

12810789-3511-113-01

Statistical code

01-09-899444

Corp. Reg. Nr.

WINDEO Kft.

name

1131 Budapest, Babér utca 1-5.

address

31st December 2018.

Simplified Annual Financial Statements



Budapest, 28th march 2019.

Translation of the Hungarian original

INDEPENDENT AUDITOR'S REPORT

To the Quotaholder of Windeo Kft.

Opinion

We have audited the simplified financial statements of Windeo Kft. (the „Company”) for the year 2018 which comprise the balance sheet as at December 31, 2018 – which shows total assets of thHUF 1.742.561 and loss after tax for the year of thHUF 42.106 –, as well as the related profit and loss account for the year then ended and the notes to the simplified financial statements including a summary of significant accounting policies.

In our opinion, the accompanying simplified financial statements give a true and fair view of the financial position of the Company as at December 31, 2018 and its financial performance for the year then ended in accordance with Act C of 2000 on Accounting (the „Accounting Act”) effective in Hungary.

Basis for Opinion

We conducted our audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits. Our responsibilities under these standards are further described in the "*The Auditor's Responsibilities for the Audit of the Simplified Financial Statements*" section of our report.

We are independent of the Company in compliance with the relevant effective Hungarian regulations and the “Rules of conduct (ethical rules) of the auditor profession and the disciplinary process” of the Chamber of Hungarian Auditors and, in respect of matters not regulated therein, the “Code of Ethics for Professional Accountants” (the IESBA Code) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with the same ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Simplified Financial Statements

Management is responsible for the preparation and fair presentation of the simplified financial statements in accordance with the Accounting Act, and for such internal control as management determines is

necessary to enable the preparation of simplified financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the simplified financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern principle, and preparing the simplified financial statements using the going concern basis of accounting. Management must apply the going concern principle, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Auditor's Responsibilities for the Audit of the Simplified Financial Statements

Our objectives during the audit are to obtain reasonable assurance about whether the simplified financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue, on the basis of the above, an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and they are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these simplified financial statements.

As part of an audit in accordance with the Hungarian National Standards on Auditing and the effective Hungarian laws and other regulations on audits, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the simplified financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the simplified financial statements in accordance with the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the simplified financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the simplified financial statements, including the disclosures, and whether the simplified financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the Company's internal control that we identify during the audit.

Other reporting obligation regarding the divisional financial statements

In accordance with Section 105/A (1) of Act LXXXVI of 2007 on Electricity, we reviewed Note X of the notes to the simplified financial statements for 2018, Activity reports, which presents the distribution of activities for accounting purposes.

The management is responsible for developing and applying an accounting policy for the distribution of activities, and the pricing of the individual activities to avoid cross-financing between the various divisions of the company, as well as for disclosing the individual activities separately in accordance with Section 105 (2)-(4) of Act LXXXVI of 2007 on Electricity.

We are responsible for issuing a report on the information in Note X. The review was conducted in accordance with the Hungarian International Standard on Review Engagements no. 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Such a review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The review is of significantly limited scope compared to an audit performed in line with the auditing standards; therefore we were unable to obtain assurance to have reviewed all significant matters that would potentially be identified in the course of an audit. Accordingly, we shall not issue an audit report.

Based on the review no facts or circumstances came to our attention that would cause us to believe that the accounting rules applied by the Company or the information disclosed in Note X would not be in line with the provisions of the Accounting Act in all material respects, the provisions of Section 105 (2)-(4) of Act LXXXVI of 2007 on Electricity and recommendations issued by the Hungarian Energy and Public Utility Regulatory Authority on the unbundling of activities and avoidance of cross-financing.

Budapest, April 3, 2019

The original Hungarian version has been signed.

