I. Basic Project Data

Project title	VENTERFOR WIND PARK PROJECT
Sector	Renewable Energy
Project owner	VENTERFOR ENERGIE GAG.
Location	**Fertőd, West Hungary**
Short description	First stage: Installation of 16 MW capacity on area of 51,7 hectares in the **administrative district of Fertőd.** Furthermore possibilities: Installation of additional capacity of 16 MW or 64 MW on neighboring rented plots.
Implementation period	2016 onward
Overall Budget of the Project	16 MW First stage: EUR 27,9 Million, If 32 MW stage: EUR 51,1 Million,
Funding requirement	16 MW First stage: EUR 8,5 Million EQ; 20,9 Million bank loan If 32MW stage: EUR 16 Million EQ; 38,4 Million bank loan

II. Project Background

II.1 Project owner

The project owner company, VENTERFOR ENERGIE GAG, registered in Hungary, was founded with the main aim of renewable energy project development and implementation. The one man company is owned by Mr. Csongor Veres, a local individual with special interest in green energy projects, with biomass and wind park related references and project developments in the Central European region, namely Hungary, Romania, Slovakia and Croatia.

II.2 Project description

➢ competitive advantages, WHY INVEST?

- Low manufacturing costs, compared to Western Europe
- High pressure on the development of renewables market in the EU and Hungary, resulting from the EU goals for 2020. (3rd Energy Package)
- Highly elaborated, detailed project
- Well-known and widely used technology
- Expertise of the project developer team
- Reasonable and stable business plan

The main objective of the Fertőd Wind Farm project is the first installation of 6 wind turbines with total capacity of 16 MW on an undeveloped area of 51,7 hectares in the administrative district of the Hungarian city of Fertőd (county: Győr-Moson-Sopron) near to Austria. The project involves the option for an additional 6 turbines - second 16 MW extension.

- property rights, licenses, certifications

As far as the permitting process is concerned, the project, up to present, has obtained a valid Building Permit and Small Power Plant Permit for 16 MW capacity, both necessary for the implementation of the project. The development area is owned by Venterfor company, excluding all and any additional costs related to the project site.

The installation of the wind energy plant is planned with GE-ALSTOM ECO 122 (2,7 MWe) turbines. GE-ALSTOM is among the leading wind turbine manufacturers in the world. GE-ALSTOM has up to 48% net capacity factor for ECO 122 wind turbines.

With the availability of the financial background, the plant construction can start right away and has a 8-10 months' time need.

- current position in the market – expected share

Wind measurements and necessary calculations had been carried out by the Central Institute for Meteorology and Geodynamics, Vienna. The project area has an average 7 m/s inflowing north-western air, and the number of windless days in the area is insignificant (approx. 30-40 days/year). On the other side of the border, only a short distance away from the project area and in the same wind tunnel, Austria BEWAG ltd. operates the largest wind energy plant in Austria with 200 turbines, which in itself gives a guarantee for the availability of the wind source.

With regard to the fact that in Hungary, at present, a wind turbine without a quota given by the highest energy authority, is not able to join the feed-in tariff system, whereas a new quota tender is not expected in the near future, the project owner is planning to sell the electricity produced in the wind farm via the Austrian electricity grid – either by joining the Austrian feed-in-tariff system, or by selling it on the electricity market.

- short market description, main competitors

Wind is a readily available source of energy, which has a high output even in colder winter times, when hydropower and solar installations are at their lowest. Wind energy hardly causes any external costs. By exploiting a regenerative energy source, the reliance on other fuels and the resulting environmental damages are avoided.
In 2015, Hungary had a total installed wind capacity of 330 MW. Higher capacity is distributed in the north west of the country, with most of wind farms installed in the Kisalföld region. On the other hand, Austria has a long tradition of wind energy use, it is ranked as the world's seventeenth largest producer of wind power with its 1400 MW installed capacity (2012).

According to the wind production prognosis based on the wind measurements, the average annual net production is 9.800.000 kWh/year for 1 turbine, resulting in 58 000 000 kWh/year for the 6 turbines wind farm with 41% net capacity as low case.

