

Pursuant to Act V of 2013 on the Civil Code (“**Civil Code**”), for the purpose of providing preliminary information to shareholders, the Board of Directors of **ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság** (registered office: H-1131 Budapest, Babér u. 1-5; company registration number: 01-10-045985) (“**Company**”) hereby publishes its

proposals for resolution

for the ordinary General Meeting to be held on 19 April 2021, and

the aggregated share and voting right figures.

The Board of Directors proposes the following agenda:

- 1 Decision on the acceptance of the Company’s separate financial statements (prepared in accordance with the IFRSs), the business (annual) report and the report of the Board of Directors prepared for the 2020 fiscal year according to the Hungarian Accounting Standards;
- 2 Decision on the acceptance of the Company’s consolidated financial statements prepared in accordance with IFRSs, the business (annual) report and the report of the Board of Directors prepared for the 2020 fiscal year.
- 3 Decision on the acceptance of the corporate governance report prepared by the Board of Directors for submission to the Budapest Stock Exchange;
- 4 Decision on the use of the 2020 profit after taxation;
- 5 Decision on the discharge that can be granted to the Directors of the Company;
- 6 Advisory vote on the amendment of the Company’s remuneration policy in view of the 2020 employee share award program of ALTEO’s ESOP Organization;
- 7 Presentation of the Board of Directors on the transactions entered into by the Company for its own shares;
- 8 Amendment of the authorization of the Board of Directors to buy the Company’s own shares, expiring on October 30, 2021.

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On agenda item 1

Decision on the acceptance of the Company’s separate financial statements (prepared in accordance with the IFRSs), the business (annual) report and the report of the Board of Directors prepared for the 2020 fiscal year according to the Hungarian Accounting Standards.

Concurrently with this proposal, the Board of Directors publishes the statement of financial position for the Company’s fiscal year ending on December 31, 2020, along with its separate financial statements and business (annual) report prepared in line with the provisions of the Accounting Act applicable to entities preparing their annual report according to the EU IFRSs and the report of the Board of Directors as well as the related reports of the auditor, the Supervisory Board and the Audit Committee.

Proposal for resolution 1:

The Board of Directors proposes to the General Meeting to accept the statement of financial position, proposed for acceptance by the Company’s auditor, for the Company’s fiscal year ending on December 31, 2020, along with the separate financial statements (comprehensive income: HUF 266,918 thousand and total assets: HUF 27,632,775 thousand) and business (annual) report prepared in line with the provisions of the Accounting Act applicable to entities preparing their annual report according to the EU IFRSs and the report of the Board of Directors as well as the relevant written reports of the auditor, the Audit Committee and the Supervisory Board.

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On agenda item 2

Decision on the acceptance of the Company's consolidated financial statements prepared in accordance with IFRSs, the business (annual) report and the report of the Board of Directors prepared for the 2020 fiscal year.

Concurrently with this proposal, the Board of Directors publishes the Company's consolidated financial statements and business (annual) report for the 2020 fiscal year, prepared according to the IFRSs, along with the report of the Board of Directors and the related reports of the auditor, the Supervisory Board and the Audit Committee.

Proposal for resolution 2:

The Board of Directors proposes to the General Meeting to accept the statement of financial position, proposed for acceptance by the Company's auditor, for the Company's fiscal year ending on December 31, 2020, along with its consolidated financial statements (comprehensive income: HUF 2,704,833 thousand and total assets: HUF 44,884,360 thousand) and business (annual) report prepared in accordance with the IFRSs, the report of the Board of Directors as well as the relevant written reports of the auditor, the Audit Committee and the Supervisory Board.

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On agenda item 3:

Decision on the acceptance of the corporate governance report prepared by the Board of Directors for submission to the Budapest Stock Exchange.

Based on the recommendations of the Budapest Stock Exchange Ltd., the Board of Directors has prepared, and publishes concurrently with this proposal, the Company's corporate governance report, which the Company's Supervisory Board proposes to accept.

Proposal for resolution 3:

Based on the above, the Board of Directors proposes to the General Meeting to approve the corporate governance report on the Company's operation in 2020 submitted by the Board of Directors.

