

## PRESS RELEASE

### Reconstruction of Gibárt Hydropower Plant Completed

*The over 100-year-old historical monument has been turned into a state-of-the-art facility*

Gibárt, December 15, 2020 **ALTEO Nyrt. has completed the reconstruction of the Gibárt Hydropower Plant, a classified historical monument that has been operating for over 100 years, to ensure its long-term, reliable and economical operation. The reconstruction project was also aimed at increasing the utilization of the readily available natural resource (the Hernád River). While the hydropower plant started commercial operation back in October 2020 after the successful completion of the commissioning and delivery procedures, it will only be open to the general public after the end of the current pandemic situation, hopefully next spring, when health conditions are safe again.**

Under the HUF 1.2 billion investment project, ALTEO Nyrt. reconstructed and modernized the power plant, replacing its previous equipment with higher-output and more up-to-date technology and carrying out reconstruction of the entire historic monument in keeping with the power plant's monument character.

The hydropower plant, which has been in operation for over a hundred years, saw no major reconstruction works in the last fifty years, although they had previously taken place every 20 to 25 years. This meant that the reconstruction was warranted by the technical condition, output and efficiency of the plant's power production equipment. This investment project will extend the power plant's lifetime by approximately 35 years.

Gibárt is located in Borsod-Abaúj-Zemplén County, along the Hernád River, 58 kilometers from its mouth. It is the home of the diversion-type hydropower plant designed in 1901, constructed in 1902-1903 and commissioned in 1904. The power, generated by turbines, each producing a rated power output of 294.4 kWe with a water flow rate of 9 m<sup>3</sup>/s, is used for lighting primarily in Gibárt, but also in Szerencs, Abaújszántó, Tállya, Mád and Tokaj. In the past, this energy was harnessed to power threshing machines, chaff cutters, a mill, saws and pumps and to supply a distillery with electricity.

The hydroelectric power plant is owned by Észak-magyarországi Áramszolgáltató Nyrt. Under the contracts concluded in 2004 by ÉMÁSZ Nyrt. and Sinergy Kft., a member of ALTEO Group, ALTEO Group currently participates in the operation of the hydropower plant as a lessee and operator.

The key element of the investment project was the replacement of previous technology (turbine machinery and its systems) in its entirety with state-of-the-art high-efficiency equipment that benefits from a higher discharge rate, generating 5.75 GWh electricity per year, an approximately 70% increase in annual production compared to previous years.

Preserving the monument character of the power plant and the building was a high priority throughout the reconstruction process in line with ALTEO's commitment to maintaining and preserving sites of industrial history. As a result of the modernization, we will be able to preserve the Gibárt Hydropower Plant and its classified historic building, and continue to display for the public. Hydropower plant reconstruction is not uncharted territory for ALTEO: located 11 km from the Gibárt Hydropower Plant,



the Felsődobsza Hydropower Plant, also a classified historical monument, 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)).

Our Group is also committed to utilizing renewable sources of energy, with the capacity of its renewables portfolio now exceeding 70 MW.

Even though the technical delivery and commissioning of the Gibárt Hydropower Plant has already been completed following its reconstruction and modernization, due to the current epidemic, the delivery ceremony can only take place later, hopefully as early as next spring. That is when the historic building along with the exhibition featuring the equipment removed during reconstruction will be put on public display. These are also listed as artifacts of industrial history just like the previous facilities of the hydropower plant, including the barrage, the high-water overflow, the chute spillway, the diversion canal and the machinery room.

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#### *ALTEO Group*

ALTEO Nyrt. is a Hungarian-owned energy service and trading company with a modern outlook. The scope of our business activity covers renewable and natural gas energy production, energy trade and bespoke energy services and development for companies. We provide our customers with a reliable and environmentally responsible energy supply based on the sustainable use of renewable energy. As an energy trader, our partners include small and medium-sized Hungarian enterprises as well as large corporations. Our optimum mix of assets and our control center enable us to serve the needs of our customers effectively. ALTEO was first listed on the Budapest Stock Exchange in October 2010. In 2016, we had a successful public offering, quadrupling the free float of our shares, while raising nearly HUF 1.4 billion for the implementation of our strategic plans. With dynamically growing sales revenues that reached HUF 25.6 billion in 2019 and a portfolio of non-current assets close to HUF 25 billion, the Company is continuously active in the capital market and issued bonds or shares in a value of HUF 12.5 billion in 2019. ALTEO is a dynamically developing company committed to sustainability, and we are always on the lookout for new opportunities for investment and growth and we work continuously to ensure that we provide our 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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