The technical background of the network connection has been planned and supported by valid offers (Netz Burgenland). The availability of the Austrian feed-in-tariff is under arrangement process, next to which the project owner has obtained offers for the purchase of the produced electricity from Austrian and German traders.

- key strategic partners

We provides a team of highly qualified experts in the disciplines Civil construction, Electrical engineering, Environmental and Legal Expert to carry out the services described as below

- economical advisor: eco-trend ltd. (www.eco-trend.hu)
- financial advisor: KPMG
- legal expert: Rechtsanwalt (DE); Dr. Helmut Magis
  lawyer office: www. budapesti5000.hu - Dr. Attila Molnár
- technical consultant: Schwentenwein GmbH (AT) - Herr Schwentenwein
- developer: Venterfor Plc. - G.CS.Veress

- access to foreign markets, export markets, description of key risks and measures to prevent risks

The main risk factors of the project have been identified and the methods to prevent and solve them have been outlined by the project developers, as follows:

Risk factor	Mitigation / Solution	Level of Risk
Plant constructional risk	choice of experienced contractors with sufficient reference, construction supervisor, and adequate contracting terms	low
Cable constructional risk	good knowledge of Hungarian and Austrian legal background and permitting process	low
Availability of bank loan	on-going arrangements with more banks, arrangement of foreign bank loan facility	low
Sale of produced electricity (if not as part of the Austrian feed-in-tariff system)	special reserves in the business plan, market monitoring, adequate contracting terms, experience and market knowledge	low
Obtaining of permits for the 2nd 16 MW phase	precisely elaborated documentation, choice of experienced contractors	low
Public opinion	level of acceptance can vary, but can be handled with PR plan	low

III. Financial Indicators

III.1 Assumptions and main indicators

The total capital requirement of the 16 MW Wind farm is 27,7 Million EUR, whereas the extended project (16 turbines) requires 55,4 Million EUR.
The current business plan for 8 turbines (16 MW) calculates with 15-25% own capital (6,9 Million EUR) and 75% -85%bank loan (20,8 Million EUR). The project company is currently in the negotiation process with more, Hungary based and foreign banks, but our financing partner EIB BANK LUXEMBURG has been chosen.

The Business Plan of the project calculates with reasonable estimations both regarding CAPEX and OPEX costs, and uses realistic macroeconomic expectations, and there are several reserves built into the plan. The Business Plan has been made for a 15 years period.

III.2 Quantitative and Qualitative Indicators

Quantitative Indicators if 16 MW is installed	
Average yearly EBITDA	4,3 Million EUR
Average yearly revenue	5,15 Million EUR
Average yearly operational costs	778.000 EUR

Quantitative Indicators	
Revenues / year 2016	Project company
Mid-term revenues/year expectation	5,15 M EUR
Available owner's resources /available funds	EIB bank loan

Qualitative Indicators			
	poor	adequate	high
Elaboration level			X
Existing client relations		X	
Reality of market ratio expectation		X	
Owner's background (market presence, experience)			X
Management background (knowledge, experience)			X
Level of innovation in the Project idea /Added value		X	
Risk management plan		X	

IV. Investment Offer

Required amount of investment	8,3 Million EUR (6,9 Equity+1,4 project value) (counting with 75% bank loan)
Form of investment	up to 100% shares in the project company

- investment schedule

According to the demand of the Investor

Contact:

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ECO 122 wind turbine

The medium and low wind (IEC Class III-A, II-B) 2.7/3.0 MW onshore ECO 122 wind turbine combines high power and high capacity factor to boost energy yield in low and medium wind regions worldwide.

At a wind speed of 7.5 m/s the turbine delivers a net wind farm capacity factor up to 42%, equivalent to 3,600 full-load hours each year.

Its 122-meter rotor diameter and swept area of 11,700m2 – one of the largest in the 2 MW to 3 MW turbine segment – increase the harvest of energy and the return on investment to create new business opportunities for customers from low wind sites.

Up to 48% net capacity factor for ECO 110 and ECO 122 wind turbines