



PRESS RELEASE

ALTEO delivers a proprietary, innovative industrial energy storage unit project

Budapest, September 13, 2019 – ALTEO Nyrt’s first, HUF 1.1 billion R&D program has recently come to a close. The opening ceremony was attended by János Áder, President of the Republic of Hungary and László Palkovics, Minister for Innovation and Technology. The publicly traded Hungarian company is among the first in Central Eastern Europe and in Hungary to build an industrial-size battery energy storage unit. The facility was successfully connected to the domestic electricity network, which could greatly contribute to the utilization of energy-dependent renewable energy sources such as solar energy and wind.

“One of the key technological and engineering challenges of generating clean, green energy is that renewable energy sources such as the sun or wind can only generate power under certain weather conditions. Since consumers are in constant need of electricity, this puts a strain on electrical networks”, said ALTEO Nyrt. CEO Attila Chikán Jr. in his delivery speech.

The CEO added: *“Over the past two years, we have been developing a proprietary, innovative, market-based solution that not only enables our company to expand its renewables-based power plant portfolio more efficiently, but also contributes to achieving the climate goals of the entire Hungarian energy market.”*

The industrial-size, 6 MW energy storage unit is linked to the ALTEO-owned Zugló Power Plant, and is the first such facility in both Hungary and the Central Eastern European region. The batteries of the energy storage unit rely on the widely-used lithium-ion technology also used in cell phones. The most important innovation by the engineers of the Hungarian company is a ‘smart’ system that allows the storage unit to be seamlessly integrated into ALTEO’s Control Center as well as the Hungarian electricity system.

The cost of ALTEO’s first R&D program was HUF 1.1 billion, with a nearly HUF 500 million grant support from the National Research, Development and Innovation Office. Implementation took place between July 2017 and June 2019, and the Zugló facility was commissioned last August, followed by pilot operation and minor developments.

Guests of honor at the event included János Áder, President of the Republic of Hungary and László Palkovics, Minister for Innovation and Technology.

According to János Áder, “One of the keys to accomplishing the climate neutrality objective for 2050 is to eliminate CO2 emissions from electricity generation and energy production. If the Paks power plant is implemented and solar power plants are constructed at the pace seen in recent years, over 90% of the electricity generated in Hungary may be CO2-free by 2030”.

He also identified energy storage as a key issue and underlined that “ALTEO’s solution represents a major step in this respect. The technical solution is a Hungarian innovation and wholly unique in



the region. Hungary can only accomplish the climate goals of the Treaty of Paris by relying on two energy carriers: atomic energy to ensure stability of supply, and solar energy”.

As Minister for Innovation and Technology László Palkovics highlighted in his speech, “Hungary is an economically growing country that is continuously developing in terms of innovation, and provides an optimal environment for both domestic and foreign companies. Since 2010, the government has succeeded in upholding Hungarian interests also in the energy sector. Decisions to date have resulted in increases to domestic solar plant capacity, which is set to grow from 700 MW last year to over 3,000 MW by 2022, and to 7,000 MW by 2030”.

He also pointed out that economic growth was not accompanied by an increase in greenhouse gas emissions in Hungary: “Last year, carbon dioxide emissions dropped by 0.6%, while GDP grew by 5%. The country has reduced its CO2 emissions by more than 30% since 1990.”

Stressing the importance of the emergence of the country also as an energy exporter in the region, he added, “By implementing the government’s strategy, Hungary's energy supply will become smart, clean and affordable”.

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. In 2016, it had a successful public offering, quadrupling the free float of its shares, while raising nearly HUF 1.4 billion for the implementation of its strategic plans. 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.

Details of the R&D project:



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