



**Independent Auditors' Report issued on the
2017
Annual Financial Statements
and Business Report
of M6 Duna Autópálya Koncessziós Zrt.**

This is an English translation of the Independent Auditors' Report on the 2017 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

M6 Duna Autópálya Koncessziós Zrt. - 18 - 2017.12.31.





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This is an English translation of the Independent Auditors' Report on the 2017 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

M6 Duna Autópálya Koncessziós Zrt. - 18 - 2017.12.31.





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Independent Auditors' Report

To the shareholders of M6 Duna Autópálya Koncessziós Zrt.

Opinion

We have audited the 2017 annual financial statements of M6 Duna Autópálya Koncessziós Zrt. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2017, which shows total assets of EUR 261,409,586 and profit after tax for the year of EUR 12,901,158, and the income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company for the purposes of our audit of the annual financial statements, as provided in applicable laws in force in Hungary, "The Policy on Rules of Conduct (Ethics) of the Audit Profession and on Disciplinary Procedures" of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these, in the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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M6 Duna Autópálya Koncessziós Zrt. - 18 - 2017.12.31.





Other Information

The other information comprises the 2017 Business Report of the Company. Management is responsible for the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any.

Our opinion on the annual financial statements expressed in the Opinion section of our report does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements, including the assessment of whether the business report has been prepared in accordance with Section 95/B (2) e) and f) of the Act on Accounting.

With respect to the business report, based on the Act on Accounting, we are also responsible for checking that the information referred to in Section 95/B (2) a)-d), g) and h) of the Act on Accounting has been provided in the business report.

In our opinion the 2017 business report of the Company is consistent, in all material respects, with the 2017 annual financial statements of the Company and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report of the Company, therefore, we do not express an opinion in this respects.

We confirm that the information referred to in Section 95/B (2) a)-d), g) and h) of the Act on Accounting has been provided in the consolidated business report.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and, management is responsible for preparing the annual financial statements on a going concern basis. Valuation made by management shall be based on the principle of going concern, 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.

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M6 Duna Autópálya Koncessziós Zrt. - 18 - 2017.12.31.





Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Hungarian National Standards on Auditing and applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 annual financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 use of the going concern basis for the preparation of the annual financial statements 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 our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 annual financial statements, including the disclosures, and whether the annual 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 internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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M6 Duna Autópálya Koncessziós Zrt. - 18 - 2017.12.31.





From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is the signatory of this report.

Budapest, 5 February 2018

KPMG Hungária Kft.

Registration number: 000202

Gábor Agócs
Partner, Professional Accountant
Registration number: 005600

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M6 Duna Autópálya Koncessziós Zrt. - 18 - 2017.12.31.



13368254-4211-114-01
Statistical number

Cg.01-10-045198
Registration number

Company name: **M6 Duna Autópálya Koncessziós Zrt.**

Company address: **1117 Budapest, Fehérvári út 50-52.**

ANNUAL REPORT

for the period from 01.01.2017-31.12.2017

This is an English translation of the Annual Report
In case of any differences or controversies, the Hungarian language original prevails

Date: 5 February 2018

13368254-4211-114-01

Statistical number

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Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Assets

amounts in EUR

No.	Description	31.12.2016	Modification(s) of previous year	31.12.2017
a	b	c	d	e
1.	A. Fixed assets (lines 2+10+18)	233 362 120		208 028 738
2.	I. INTANGIBLES (lines 03-09)	2 253		1 872
3.	Capitalized value of formation/restructuring	-		-
4.	Capitalized value of research and development	-		-
5.	Concessions, licenses and similar rights	2 253		1 872
6.	Intellectual property	-		-
7.	Goodwill	-		-
8.	Advances and prepayments on intangible assets	-		-
9.	Adjusted value of intangible assets	-		-
10.	II. TANGIBLES (lines 11-17)	226 822 901		203 990 836
11.	Land and buildings and rights to immovables	226 636 865		203 852 906
12.	Plant and machinery, vehicles	176 185		130 282
13.	Other equipment, tools, fixtures and fittings, vehicles	9 851		7 648
14.	Breeding stock	-		-
15.	Assets in course of construction	-		-
16.	Payments on account	-		-
17.	Adjusted value of tangible assets	-		-
18.	III. FINANCIAL INVESTMENTS (lines 19-28)	6 536 966		4 036 030
19.	Long-term participations in affiliated companies	-		-
20.	Long-term loans to affiliated companies	-		-
21.	Long-term participations in a significant owned companies	-		-
22.	Long-term loan to significant owned companies	5 696 413		3 523 858
23.	Other long-term participations	-		-
24.	Long-term loan to other companies linked by virtue of participating interests	840 553		512 172
25.	Other long-term loans	-		-
26.	Long-term debt securities	-		-
27.	Adjusted value of financial investments	-		-
28.	Valuation difference of financial investments	-		-

