

PRESS RELEASE

ALTEO started reconstruction of the over 100-year-old Gibárt Hydropower Plant

Budapest, August 1, 2019 – The Gibárt Hydropower Plant operated by ALTEO has been temporarily shut down, enabling the company to start the reconstruction of the facility, which has been in operation since 1903, in order to ensure a sustainable and secure operation in the long-term. No major refurbishments have been carried out on the generator and turbine – the heart and soul of the power plant which has recently been classified as a historical monument – in the past 48 years. This HUF 1.1 billion investment project, however, is set to increase the lifetime of the power plant by approximately 35 years, and at the same time increase performance by 70%.

The hydropower plant operated by ALTEO in Gibárt, a village in Borsod-Abaúj-Zemplén County, has been shut down, and reconstruction works that will last nearly a year have started. The investor has asked two employees who have been working for almost 40 years at the power plant located along the Hernád River to perform the ceremonial shutdown.

The Gibárt Hydropower Plant has been operating for close to 100 years, and was built by one of the landowners of the region in 1902 to replace the watermill that stood there and to use the energy generated by the water for the electrification of the region and for agricultural industrial purposes. The turbines of the power plant – which over the years survived floods as well as the ravages of war – were manufactured by Ganz Vagon és Gépgyár.

The power plant has not seen any major renovations in the past 48 years, requiring prompt reconstruction works to ensure continued reliable and long-term operation. In addition to being necessitated by the poor technical condition of the facility's energy-producing equipment, the renovation can substantially improve the efficiency of utilization of available natural resources while ensuring long-term operability. One of the key elements of the investment is the replacement of the turbines with state-of-the-art high-efficiency turbines that provide higher water yield and have a capacity of 5.75 GWh/year, representing a 70% increase in performance.

The power plant and its equipment were classified as a historical monument in 2005, which meant that preservation of the facility's original character has been a high priority ever since preparations for the project started. The planned modernization enables the monument character and status of the power plant to be preserved and showcased in the long-run. Following completion of the works valued at HUF 1.1 billion, technical delivery of the power



plant is scheduled for the second half of 2020. Afterwards, the old turbines removed from the facility will be put on display for the public.

The hydroelectric power plant is owned by Észak-magyarországi Áramszolgáltató Nyrt. Under the contracts (amended multiple times since) concluded byÉMÁSZ Nyrt. and Sinergy Kft. in 2004, a member of ALTEO Group since May 2015, ALTEO Group currently participates in the operation of the hydroelectric power plant as a lessee and operator. ALTEO is committed to utilizing renewable sources of energy, and the capacity of its renewables portfolio has by now reached 55 MW. Hydropower plant renovation is not uncharted territory for ALTEO: Located 11 km from the Gibárt Hydropower Plant, the Felsődobsza Hydropower Plant was renovated under a similar investment project worth HUF 900 million in 2012-2013, with grant funding from the Environment and Energy Operational Program (KEOP).

ALTEO Group

ALTEO Nyrt. is a Hungarian-owned energy service and trading company with a modern outlook. The scope of its business activity covers renewable and natural gas energy production, energy trade and bespoke energy services and development for companies. It provides its customers with a reliable and environmentally responsible energy supply based on the sustainable use of renewable energy. As an energy trader, its partners include small and medium-sized Hungarian enterprises as well as large corporations. Its optimum mix of assets and its control center enable it to serve the needs of its customers effectively. ALTEO was first listed on the Budapest Stock Exchange in October 2010, and it has executed multiple successful bond and share issues since. It had a turnover of HUF 18.7 billion in 2018, with net earnings exceeding HUF 500 million, while its portfolio of non-current assets rose by 80%. ALTEO is a dynamically developing company, and it is always on the lookout for new opportunities for investment and growth and it works continuously to ensure that it provides its customers and partners with the most innovative range of services of the highest quality in an effort to achieve a continuous increase in shareholder value.

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