.....
Horváth Tamás
Deloitte Auditing and Consulting Ltd.
1068 Budapest, Dózsa György út 84/C.
Registration number: 000083

.....
dr. Hruby Attila
Statutory registered auditor
Registration number: 007118

Assets

Data in THUF

Nr.	Description	31. Dec 2017.	31. Dec 2018.
1	A. NON-CURRENT ASSETS	1 107 252	1 430 265
2	I. INTANGIBLE ASSETS	0	0
3	II. TANGIBLE ASSETS	1 107 252	1 430 265
4	III. FINANCIAL INVESTMENTS	0	0
5	B. CURRENT ASSETS	293 052	309 113
6	I. INVENTORIES	0	0
7	II. RECEIVABLES	40 444	104 657
8	III. MARKETABLE SECURITIES	0	0
9	IV. LIQUID ASSETS	252 608	204 456
10	C. PREPAID EXPENSES AND ACCRUED INCOME	4 508	3 183
11	TOTAL ASSETS	1 404 812	1 742 561

Equity and Liabilities

Data in THUF

Nr.	Description	31. Dec 2017.	31. Dec 2018.
12	D. SHAREHOLDERS' EQUITY	362 818	371 753
13	I. ISSUED CAPITAL	13 100	16 100
14	thereof: treasury shares repurchased at face value	0	0
15	II. ISSUED BUT NOT PAID CAPITAL (-)	0	0
16	III. CAPITAL RESERVES	156 550	156 550
17	IV. ACCUMULATED PROFIT RESERVE	93 813	241 209
18	V. NON-DISTRIBUTABLE RESERVES	0	0
19	VI. REVALUATION RESERVE	0	0
20	VII. PROFIT AFTER TAX	99 355	- 42 106
21	E. PROVISIONS	21	21
22	F. LIABILITIES	1 023 604	1 347 744
23	I. SUBORDINATED LIABILITIES	0	0
24	II. LONG TERM LIABILITIES	846 552	1 145 784
25	III. SHORT TERM LIABILITIES	177052	201 960
26	G. ACCRUED EXPENSES AND DEFERRED INCOME	18 369	23 043
27	TOTAL LIABILITIES AND SHEREHOLDERS' EQUITY	1 404 812	1 742 561

Budapest, 28th march 2019.

Papp András Oláh János
Directors of the Company

Data in THUF

Nr.	Description	2017.01.01. - 2017.12.31.	2018.01.01. - 2018.12.31.
I.	NET SALES REVENUES	316 621	165 595
II.	CAPITALISED VALUE OF OWN PERFORMANCE	0	0
III.	Other revenues	212	1
	<i>of which: reversal of impairment loss provision</i>	0	0
IV.	MATERIAL TYPE EXPENDITURES	74 797	75 400
V.	PAYMENTS TO PERSONNEL	0	0
VI.	DEPRECIATION CHARGE AND AMORTIZATION	68 498	80 054
VII.	Other expenses	12 952	5 036
	<i>of which: impairment loss provision</i>	0	0
A.	PROFIT ON OPERATING ACTIVITIES (I.±II.+III.- IV.-V.-VI.-VII.)	160 586	5 106
VIII.	Financial revenues	466	398
IX.	Financial expenses	56 151	46 055
B.	PROFIT ON FINANCIAL ACTIVITIES (VIII.-IX.)	- 55 685	- 45 657
C.	NET PROFIT BEFORE TAXATION (±A.±B.)	104 901	- 40 551
X.	Tax liability	5 546	1 555
D.	PROFIT AFTER TAX (±C.-X)	99 355	- 42 106

Budapest, 28th march 2019.