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On agenda item 4

Decision on the use of the 2020 profit after taxation.

Proposal for resolution 4:

The Board of Directors proposes to the General Meeting to pay dividends from the free retained earnings supplemented with the profit after taxation of the Company in the previous fiscal year, calculated according to Section 39(3a) of Act C of 2000 on Accounting, and the subsidiary dividends established for 2020, which corresponds to HUF 24 gross per share at the time of the publication of this proposal (excluding own shares owned by the Company). Furthermore, the Board of Directors proposes that the General Meeting authorize the Board of Directors to adopt the resolutions specified in Article 18 of the Articles of Association, as well as to make any other decisions necessary in relation to the payment of dividends.

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On agenda item 5

Decision on the discharge that can be granted to the Directors of the Company.

Proposal for resolution 5:

The Board of Directors proposes to the General Meeting to establish that in the 2020 fiscal year, the Board of Directors performed its activities focusing on the interests of the Company, and therefore, based on Article 12.2(s) of the Articles of Association, the General Meeting should grant the Board of Directors the discharge mentioned in Section 3:117(1) of the Civil Code, according to the conditions included in that Section.

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On agenda item 6

Advisory vote on the amendment of the Company's remuneration policy in view of the 2020 employee share award program of ALTEO's ESOP Organization.

The Board of Directors has prepared, and publishes concurrently with this proposal, the amendment of the Company's remuneration policy (hereinafter the "**Remuneration Policy**"). The reason for the amendment is the fact that on December 21, 2020, the Company as Founder adopted the 2020 remuneration policy (hereinafter the "**ESOP Remuneration Policy**") of ALTEO's Employee Share Ownership Program Organization (hereinafter the "**ESOP Organization**"), which it published on the same day. Pursuant to the ESOP Remuneration Policy, BoD members Domonkos Kovács and Attila László Chikán are also eligible for remuneration (subject to the criteria set out in the ESOP Remuneration Policy). Given that the determination of the remuneration of the Board of Directors members falls within the competence of the General Meeting, the provisions of the ESOP Remuneration Policy applicable to the aforementioned BoD members only enter into force subject to approval by the General Meeting. As an additional change, last year the Company appointed two new Deputy CEOs, Péter Luczay and Viktor Varga, and given their new positions they now also fall under the scope of the Remuneration Policy. The Supervisory Board recommends the amendment of the Remuneration Policy as per the above for approval.

Proposal for resolution 6:

Based on the above, the Board of Directors proposes to the General Meeting to consent to the scope of the Remuneration Policy of the ESOP Organization to be extended to BoD Members Domonkos Kovács and Attila László Chikán and, furthermore, the Board of Directors also proposes the amendment of the Remuneration Policy, for the extension thereof to the new Deputy CEOs to be adopted by the General Meeting as per the proposal.

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On agenda item 7

Presentation of the Board of Directors on the transactions entered into by the Company for its own shares.

The Company launched an employee share award program, the details of which can be read in the Company's announcement published on the Company's official disclosure media on June 15, 2018. Based on the authorization of the Board of Directors of the Company, in December 2020, the CEO selected the employees to be rewarded by the Company in the employee share award program in respect of their performance in 2020. As a result, the Company distributed 3,837 ALTEO ordinary shares (ISIN: HU0000155726; hereinafter: "**ALTEO ordinary share**") in January 2021 (through transfer on January 29, 2021) to employees who were eligible under the Company's recognition plan.

The ESOP Organization described in the Company's communication dated March 14, 2017, exercised its option right in accordance with the terms and conditions of its Remuneration Policy published on the same day in respect of 24,000 ALTEO ordinary shares on September 21, 2020 and 12,128 ALTEO ordinary shares on December 16, 2020 at a price of HUF 475 per share.

On September 21, 2020, the Company repurchased 24,000 ALTEO ordinary shares which were previously purchased by the ESOP Organization in line with the above criteria, at a purchase price of HUF 826 per share. Subsequently, on December 16, 2020, the Company repurchased 12,128 ALTEO ordinary shares which were previously purchased by the ESOP Organization in line with the above criteria, at a purchase price of HUF 936 per share.