Date: 5 February 2018

13368254-4211-114-01

Statistical number

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Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Assets

amounts in EUR

No.	Description	31.12.2016	Modification(s) of previous year	31.12.2017
a	b	c	d	e
29.	B. Current assets (lines 30+37+46+53)	35 364 001		36 479 560
30.	I. STOCKS (lines 31-36)	-		-
31.	Raw materials and consumables	-		-
32.	Unfinished production, semi-finished products	-		-
33.	Young, fattened and other livestock	-		-
34.	Finished products	-		-
35.	Goods	-		-
36.	Advances and prepayments for stocks	-		-
37.	II. RECEIVABLES (lines 38-45)	154 466		27 217
38.	Accounts receivables	109 188		-
39.	Receivables from affiliated companies	-		-
40.	Receivables from significant owned companies	-		-
41.	Receivables from other companies linked by virtue of participating interest	-		-
42.	Bill receivable	-		-
43.	Other receivables	45 278		27 217
44.	Valuation difference of receivables	-		-
45.	Valuation difference of derivative instruments	-		-
46.	III. SECURITIES (lines 47-52)	-		-
47.	Participating interests in affiliated companies	-		-
48.	Other significant participating interests	-		-
49.	Other participating interests	-		-
50.	Own shares and own partnership shares	-		-
51.	Debt securities held for trading	-		-
52.	Valuation difference of securities	-		-
53.	IV. CASH AND BANK (lines 54-55)	35 209 535		36 452 343
54.	Cash and cheques	-		-
55.	Bank accounts	35 209 535		36 452 343
56.	C. Prepayments (lines 57-59)	17 854 726		16 901 288
57.	Prepayments of the incomes/revenues	8 764 072		8 736 100
58.	Prepayments of the costs and expenses	9 090 654		8 165 188
59.	Deferred costs and expenses	-		-
60.	TOTAL ASSETS (lines 1+29+56)	286 580 847		261 409 586

Date: 5 February 2018

Cg.01-10-045198
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M6 Duna Autópálya Koncessziós Zrt.
BALANCE SHEET Liabilities and equity

amounts in EUR

No.	Description	31.12.2016	Modification(s) of previous year	31.12.2017
a	b	c	d	e
61.	D. Owners equity (lines 62+64+65+66+67+68+71)	39 639 472		41 833 468
62.	Issued capital	28 932 310		28 932 310
63.	from line 54: par value of own shares bought back by the Company	-		-
64.	Registered capital, but not paid yet	-		-
65.	Capital reserve	-		-
66.	Retained earnings	-		-
67.	Tied-up capital	-		-
68.	Revaluation reserve	-		-
69.	1. Valuation reserve for adjustments	-		-
70.	2. Fair value valuation reserve	-		-
71.	Profit/loss for the year	10 707 162		12 901 158
72.	E. Provisions (lines 73-75)	-		-
73.	Provisions for expected losses	-		-
74.	Provision for expected liabilities	-		-
75.	Other provisions	-		-
76.	F. Liabilities (lines 77+82+92)	235 059 898		208 609 934
77.	I. DEFERRED LIABILITIES (lines 78-81)	18 420 792		18 420 792
78.	Deferred liabilities to associated company	-		-
79.	Deferred liabilities to other companies linked by significant of participating interests	16 083 193		16 083 193
80.	Deferred liabilities to other companies linked by virtue of participating interests	2 337 599		2 337 599
81.	Deferred liabilities to other parties	-		-