Papp András Oláh János
Directors of the Company

Translation only - in case of any difference the Hungarian original prevails

Assets

Data in THUF

Nr.	Description	2018.12.31.	Ács	Pápakovácsi	Jánossomorja
1	A. NON-CURRENT ASSETS	1 430 265	496 892	534 533	398 840
2	I. INTANGIBLE ASSETS	0	0	0	0
3	II. TANGIBLE ASSETS	1 430 265	496 892	534 533	398 840
4	III. FINANCIAL INVESTMENTS	0	0	0	0
5	B. CURRENT ASSETS	309 113	191 763	98 598	18 752
6	I. INVENTORIES	0	0	0	0
7	II. RECEIVABLES	104 657	61 587	34 237	8 833
8	III. MARKETABLE SECURITIES	0	0	0	0
9	IV. LIQUID ASSETS	204 456	130 176	64 361	9 919
10	C. PREPAID EXPENSES AND ACCRUED INCOME	3 183	1 639	1 225	319
11	TOTAL ASSETS	1 742 561	690 294	634 356	417 911

Equity and Liabilities

Data in THUF

Nr.	Description	2018.12.31.	2018.12.31.	2018.12.31.	2018.12.31.
12	D. SHAREHOLDERS' EQUITY	371 753	169 156	112 843	89 754
13	I. ISSUED CAPITAL	16 100	6 121	6 125	3 854
14	thereof: treasury shares repurchased at face value	0	0	0	0
15	II. ISSUED BUT NOT PAID CAPITAL (-)	0	0	0	0
16	III. CAPITAL RESERVES	156 550	59 515	59 558	37 477
17	IV. ACCUMULATED PROFIT RESERVE	241 209	91 700	91 766	57 743
18	V. NON-DISTRIBUTABLE RESERVES	0	0	0	0
19	VI. REVALUATION RESERVE	0	0	0	0
20	VII. PROFIT AFTER TAX	- 42 106	11 820	- 44 606	- 9 320
21	E. PROVISIONS	21	8	8	5
22	F. LIABILITIES	1 347 744	512 369	512 739	322 636
23	I. SUBORDINATED LIABILITIES	0	0	0	0
24	II. LONG TERM LIABILITIES	1 145 784	435 589	435 905	274 290
25	III. SHORT TERM LIABILITIES	201 960	76 780	76 834	48 346
26	G. ACCRUED EXPENSES AND DEFERRED INCOME	23 043	8 761	8 766	5 516
27	TOTAL LIABILITIES AND SHEREHOLDERS' EQUITY	1 742 561	690 294	634 356	417 911

Data in THUF

Nr.	Description	2018.01.01. - 2018.12.31.	Ács	Pápakovácsi	Jánossomorja
I.	NET SALES REVENUES	165 595	105 399	52 173	8 023
II.	CAPITALISED VALUE OF OWN PERFORMANCE	0	0	0	0
III.	Other revenues	1	0	0	1
	<i>of which: reversal of impairment loss provision</i>	0	0	0	0
IV.	MATERIAL TYPE EXPENDITURES	75 400	38 104	29 158	8 138
V.	PAYMENTS TO PERSONNEL	0	0	0	0
VI.	DEPRECIATION CHARGE AND AMORTIZATION	80 054	35 387	35 386	9 281
VII.	Other expenses	5 036	- 4 635	9 298	373
	<i>of which: impairment loss provision</i>	0	0	0	0
A.	PROFIT ON OPERATIONG ACTIVITIES (I.±II.+III.-IV.-V.-VI.-VII.)	5 106	36 543	- 21 669	- 9 768
VIII.	Financial revenues	398	198	199	1
IX.	Financial expenses	46 055	24 215	22 430	- 590
B.	PROFIT ON FINANCIAL ACTIVITIES (VIII.-IX.)	- 45 657	- 24 017	- 22 231	591
C.	NET PROFIT BEFORE TAXATION (±A.±B.)	- 40 551	12 526	- 43 900	- 9 177
X.	Tax liability	1 555	706	706	143
D.	PROFIT AFTER TAX (±C.-X)	- 42 106	11 820	- 44 606	- 9 320

Budapest, 28th march 2019.