With a view to the above, until the date of the publication of this proposal, the Company acquired a total of 36,128 ALTEO ordinary shares, for which it paid a total amount of HUF 31,175,808 (that is, thirty-one million one hundred and seventy-five thousand eight hundred Hungarian forint). The ALTEO ordinary shares acquired in the context of own share transactions account for 0.19% of the share capital.

The Company currently owns a total of 744,709 ALTEO ordinary shares, which will be used for implementing the remuneration policy of the ESOP Organization, approved by the General Meeting.

Proposal for resolution 7:

The Board of Directors proposes to the General Meeting to acknowledge and accept the information provided by the Board of Directors regarding the transactions involving the Company's own shares.

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On agenda item 8

Extension of the authorization of the Board of Directors to buy the Company's own shares, expiring on October 30, 2021.

The Board of Directors hereby informs the General Meeting that the authorization of the Board of Directors to buy the Company's own shares, granted to the Board of Directors acting within the competence of the General Meeting in Resolution No. 12/2020. (IV.30.), expires on October 30, 2021. The Board of Directors requests the General Meeting to issue a new authorization for acquiring own shares, for a period of 18 (eighteen) months from the date of the resolution. The acquisition of own shares is necessary to ensure that

- the Company can operate the share-based incentive schemes launched in 2018; or
- the Company can exercise and perform certain contractual rights and obligations (e.g. options); or
- the Company can protect the shareholders from the negative consequences of a large package of shares potentially entering the market, and that the Company can acquire a large package of shares; or
- the own shares can be used for the purpose of acquisition, as consideration; or
- the Company can use its own shares for the purpose of providing funding or security, or for developing other investment schemes.

For the above reasons, the Board of Directors proposes to the General Meeting to provide the opportunity for buying the shares issued by the Company by authorizing the Board of Directors to enter into such transactions according to the following conditions.

Proposal for resolution 8:

The Board of Directors proposes to the General Meeting to provide the Board of Directors with an authorization for a period of 18 (eighteen) months beginning on the day of the General Meeting, to adopt a

resolution on the acquisition by the Company of the ownership of shares of all types and classes and of any face value, issued by the Company – supported by at least three quarters of the votes that can be cast by the members of the Board of Directors – and to enter into and perform such transactions for and on behalf of the Company, or to engage a third party for the conclusion of such transactions. The Board of Directors proposes that the number of shares that can be acquired based on the authorization should be equal to a number of shares with a total face value of no more than twenty-five per cent of the share capital, and the total face value of own shares owned by the Company may not exceed this rate at any time. The own shares can be acquired for or without consideration, on the stock market and through public offering or – unless the possibility is excluded by the law – in over-the-counter trading. In case of the onerous acquisition of own shares, the lowest amount of the consideration payable for a share should be HUF 1 (one Hungarian forint), and the highest amount should be HUF 2,500 (two thousand five hundred Hungarian forint).

Furthermore, the Board of Directors proposes to the General Meeting to extend the above authorization also to include share purchases by the Company’s subsidiaries so as to enable the Company to authorize the management of any subsidiary of the Company by means of resolutions of the members or shareholders (resolutions adopted by the members’ meeting or the general meeting) to acquire the shares issued by the Company according to a resolution adopted by the Board of Directors under the above authorization.

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The aggregated share and voting right figures:

The Company hereby publishes the aggregated figures for its shares existing at the time of convening the General Meeting, as well as the related voting rights.

Share series	Face value (HUF/share)	Number of shares issued	Total face value (HUF)
Ordinary shares of series “A”	12.5	19,386,274	242,328,425

Number of votes per share:

Share series	Number of shares issued	Number of own shares without voting rights	Number of own shares with voting rights	Voting right per share	Total voting rights
Ordinary shares of series “A”	19,386,274	744.709	18,641,565	1	18,641,565
Total	19,386,274	744.709	18,641,565	1	18,641,565

Budapest, March 26, 2021

Yours sincerely,

the Board of Directors of ALTEO Nyrt.

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