Date: 5 February 2018

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M6 Duna Autópálya Koncessziós Zrt.
BALANCE SHEET Liabilities and equity

amounts in EUR

No.	Description	31.12.2016	Modification(s) of previous year	31.12.2017
a	b	c	d	e
82.	II. LONG-TERM LIABILITIES (lines 83-91)	188 820 352		161 044 703
83.	Long-term loans received	-		-
84.	Convertible bonds	-		-
85.	Liabilities from issue of bonds	72 824 376		61 907 724
86.	Investment and development credits	108 620 017		92 337 466
87.	Other long-term credits	-		-
88.	Long-term liabilities to associated company	-		-
89.	Long-term liabilities to significantly interest company	-		-
90.	Long-term liabilities to other companies linked by virtue of participating interests	-		-
91.	Other long-term liabilities	7 375 959		6 799 513
92.	III. SHORT-TERM LIABILITIES (lines 93-104)	27 818 754		29 144 439
93.	Short-term loans	-		-
94.	from line 81: convertible bonds	-		-
95.	Short-term credits	26 433 356		27 199 192
96.	Advances from customers	3 431		56 559
97.	Accounts payable	40 020		97 100
98.	Liabilities on drafts	-		-
99.	Short-term liabilities to associated company	-		-
100.	Short-term liabilities to significantly interest company	-		-
101.	Short-term liabilities to minority-interest company	-		-
102.	Other short-term liabilities	1 341 947		1 791 588
103.	Valuation difference of liabilities	-		-
104.	Valuation difference of derivative instruments	-		-
105.	G. Accruals (lines 106-108)	11 881 477		10 966 184
106.	Accruals of incomes	4 001 058		3 857 216
107.	Accruals of costs and expenses	3 335 441		3 027 662
108.	Deferred incomes	4 544 978		4 081 306
109.	TOTAL LIABILITIES AND EQUITY (lines 62+72+76+105)	286 580 847		261 409 586

Date: 5 February 2018

Statistical number

Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT

Type A (full cost method)

amounts in EUR

No	Description	2016.01.01.- 2016.12.31.	Modification(s) of previous year	2017.01.01.- 2017.12.31.
a	b	c	d	e
1.	Net domestic sales	53 701 748		53 083 694
2.	Net export sales	-		-
I.	Total sales (01+02)	53 701 748		53 083 694
3.	Change in self-manufactured stocks.	-		-
4.	Own work capitalised	-		-
II.	Own performance capitalised (03±04)	-		-
III.	Other revenues	226 087		350 955
	from line III. rewrite of impairment loss	-		-
5.	Cost of materials	19 968		24 162
6.	Value of rendered services	1 809 106		1 562 432
7.	Value of other services	261 220		200 237
8.	Cost of goods sold	-		-
9.	Value of sold (intermediated) services	2 604 928		2 505 829
IV.	Material-type costs (05+06+07+08+09)	4 695 222		4 292 660
10.	Wages and salaries	247 813		259 089
11.	Other staff costs	17 323		13 027
12.	Social security contributions	79 324		66 566
V.	Staff costs (10+11+12)	344 460		338 682
VI.	Depreciation	23 373 562		23 399 102
VII.	Other expenses	1 105 417		1 078 421
	from line VII. impairment loss	-		-
A.	OPERATING PROFIT/LOSS (I±II+III-IV-V-VI-VII)	24 409 174		24 325 784

Date: 5 February 2018

Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT

Type A (full cost method)

amounts in EUR

No	Description	2016.01.01.- 2016.12.31.	Modification(s) of previous year	2017.01.01.- 2017.12.31.
a	b	c	d	e
13.	Dividends and profit-sharing (received or due)	-		-
	from line 13. from associated company	-		-
14.	Capital gains on investments	-		-
	from line 14. from associated company	-		-
15.	Interest and capital gains on financial investments	87 864		35 038
	from line 15. from associated company	-		-
16.	Other interest and similar income (received or due)	-		-
	from line 16. from associated company	-		-
17.	Other income from financial transactions	303 240		368 865
	from line 17. valuation difference	-		-
/III.	Income from financial transactions (13+14+15+16+17)	391 104		403 903
18.	Losses on financial participations, shares	-		-
	from line 18. to associated company	-		-
19.	Losses on financial investment - expenses and FX losses	-		-
	from line 19. to associated company	-		-
20.	Interest payable and similar charges	11 185 760		10 074 636
	from line 20. to associated company	-		-
21.	Losses on shares, securities and bank deposits	-		-
22.	Other expenses from financial transactions	308 369		370 879
	from line 22. valuation difference	-		-
IX.	Expenses on financial transactions (18+19+20+21+22)	11 494 129		10 445 515
B.	RESULT OF FINANCIAL TRANSACTIONS (VIII-IX)	- 11 103 025		- 10 041 612
C.	PROFIT/LOSS BEFORE TAXATION (±A±B)	13 306 149		14 284 172
X.	Corporation tax	2 598 987		1 383 014
D.	PROFIT/LOSS AFTER TAXATION (±C-X)	10 707 162		12 901 158