I. PRESENTATION OF THE COMPANY

Key information concerning the Company	
Name	WINDEO Korlátolt Felelősségű Társaság
Registered office	H-1131 Budapest, Babér utca 1-5.
Company registration number	01-09-899444
Tax number	12810789-2-41
Statistical code	12810789-3511-113-01
Core business	NACE 3511 – Production of electricity
Capital stock on 1/1/2018	HUF 16,100 thousand
Capital stock on the reporting date	HUF 16,100 thousand
Chosen auditor	Deloitte Könyvvizsgáló és Tanácsadó Kft.

WINDEO Kft. (known as Clean Energy Kft. until July 31, 2012) started its operations under the name FRIXI Kereskedelmi Kft. on March 7, 2002 and was incorporated on April 23, 2002. The Company's core business involve the production of electricity (by wind generation).

From February 13, 2008, the Company was fully owned by Raiffeisen Energiaszolgáltató Kft., after that, ALTEO Nyrt. acquired a business share representing 100% ownership in WINDEO Kft. (formerly known as Clean Energy Kft.) on May 24, 2012.

The Company was incorporated as WINDEO Kft. by the court of registration as part of the name change on August 1, 2012.

On September 30, 2018, Venteo Kft. merged into Windeo Kft.

Upon its founding, the Company's issued capital was HUF 3,000 thousand. After its founding, its issued capital was increased as follows:

- by **HUF 100 thousand** by Raiffeisen Energiaszolgáltató Kft. on December 08, 2009;
- by **HUF 10,000 thousand** by ALTEO Nyrt. on June 24, 2012;
- by **HUF 3,000 thousand** through the merger of Venteo Kft. on September 30, 2018

The Company performed its year-end closing in accordance with the existing Act C of 2000 on accounting (hereinafter: "Accounting Act"). Pursuant to Section 9 of the aforementioned Act, the Company may prepare and publish a simplified annual report for the business year 2016, which is required to be reviewed by an auditor under Sections 155 (2) and (6) of that Act. Pursuant to the aforementioned sources of law, Windeo Kft. complies with its reporting obligation by preparing a simplified annual report for its 2018 business year.

ALTEO Nyrt., as parent company, is obligated to prepare a consolidated annual report compiled in accordance with the IFRS and a consolidated business report. In accordance with Section 10 (2) of the effective Act C of 2000 on Accounting, the parent company complies with its consolidation obligation by publishing a report and a management report compiled in accordance with the IFRSs. The report

of ALTEO Nyrt. prepared in accordance with the above can be viewed on the website of the Budapest Stock Exchange and on ALTEO Nyrt.'s own website (www.alteo.hu).

ALTEO Nyrt. and its scope of consolidation is covered by the consolidated annual report prepared by Wallis Portfolió Kft. in accordance with the Accounting Act. The consolidated report of the superior parent company can be viewed at the registered office of Wallis Portfolió Kft. (H-1055 Budapest, Honvéd u. 20).

Of its affiliated companies, the Company conducted transactions with ALTEO Nyrt., Alteo Energiakereskedő Kft., e-Wind Kft., Sinergy Kft. and Sinergy Energiakereskedő Kft.

Pursuant to Section 155 of the Accounting Act, the Company is subject to an audit requirement. The chosen auditor of the Company is Deloitte Könyvvizsgáló és Tanácsadó Kft., the person responsible for auditing is Dr Attila Hruby, chamber membership number: 007118.

The remuneration for the audit of the simplified annual report is HUF 1,500 thousand + VAT

András Papp, managing director, and János Oláh, managing director, are jointly authorized to sign the simplified annual report.

The person commissioned to control and lead the auditing tasks in accordance with Section 88 (9) of Act C of 2000: Gergely Zoltán Lakatos (H-1094 Budapest, Viola u. 43. 5. em. 4., registration number: 164933) as an employee of the company providing bookkeeping services.

The Company publishes its simplified annual report on the electronic reporting portal operated by the Ministry of Justice (www.e-beszamolo.im.gov.hu).

II. ACCOUNTING SYSTEM, ACCOUNTING POLICY

a) General information

In its accounting policy, the Company set the preparation date of the simplified annual report for January 31 following the subject year. The reporting date for WINDEO Kft. was December 31, 2018 and its business year corresponds to the calendar year.

