and information available to it, **the Board does NOT recommend acceptance of the Bid**. Members of the Board of Directors involved in taking the decision unanimously agreed with the recommendation of the Board. In view of the applicable provisions of the Civil Code, the members of the Board of Directors are obliged to perform their management activities in the best interests of the Company. Therefore, in formulating this proposal, they consider the primacy of the best interests of the Company. However, the Board of Directors wishes to draw the attention of Shareholders to the fact that individual members of the Board may, as shareholders, decide to accept the Bid, taking into account their personal circumstances.

Detailed justification of the recommendation:

The Board of Directors of the Company has reviewed the Bid and the independent financial expert opinion on the Bid. The Offer Price is in line with the legislation and exceeds (i) the volume-weighted average trading price for the 180 days preceding the submission of the Bid to the Central Bank of Hungary, which was HUF 2,889.6631, (ii) the volume-weighted average trading price for the 360 days preceding the submission of the Bid to the Central Bank of Hungary, which was HUF 2,493.8384 HUF, and (iii) the amount of equity per share, which was HUF 953.73, taking into account the most recent annual report (for the year 2021) adopted by the General Meeting of ALTEO, audited, and consolidated in accordance with the International Financial Reporting Standards.

However, the independent expert evaluation estimated that the value of the Shares is higher (HUF 3,920) than the Offer Price.

According to the Operating Plan published by the Offeror, the Offeror does not plan to introduce significant changes to the operation and strategy of ALTEO Group and, as such, the current strategy of the Company can be pursued in the future. The contents of the Operating Plan published by the Offeror correspond to the interests of the Company. In respect of the objectives set out in the Operating Plan and the Bid, the Offeror intends to stay in keeping with the objectives set by the Board to deliver growth for ALTEO. The most recently published strategic presentation of the Company is available at: https://bet.hu/newkibdata/128662993/ALTEO_PPT_VallalatiStrategia2022_2026_final.pdf

If, on the basis of ALTEO's published strategy, the planned developments are realized with the expected returns and the existing portfolio elements continue to operate at a profit, for ALTEO's investors who are shareholders at the time this might translate as direct financial benefit with the likelihood of a potential share

price increase, in addition to any annual dividend payments, subject to future decisions by the General Meeting. In the future, that may allow for a higher return than the Offer Price and, therefore, Shareholders who decide to accept the Offer Price may lose out on such potential for appreciation. However, the Board of Directors draws the attention of the Shareholders to the fact that even in the event of the successful implementation of the strategy it is by no means guaranteed that the returns eventually realized by ALTEO Shareholders will be in excess of the Offer Price.

On the basis of the information contained in the Operating Plan and available to the Board of Directors, the Board has concluded that the Operating Plan devised and published by the Offeror is also consistent with the existing and published business objectives of ALTEO Group. In line with ALTEO's publicly available strategic presentation, making use of borrowing options through the stock exchange is a key part of the Company's financing strategy. At this point in time, the Board of Directors is not aware of any intention by the Offerors to change this financing strategy following the successful completion of the Offer Period. However, the Board draws the attention of Shareholders to the fact that once the Offer Period ends, there are no guarantees against a future decrease in the free float of ALTEO shares, the volume of ALTEO shares traded on the stock exchange or the liquidity of the shares, which may make it more difficult to sell ALTEO shares on the stock exchange.

Notwithstanding its **NEGATIVE** opinion, the Board of Directors wishes to draw the attention of the Shareholders to the following:

- The Company is subject to specific risk factors, most recently set out under Chapter 3 of the Information Memorandum¹ dated October 10, 2022 as published by the Company. The Board of Directors of ALTEO strongly recommends that Shareholders carefully study and consider these risk factors when making their decision regarding the Bid in relation to the shares they hold.
- The Company's Board of Directors specifically draws the attention of Shareholders to the following:
 - Due to the ongoing war in Ukraine and various changes in the world economy following the COVID pandemic that adversely affect global security of supply, and the resulting global macroeconomic challenges such as a combination of high inflation, rising financing costs and recessionary risks, among others, the economic

¹ The Information Memorandum is available at:

https://www.bet.hu/newkibdata/128792723/2022_inform%C3%A1ci%C3%B3s_%C3%B6ssze%C3%A1ll%C3%ADt%C3%A1s_1010_final.pdf

environment has radically changed, the impact of which is greatly felt in the energy sector. Energy prices have multiplied with soaring volatility, generating enormous demand for deposits and bank guarantees compared to previous periods, in the case of ALTEO as well. In addition, primarily due to higher trade receivables arising from much shorter supplier payment terms and higher sales revenue, the Company's working capital financing needs have increased drastically. If the financing of these increased working capital and deposit requirements results in sustained high capital commitment needs and increased financing costs, the Company's investment activity and, as a consequence, further growth may be adversely affected.