Date: 5 February 2018

Company name:
Company address:
Statistical number

M6 Duna Autópálya Koncessziós Zrt.
1117 Budapest, Fehérvári út 50-52.
13368254-4211-114-01

Cash flow - statement			amounts in EUR	
No	Description		2016.01.01.- 2016.12.31.	2017.01.01.- 2017.12.31.
I. Cash-flow of ordinary activities (Operational cash flow)		lines 1-13	22 942 421	26 318 341
1	Profit before tax	(+)/(-)	13 306 149	14 284 172
2	Depreciation	(+)	23 373 562	23 399 102
3	Impairment loss and rewrite of impairment loss	(+)/(-)	0	0
4	Change in the amount of provision	(+)/(-)	0	0
5	Result of sale of fixed assets	(+)/(-)	3 901	0
				0
6	Change of accounts payable	(+)/(-)	11 772	57 080
7	Change of other short term liabilities	(+)/(-)	-10 831 161	502 769
8	Change of accruals	(+)/(-)	-1 351 445	-915 293
9	Change of accounts receivable	(+)/(-)	-86 348	109 188
10	Change in current assets (excl. Cash and acc. receivable)	(+)/(-)	-22 769	18 061
11	Change of prepayments	(+)/(-)	1 137 747	953 438
12	Tax paid on result	(-)	-2 598 987	-1 383 014
13	Dividend paid	(-)	0	-10 707 162
II. Cash flow of investment activities (Investment cash flow)		lines 14-16	-409 959	-566 656
14	Purchase of fixed assets	(-)	-420 665	-566 656
15	Sale of fixed assets	(+)	10 706	0
16	Dividend received	(+)	0	0
III. Cash flow on financial transactions (Financing cash flow)		lines 17-27	-26 194 169	-24 508 877
17	Issuing of shares, capital inflow	(+)	0	0
18	Cash from issue of bonds, credit letters	(+)	0	0
19	Loan, credit received	(+)	0	0
20	Repayments of long-term loans and bank deposits.	(+)	-807 710	2 500 936
21	Cash received	(+)	0	0
22	Decrease of registered capital	(-)	0	0
23	Repayments of bonds, credit letters	(-)	-11 936 557	-10 609 276
24	Repayments of loan, credit	(-)	-13 320 416	-15 824 091
25	Given loans, bank deposits for long-term	(-)	0	0
26	Cash given	(-)	0	0
27	Change of liabilities to shareholders and other long term liabilities	(+)/(-)	-129 486	-576 446
IV. Change in the amount of cash (lines I. + II. + III.)		(+)/(-)	-3 661 707	1 242 808

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

SUPPLEMENTARY NOTES TO THE ANNUAL REPORT FOR 2017

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2017

1. GENERAL BACKGROUND INFORMATION

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) has its legal at 1117 Budapest, Fehérvári út 50-52.

The Company was founded on 7 October 2004.

From the original founders, the Porr and Bilfinger-group have sold their shares in M6 Duna in December 2015, while the Swietelsky-group has done so in October 2016. Moreover the shareholder M6 Duna Holding GmbH has merged into the shareholder M6 Duna B.V. in September 2016.

In 2017 Intertoll Infrastructure Developments B.V. has sold its shares in M6 Duna to Intertoll Capital Partners B.V.

Therefore the owners of the Company as of 31 December 2017 were as follows (“Shareholders”):

- M6 Duna B.V. (Amsterdam, the Netherlands)
- Aberdeen Infrastructure (HoldCo) B.V. (Amsterdam, the Netherlands)
- Intertoll Capital Partners B.V. (Rotterdam, the Netherlands).