The Company opted for the type "A" statement of financial position structure and, for compiling the statement of profit or loss, the total cost method, specifically version "A".

Apart from the exceptions highlighted, data in the simplified annual report are expressed in thousand forints.

b) Key elements of the accounting policy

In line with the Accounting Act, the Company developed its policy for money management, inventory and asset and liability valuation.

The Company laid down in its accounting policy that the going concern basis of accounting must be used to ensure that the accounting principles of completeness, faithful representation, understandability, comparability, going concern, consistency, prudence, no netting, individual measurement, accruals, substance over form, relevance and cost-benefit analysis are followed.

An error is regarded as material if in the year of its detection the aggregate value of errors and impacts of errors discovered by various audits and affecting a particular business year (separately for each year) that increase or decrease the equity (irrespective of sign) is greater than the threshold set out in the accounting policy. An error is always material if the total amount (regardless of sign) of faults and fault effects increasing or decreasing profits, equity, discovered in the year of discovering the fault, in the course of the series of reviews – concerning the same year – exceeds 2 percent of the Company's statement of financial position total of the business year under review.

An income or expenditure item can be considered to be of exceptional magnitude if it satisfies either of the following criteria:

- One-off significant, unpredictable item (e.g.: loss event)
- Unexpected, excessively change relative to previous years (e.g.: significant change in the portfolio of contracts)

Transactions in foreign currencies are translated into forint using the foreign exchange rate announced by the Central Bank of Hungary, effective on the day of performance.

c) Market valuation principles

1. Intangible assets

Intangible assets are recognized at cost and/or production cost less accumulated depreciation, at values not exceeding their known market values. Depreciation is calculated using a linear method based on the depreciation rates required to write off intangible assets over their expected useful lives. The expected useful lives of intangible assets are as follows:

Useful lives

Intangible property rights	5 years
Intellectual property	3 years

2. Fixed assets

Fixed assets are recognized in the statement of financial position at cost and/or production cost less accumulated depreciation. Depreciation is calculated using a linear method and recognized in the statement of profit or loss taking into account the useful life of the specific asset.

For wind turbines, useful life is 20 years.

With regard to fixed assets, the Company considers assets of a value not exceeding HUF 100 thousand as low-cost assets. Such assets are written off in a single amount in the month when they are put into operation.

In the case of fixed assets, no residual value was determined based on individual assessment. The Company recognizes depreciation of assets based on analytic entry on a monthly basis.

3. Non-current financial assets

Investments representing ownership interests in companies are valued as the consideration adjusted by goodwill for acquisition and as the value established in the articles of association for foundation and capital increase until their market values fall permanently and significantly below their carrying amounts. In this case, these are valued at the market price known at the time of balance sheet preparation.

Securities recognized under non-current assets (owned by the Company for more than a year) are reported in the statement of financial position at purchase price until their market values fall permanently and significantly below their carrying amounts. In this case, similarly to ownership interests held for investment purposes, these are valued at the market price known at the time of the preparation of the statement of financial position.

4. Inventories

Other procured materials are used immediately, thus, the Company does not engage in stockpiling.

5. Receivables

Receivables are reported in the statement of financial position at values confirmed and recognized by debtors. The Company carries out the valuation of receivables denominated in foreign currency at the reporting date as set out in the accounting policy. Receivables from affiliated companies are reported as a separate line item in the statement of financial position.

The Company carries out the valuation of receivables, advances given, loans given and amounts recognized under other receivables on an individual basis and records impairment for the difference between the carrying values and amounts of receivables expected to be recovered based on individual assessment.

6. Securities

Securities, which are recognized under current assets according to the accounting policy, are recognized in the statements of financial position at purchase price until their value goes well below the recording price. Securities owned by the Company for more than a year are recognized under non-current financial assets.