- The macroeconomic difficulties referred to, in particular the situation in the European energy markets, have led to the introduction or plans to introduce regulatory changes across Europe, including tax changes, which could have adverse economic consequences for certain energy companies. In view of these, the Board of Directors of ALTEO believes that there is now an increased probability of adverse regulatory changes, including in relation to taxation. Additional tax burdens were already incurred in 2022 (e.g. the introduction of the extra profit tax), with an impact on the Company's profitability.
- Furthermore, Shareholders should be aware that although the volume of trading in ALTEO shares has increased significantly in recent years, exceeding HUF 6 billion in the 12 months prior to the launch of the Bid – i.e. the average daily trading volume of the Company's shares in 12 months of total trading volume on the stock exchange reached HUF 24 million per trading day –, the sale and purchase of shares in larger volumes may still result in a significant shift in the market price. However, the current Bid provides for a fixed demand in respect of the Offer Price for all Shares, meaning that a larger volume can be sold without shifting the market price.

In view of the above, the Board of Directors of the Company advises Shareholders to make their decision whether to accept the Bid after careful consideration of all aspects and, if necessary, after consulting their own investment advisor.

The Board of Directors of the Company also draws the attention of the Shareholders to the fact that the Acquirers will become majority shareholders of the Company upon receipt of the necessary regulatory approvals and permits and once the conditions set out in Clause 19.2 of the Bid are fulfilled, or if no other termination event specified in the WAM Majority Share Purchase Contract occurs,

irrespective of the total number of Shares covered by Shareholders' Declarations of Acceptance in the course of the Bid.

7. Name of the independent financial advisor appointed by the Board of Directors of the Company and their declaration to the effect that there is no conflict of interest that could affect their ability to proceed unbiased

In view of the fact that the Bid was made as a result of the cooperation of persons acting in concert, in accordance with Section 73/A(5) of the Capital Market Act, the Board of Directors of the Company is not required to appoint an independent financial advisor to carry out an expert evaluation of the Bid. Notwithstanding the above, the Board of Directors has requested Erste Befektetési Zrt. (registered office: H-1138 Budapest, Népfürdő utca 24-26, 8. em.; company registration number: 01-10-041373; hereinafter: "**Erste**") to assess the Bid and prepare an independent expert evaluation. The independent expert evaluation prepared by Erste states that their evaluation is an expert evaluation prepared by an independent financial advisor, independently of ALTEO, and ALTEO has had no influence on its content or conclusions. Erste also declares that it has no conflict of interest that would affect its ability to provide an unbiased assessment.

The content of the independent expert 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.

The independent expert evaluation by Erste, published concurrently with this Opinion of the Board, concluded that the Offer Price is in compliance with the applicable provisions of the Capital Market Act, however, Erste's assessment is that the target value of the Shares is HUF 3,920. The detailed analysis is annexed to this Opinion.

8. Opinion of the Works Council of ALTEO on the takeover bid

The Works Council considered it positive that, as stated in the Operating Plan made available to it, the Offeror does not intend to introduce changes in the terms and conditions of employment at the Company or regarding the Company's employees, and that the Offeror intends to support the Company's operation on the basis of the Company's current human resources, with the involvement of its current employees. Therefore, the Works Council has concluded that, in light of the Offeror's preliminary statement, no change is expected in the terms and conditions of employment of the Company as a consequence of the Bid, and in this respect the Works Council does not see any obstacles to the realization of the transaction.

Although the Works Council concluded that the Offer Price is in line with legal provisions, the independent expert evaluation estimates that the value of the shares is higher (HUF 3,920) than the Offer Price. Consequently, the Works Council does not recommend the acceptance of the Offer Price.

Board of Directors of ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság

Annex:

- Independent Expert Evaluation

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.