The owners of M6 Duna BV are the Aberdeen investment group and EBRD (European Bank for Reconstruction and Development).

The Company is a private company limited by shares established for a fixed term, which is the concession period set out in the Concession Agreement concluded with the Hungarian State. The concession period is 22 years, lasting until 8 October 2026. The rights and obligations set by the Concession Agreement were transferred to the Company via the Transfer Agreement dated 13 October 2004 by the consortium originally obtaining the concession.

Accordingly, the Company is solely engaged in the design, construction, renovation, operation and maintenance under concession of the section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities. The interim completion of the motorway occurred on 11 June 2006. The relevant Traffic Authority issued the final licence to operate for this section of the M6 Motorway on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits derived from those assets. Accordingly, starting from interim completion, the Company is receiving monthly availability fees from the Hungarian State for the use of the motorway. The availability fee amounts are determined by the calculation formulae contained in the Concession Agreement.

Supplementary Notes for 2017

2. ACCOUNTING POLICY

The books and records of the Company are maintained in accordance with Law C of 2000 on Accounting, as amended (the “Law”) and generally accepted accounting principles in Hungary. In accordance with the requirements of the Law, from 1 January 2008 the books and records of the Company are maintained in EUR.

The accounting policy, the valuation method and process of the Company with the modifications introduced during this period are as follows:

Financial statement preparation date

The preparation date of the financial statements for the year ended 31 December 2016, the preparation date was 8 January 2017, while for the year ended 31 December 2017, the preparation date was 8 January 2018.

Intangible fixed assets

Purchased software, included in Rights of property value, are amortised over 3 years. Intangible fixed assets below purchase price of 100 000 HUF are fully depreciated when put into use.

Tangible fixed assets

According to paragraph 23 (3) of the Law, the Company records the acquisition cost of the assets purchased or created under the Concession Agreement as tangible fixed assets in its books. The acquisition cost includes:

- upfront fees, commitment fees, handling fees etc. stipulated in the financing contracts directly linked to the design and construction of the motorway
- interest due until the interim completion of the motorway minus interest received on funds dedicated to the project
- banking fees and bank advisors’ (technical, financial, legal, etc.) fees directly linked to the project as stipulated by the financing contracts
- insurance costs directly linked to the project, until interim completion
- direct salaries and related taxes of company officers and employees exclusively working on the project, until interim completion
- design, construction, monitoring, environmental, safety, documentation etc. advisory fees, until final completion of the construction contract
- realised and unrealised FX differences on foreign currency liabilities in direct connection with the construction, until project completion

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Supplementary Notes for 2017

Tangible fixed assets are stated at acquisition costs less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the related asset. The useful lives of the motorway and the ancillary facilities are calculated from the interim completion date (11 June 2006) until the end of the concession period, which is 20.3 years. The depreciation rates applied are as follows:

Motorway and ancillary facilities	4.9%
Vehicles	20.0%
Office and IT equipment	33.3%
Furniture	14.5%

Tangible assets below purchase price of 100,000 HUF are fully depreciated when put into use.

Format of statements of operations

The accompanying statement of operations is prepared according to the "A" version of the Law. Assets and liabilities denominated in HUF are valued at the daily FX rates set by the National Bank of Hungary. The consequent valuation gains/losses are recorded net as Result on financial transactions.

Material errors

In accordance with the Law, amounts exceeding 2% of total assets are considered as material errors resulting of tax audits, self-revisions and errors effecting prior years (the corresponding figure in 2016 was 5.7 mEUR and in 2017 it was 5.2 mEUR).

The Company considers exceptional those cost or revenue items, regardless to their amount, which are outside of the normal scope of operations.

There were no such exceptional items in the year ended 31 December 2016.

3. FINANCIAL POSITION, PROFITABILITY AND LIQUIDITY

In March 2006 the project was successfully refinanced: the previous syndicated long-term bank loan was replaced by cheaper funds from a new loan from the European Investment Bank („EIB”) and the proceeds of the issuance of floating rate Notes (see Point 11). Due to the refinancing, the project’s feasibility and profitability is even more secure and robust, per the underlying Financial Model. The Company has fulfilled its debt service obligations in 2016 and 2017 as well, in full compliance with the credit agreements.