7. Accrued income and deferred charges

Deferred charges include expenses in the closed year that can only be recognized as costs next year. The Company reports under accrued income revenues that are for the subject year but will only be paid and recognized next year after the preparation of the report.

8. Provisions

The Company recognizes provisions for expected liabilities and future (non-recurring) costs based on the foreseeable requirements, in line with the information available on the preparation date of the statement of financial position.

9. Liabilities

WINDEO Kft. shows liabilities in its statement of financial position in the contractual amounts, to the extent recognized and fulfilled. Payables to affiliated companies are reported as a separate line item in the statement of financial position.

10. Accrued expenses and deferred income

Accrued expenses include expenditures that are for the subject year but will only be invoiced in the period following the reporting date. Deferred income includes revenues that were reported for the current year, but are for the period following the subject year.

d) Recognition of transactions in foreign currencies

Transactions in foreign currencies are translated into forint using the foreign exchange rate announced by the Central Bank of Hungary, effective on the day of performance.

During the year the realized exchange rate gain/loss amounts are from the difference between the exchange rates effective on the day of performance and the day of financial performance; these amounts are recognized by the Company among other incomes, expenses of financial transactions.

At the end of the year, foreign-currency receivables, shares and payables were revalued using the foreign exchange rate published by the Central Bank of Hungary for December 31, 2017. The resulting aggregated unrealized exchange rate gains or losses are recognized by the Company under other incomes of financial transactions and other expenditures of financial transactions, in line with the direction thereof.

e) Revenue

The Company's core business involve the production of electricity. The net revenue from sales is recognized for the period of performance, exclusive of VAT. Analytical and ledger accounts are reconciled on a monthly basis.

f) Changes in the accounting policy and accounting estimations

There were no changes in the accounting policy or the critical accounting estimates of the Company during the year.

III. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**a) Intangible assets and Fixed assets**

The Company has no intangible assets.

WINDEO Kft. owns the following wind turbines:

- Wind turbine near Ács: VESTAS V90 2MW power plant unit with a tower height of 105 meters;
- Wind turbine near Pápakovácsi: VESTAS V90 2MW power plant unit with a tower height of 105 meters;
- Jánossomorja: VESTAS V90 1.8MW power plant unit with a tower height of 105 meters.

In 2008, the Company launched investment projects for 2 wind turbines, each with 2MW output. One was put into operation in Ács on November 11, 2008. The final authorization to put into service was issued for the wind turbine in Ács on May 13, 2009. Built in Pápakovácsi, the other wind turbine was put into operation on December 10, 2008. The final authorization to put into service was issued on May 18, 2009. The wind turbine in Jánossomorja came under the ownership of the Company as part of the merger from Venteo Kft. and was put into operation on September 23, 2008.

No extraordinary depreciation or depreciation of low-cost fixed assets was recognized in the business year. The increase in the value of fixed assets was only attributable to the assets received as part of the merger.

b) Non-current financial assets

The Company had no non-current financial assets either in the subject year or the preceding period.

c) Current assets

The composition of the Company's current assets changed as follows:

<i>data in thousand HUF</i>	12/31/2017	12/31/2018
Trade receivables	19,432	0
Receivables from affiliated companies	15,273	84,984
Other receivables	5,739	19,673
TOTAL RECEIVABLES	40,444	104,657
Reserve account for debt service (HUF)	165,129	196,595
Reserve account for debt service (EUR)	0	255
Operating account – HUF	87,221	7,058
Operating account – EURO	258	548
TOTAL LIQUID ASSETS	252,608	204,456
TOTAL CURRENT ASSETS	293,052	309,113

Receivables from affiliated companies include the amount of receivables from Sinergy Energiakereskedő Kft. for electricity production that has not been paid until the reporting date. Other receivables include overpayments of the Company's current accounts with the tax authority and, to a lesser extent, overpayments to suppliers.