The interim completion of the motorway occurred on 11 June 2006 that is with 71 days of delay compared to the target interim completion date of 31 March 2006. Since the Company was not responsible for that delay, therefore the budgeted Availability fees for such „deemed operation” period have been fully reimbursed (see Point 13 and 14) by the Ministry of Economy and Transport („GKM”), in accordance with the agreement dated 17 May 2007.

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4. INTANGIBLE FIXED ASSETS

The changes in intangibles during 2016 and 2017 are detailed as follows (in EUR):

	<u>Concessions, licenses and similar rights</u>
<u>Gross value</u>	
Opening balance at 1 January 2016	14 368
Additions	2 152
Disposals	-3 439
Closing balance at 31 December 2016	<u>13 081</u>
Additions	632
Disposals	0
Closing balance at 31 December 2017	<u>13 713</u>
<u>Accumulated depreciation</u>	
Opening balance at 1 January 2016	13 585
Depreciation-straight line method	682
Disposals	-3 439
Closing balance at 31 December 2016	<u>10 828</u>
Depreciation-straight line method	1 013
Disposals	0
Closing balance at 31 December 2017	<u>11 841</u>
Net Book Value at 31 December 2016	<u>2 253</u>
Net Book Value at 31 December 2017	<u>1 872</u>

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5. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during 2016 and 2017 are detailed as follows (in EUR):

	<u>Land & Buildings</u>	<u>Machinery & vehicles</u>	<u>Other equipment</u>	<u>Construction- in-progress</u>	<u>Total</u>
Gross value					
Opening balance at					
1 January 2016	471 516 807	1 459 118	62 874	0	473 038 799
Additions	324 862	85 465	8 186	0	418 513
Disposals	<u>0</u>	<u>-39 385</u>	<u>-9 435</u>	<u>0</u>	<u>-48 820</u>
Closing balance at					
31 December 2016	<u>471 841 669</u>	<u>1 505 198</u>	<u>61 625</u>	<u>0</u>	<u>473 408 492</u>
Additions	524 214	39 118	2 692	0	566 024
Disposals	<u>0</u>	<u>0</u>	<u>-197</u>	<u>0</u>	<u>-197</u>
Closing balance at					
31 December 2017	<u><u>472 365 883</u></u>	<u><u>1 544 316</u></u>	<u><u>64 120</u></u>	<u><u>0</u></u>	<u><u>473 974 319</u></u>
Accumulated depreciation					
Opening balance at					
1 January 2016	221 915 724	1 275 121	56 079	0	223 246 924
Depreciation- straight line method	23 289 080	78 670	5 130	0	23 372 880
Disposals	<u>0</u>	<u>-24 778</u>	<u>-9 435</u>	<u>0</u>	<u>-34 213</u>
Closing balance at					
31 December 2016	<u>245 204 804</u>	<u>1 329 013</u>	<u>51 774</u>	<u>0</u>	<u>246 585 591</u>
Depreciation- straight line method	23 308 173	85 021	4 895	0	23 398 089
Disposals	<u>0</u>	<u>0</u>	<u>-197</u>	<u>0</u>	<u>-197</u>
Closing balance at					
31 December 2017	<u><u>268 512 977</u></u>	<u><u>1 414 034</u></u>	<u><u>56 472</u></u>	<u><u>0</u></u>	<u><u>269 983 483</u></u>
Net Book Value at					
31 December 2016	<u>226 636 865</u>	<u>176 185</u>	<u>9 851</u>	<u>0</u>	<u>226 822 901</u>
Net Book Value at					
31 December 2017	<u>203 852 906</u>	<u>130 282</u>	<u>7 648</u>	<u>0</u>	<u>203 990 836</u>

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Supplementary Notes for 2017

6. FINANCIAL INVESTMENTS

In line with its Financial Model, the Company is providing a loan facility to its Shareholders from its surplus cash, in proportion to their shareholdings.

Any amount (interest plus principal) payable under this upstream loan facility may, at the election of either party, be offset against any dividend which is declared to the borrower in its capacity as Shareholder of the Company.

Accordingly, the changes in long-term loans during 2016 and 2017 were as follows (in EUR):

Opening balance at 1 January 2016	5 729 256
New loans advanced in January 2016	1 666 676
Offset against dividend payable on 25 Febr 2016	-7 395 932
New loans advanced in November 2016	<u>6 536 966</u>
Closing balance at 31 December 2016	6 536 966
Offset against dividend payable on 23 Febr 2017	-6 536 966
New loans advanced in October 2017	<u>4 036 030</u>
Closing balance at 31 December 2017	<u>4 036 030</u>

The final maturity of the facilities is the date on which the Concession Agreement expires, i.e. in October 2026. The floating interest rates of the loans are linked to the applicable interbank rate (12M Euribor) (see Point 8).

7. RECEIVABLES

As of 31 December 2016 and 31 December 2017 the Other receivables mainly included overpayment of various taxes.

8. PREPAYMENTS

As of 31 December 2016 and 31 December 2017 the not invoiced income items were as follows (in EUR):

	2016.12.31	2017.12.31
Availability fee from NFM	8 648 695	8 650 043
Leaseholding fee and overweight fee	96 217 0	77 630
Interest on upstream loans	9 067 0	8 427
Interest on current accounts and bank deposits	<u>10 093 0</u>	<u>0</u>
Total	<u>8 764 072</u>	<u>8 736 100</u>

In accordance with the VAT law, receivables from the legal successor of GKM, the Ministry of National Development („NFM”) as of 31 December 2016 and 31 December 2017 are not recorded as Accounts Receivable, but included as deferred income.

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As of 31 December 2016 and 31 December 2017 prepayments of costs were as follows (in EUR):

	2016.12.31	2017.12.31
Deferred concession fee	9 047 457	8 121 662
Insurance premium	41 396	37 580
Other	<u>1 801</u>	<u>5 946</u>
Total	<u>9 090 654</u>	<u>8 165 188</u>

The deferred part of the additional concession fee paid to NFM (see Point 11) in accordance with the second amendment of Concession Agreement is recorded among Prepayments. This concession fee is deferred over the concession period (until 2026) and charged as an expense on a straight line basis.

9. ISSUED CAPITAL

The respective shareholdings as of 31 December 2017 were as follows (in EUR):

<u>"Shareholder"</u>	<u>Amount</u>	<u>Portion</u>
M6 Duna B.V.	19 474 321	67.31%
Aberdeen Infrastructure (HoldCo) B.V.	5 786 462	20.00%
Intertoll Capital Partners B.V.	<u>3 671 527</u>	<u>12.69%</u>
Total	<u>28 932 310</u>	<u>100%</u>

10. SUBORDINATED LIABILITIES

The Shareholders provided subordinated loans totalling to 18 420 792 EUR to the Company, in proportion to their shareholdings. The loans expire in October 2026. The interest on these loans is linked to the Company's EBIT (6%) and payable semi-annually.

11. LONG-TERM LIABILITIES

As of 31 December 2016, the outstanding debts with maturity over one year were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount LT portion</u>
EIB	Loan	2025.03.31	200 000 000 €	108 620 017 €
Noteholders	Notes	2025.03.31	212 000 000 €	72 824 376 €
Total				<u>181 444 393 €</u>

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Supplementary Notes for 2017

As of 31 December 2017, the outstanding debts with maturity over one year were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount LT portion</u>
EIB	Loan	2025.03.31	200 000 000 €	92 337 466 €
Noteholders	Notes	2025.03.31	212 000 000 €	61 907 724 €
Total				154 245 190 €

Interest and principal repayments on the EIB loan and the Notes are due semi-annually on each 31 March and 30 September. Accordingly, the repayments due on the EIB loan and the Notes in 2018 have been reclassified to Short-term credits (see Point 12).

The floating interest rates of the EIB loan and the Notes are linked to the applicable interbank rate (6M Euribor). The entire debt service under the EIB loan and the Notes is guaranteed by the monoline insurer Assured Guaranty (Europe) Ltd. (formerly called: Financial Security Assurance UK Ltd.).

However, the effective interest charge on the EIB loan and the Notes are fixed for the whole term via swap deals concluded with BNP Paribas SA (Paris). The notional amounts of the swaps follow the repayment profile of the loan and the Notes.

In 2017 the Company paid a net amount of 8 464 981 EUR on the interest swaps and incurred a net loss of 8 237 632 EUR as difference between the fixed and floating rates of these swaps.

The EIB loan and the Notes are guaranteed by the Company's shares held in custody. All the assets and future receivables of the Company are pledged as security for these borrowings as well.