The cash balance at the reporting date fully corresponds to the closing bank balance. The Company had no dealings in cash.

d) Accrued income and deferred charges

<i>data in thousand HUF</i>	12/31/2017	12/31/2018
Accrued revenue	0	0
Accrued expenses	4,508	3,183
Accrued income and deferred charges	4,508	3,183

Property insurance for the period following the reporting date and the maintenance of the wind turbine in Jánossomorja were recognized in the amount of HUF 2,479 thousand and HUF 704 thousand, respectively, under accrued expenses.

e) Changes in equity

<i>data in thousand HUF</i>	Issued capital	Capital reserve	Retained earnings	Profit after taxes
Opening balance as at 1/1/2018	13,100	156,550	93,813	99,355
Profit transfer	0	0	99,355	-99,355
Merger by absorption	3,000	0	48,041	0
Subject year profit or loss	0	0	0	-42,106
Closing balance as at 12/31/2018	16,100	156,550	241,009	-42,106

The loss after taxes for 2018 is HUF -42,106 thousand. The Company has no treasury shares.

f) Liabilities

The liabilities of the Company were as follows:

<i>data in thousand HUF</i>	12/31/2017	12/31/2018
Other long-term loans	846,552	1,145,784
TOTAL LONG-TERM LIABILITIES	846,552	1,145,784
Short-term credits	124,143	132,541
Trade payables	4,705	493
Short-term liabilities to affiliated companies	38,996	61,449
Other short-term liabilities	9,208	7,477
TOTAL SHORT-TERM LIABILITIES	177,052	201,960
LIABILITIES TOTAL	1,023,604	1,347,744

The volume of long-term loans was increased as part of the merger by a loan previously taken out by Venteo Kft. The expiry date is October 2, 2023 for Windeo Kft's loan and September 30, 2023 for the loan previously taken out by Venteo Kft. The interest rate for both loans corresponds to 3-month BUBOR +3%.

Windeo Kft and Venteo Kft. jointly concluded a loan contract with Raiffeisen Bank Zrt. and were also jointly and severally liable for repayment in the past. The general mortgage on their assets amounts to HUF 3,200,000 thousand.

Short term loans include the part of long-term loan received from Raiffeisen Bank Zrt. falling due within the year in the amount of HUF 98,457 thousand.

Payables to affiliated companies include debts related to service fees within the ALTEO Group accrued until the reporting date, consideration for the electricity purchased from Alteo Energiakereskedő Kft. and a dividend payment obligation from 2015 in the amount of HUF 28,846 thousand, HUF 1,603 thousand and HUF 31,000 thousand, respectively.

Other short-term liabilities include VAT payable in the 2019 business year and negative balances on bank accounts in the amount of HUF 7,473 thousand and HUF 4 thousand, respectively.

g) Accrued expenses and deferred income

<i>data in thousand HUF</i>	12/31/2017	12/31/2018
Income accruals	0	0
Costs	13,126	19,004
Interest on loans	5,242	4,039
Cost accruals	18,389	23,043
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	18,369	23,043

The Company recognized unpaid interests on the loan from Raiffeisen Bank Zrt. for 2018 in the amount of HUF 4,039 thousand under accrued expenses and deferred income.

Accrued expenses and deferred income also include unbilled maintenance fees for the wind turbine, unpaid rent, audit, electricity, remote surveillance, fire alert and National Meteorological Information Service fees for 2018.

h) Revenue

<i>data in thousand HUF</i>	2017	2018
Net revenue from domestic sales	316,621	165,595
Net revenue from sales	316,621	165,595

The Company's revenues were generated exclusively by domestic sales in 2018. The Company's wind turbines in Pápakovácsi and Jánossomorja sells electricity to Sinergy Energiakereskedő Kft., while its wind turbine in Ács delivered electricity to MAVIR Zrt. under a KÁT (mandatory offtake system) permit until May 2018 and has been selling electricity to Sinergy Energiakereskedő Kft. since then.

i) Other income

<i>data in thousand HUF</i>	2017	2018
Other revenues	212	1
Other revenues	212	1

The Company recognized HUF 1 thousand rounding difference under other income.

j) Material expenses

<i>data in thousand HUF</i>	2017	2018
Energy cost (electricity) and system usage fees	2,010	3,517
Other	144	1
Cost of raw materials	2,154	3,518
Maintenance costs	31,527	38,114
Operating and accounting fees paid to parent company	29,907	19,556
Other	5,820	7,516
Value of services used	67,254	65,186
Insurance	4,612	5,169
Other	777	1,527
Value of other services	5,389	6,696
Total material expenses	74,797	75,400

k) Depreciation

<i>data in thousand HUF</i>	2017	2018
Depreciation	68,498	80,054
Depreciation:	68,498	80,054

l) Other expenditures

<i>data in thousand HUF</i>	2017	2018
Local tax paid	6,292	3,244
Support for sports and arts from corporate tax	4,270	0
Fines paid	1,777	1,181
Other taxes, contributions and fees	592	611
Provisions recognized	21	0
Other expenditure	12,952	5,036

WINDEO Kft. incurred a public utility line tax liability as of January 1 2013 under Act CLXVIII of 2012 on the tax on public utility lines.

The Company was not required to pay innovation contribution in 2018 under Act LXXVI of 2014 on scientific research, development and innovation.

m) Financial profit

<i>data in thousand HUF</i>	2017	2018
Interests received	384	377
Exchange rate gain on assets and liabilities denominated in foreign currency	82	21
Income from financial transactions	466	398
Interest paid on loans	55,633	45,301
Exchange rate loss on assets and liabilities denominated in foreign currency	518	754
Expenditures of financial transactions	56,151	46,055
Financial profit	-55,685	-45,657

IV. TRANSACTIONS WITH AFFILIATED PARTIES

During the year, the Company concluded the following transactions with its parent company:

<i>data in thousand HUF</i>	Balance as at 12/31/2018	Flows in 2018
Management fees	18,011	11,966
Operation	6,319	4,947
Accounting	4,516	2,643
Parent company (ALTEO Nyrt.)	28,846	19,556

In the view of the management of the Company, intercompany transactions with affiliated companies were priced on an arm's length basis.

V. THE COMPANY'S ACTIVITY IN RELATION TO ENVIRONMENTAL PROTECTION

Wind turbine operation involved no emission of polluted air. Noise emissions did not exceed the prescribed limits. There were no notable incidents during the time the facility has been in service that would have harmed the environment.

No environmental liabilities were incurred for 2018 and the Company did not recognize any provisions.

There is no environmental risk involved in the operation of WINDEO Kft. Wind generation power plants produce renewable energy, thereby helping to achieve environmental and climate protection objectives.

VI. COMPANY MANAGEMENT, BOARD OF DIRECTORS, SUPERVISORY BOARD

In 2018 executive managers received no fees or other remuneration, and the Company did not extend to them any advances, loans or credit.

In 2018 the Company had no employees; the statistical headcount is zero.

VII. LEGAL PROCEEDINGS

There are no ongoing legal proceedings against the Company.

VIII. Events after the reporting date

There were no events after the end of the reporting period that would have a significant impact on the financial statements of the Company as of December 31, 2018.

IX. Errors discovered, effects of errors

No errors pertaining to prior periods were discovered at the Company in 2018.

X. Activity reports

The applicable directives of the Hungarian Energy Office and the European Union stipulate that integrated electricity companies unbundle their accounts for their authorized activities as if they were carried out by companies with separate legal personalities.

Accordingly, as part of its accounting policy, Windeo Kft. has completed the recognition and distribution rules that serve as the foundation for its reports on

- Ács
- Pápakovácsi and
- Jánossomorja wind turbines

The statement of financial position of the activity report of Windeo Kft.: on a separate sheet

The statement of profit or loss of the activity report of Windeo Kft.: on a separate sheet

Budapest, March 28, 2019

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András Papp
managing director

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János Oláh
managing director