Upon refinancing, the Company made an obligation to pay in total 19 013 067 EUR of additional concession fee to GKM at predetermined dates, ending on 30 September 2024. Up to 31 December 2017, 11 637 108 EUR of that has been paid to GKM in total.

Of the remaining 7 375 959 EUR liability, the scheduled payments in 2018 (in total 576 446 EUR) are reclassified to Other short-term liabilities as of 31 December 2017.

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Supplementary Notes for 2017

12. SHORT-TEM CREDITS

The short-term credits as of 31 December 2016 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	15 824 080 €
Noteholders	Notes	2025.03.31	212 000 000 €	10 609 276 €
Total				26 433 356 €

The short-term credits as of 31 December 2017 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	16 282 540 €
Noteholders	Notes	2025.03.31	212 000 000 €	10 916 652 €
Total				27 199 192 €

13. ACCRUALS

As of 31 December 2016 and 31 December 2017 accruals included the following items (in EUR):

	2016.12.31	2017.12.31
Accrued income from "deemed operation"	4 544 978	4 081 306
Accrued interest & swap costs and guarantee fee	2 703 043	2 455 027
Accrued income from petrol station leaseholding contracts	2 433 804	2 152 711
Guarantee payment to cover defect rectification	1 567 254	1 704 505
Motorway operation & maintenance cost	521 590	525 380
Technical and financial advisory costs	17 409	15 761
Audit fee	15 134	15 386
Seconded director's fee	11 244	10 588
Fee for Lenders' legal advisor	58 376	0
Other	8 645	5 520
Total	11 881 477	10 966 184

The above accrued leaseholding income and the accrued income from "deemed operation" is released to profit and loss on a straight line basis over the remaining part of the concession period.

The guarantee payments are released to profit and loss in line with the yearly actual defect rectification costs (see Point 15).

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Supplementary Notes for 2017

14. NET SALES

Net sales in 2016 and 2017 consisted of the following items (in EUR):

	2016	2017
Availability fee income	52 406 730	51 838 094
Released income of "deemed operation"	465 727	464 705
Leaseholding income	342 311	351 028
Reinvoiced items	282 797	198 902
Secondment fee income	124 200	141 064
Other operational income from the motorway	79 983	89 901
Total	<u>53 701 748</u>	<u>53 083 694</u>

15. OTHER REVENUES

Other revenues in 2016 and 2017 consisted of the following items (in EUR):

	2016	2017
Released guarantee payment	167 155	212 749
Previous year's corporate tax credit	48 200	138 136
Proceeds from sales of fixed assets	10 706	65
Other	26	5
Total	<u>226 087</u>	<u>350 955</u>

16. VALUE OF RENDERED SERVICES

The value of rendered in 2016 and 2017 consisted of the following items (in EUR):

	2016	2017
Concession fee	952 269	949 900
Defect rectification cost	167 155	213 495
Legal, technical & financial advisory cost	421 941	162 690
Seconded officers' fees	106 146	99 102
Vehicle rental	40 176	45 554
Audit fee	25 266	25 476
Office rent	23 286	24 878
Bookkeeping, payroll calculation etc.	15 798	15 815
Commitment fee	42 321	0
Other	14 748	25 522
Total	<u>1 809 106</u>	<u>1 562 432</u>

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Supplementary Notes for 2017

17. VALUE OF OTHER SERVICES

Other services in 2016 and 2017 consisted of the following items (in EUR):

	2016	2017
Insurance premiums	253 313	192 629
Bank charges	6 408	6 017
Authority fees	1 499	1 591
	<hr/>	<hr/>
Total	261 220	200 237

18. OTHER EXPENSES

Other in 2016 and 2017 consisted of the following items (in EUR):

	2016	2017
Local business tax	932 177	922 582
Innovation contribution	153 231	151 661
Donations	1 928	1 951
Book of value of sold fixed assets	14 607	0
Other	3 474	2 227
	<hr/>	<hr/>
Total	1 105 417	1 078 421

19. STAFF

The average statistical staff number for 2016 and 2017 was 5 and 4.92 persons, respectively. At the end 2016 and 2017 as well the Company had 5 employees, working in intellectual jobs.

20. BOARD OF DIRECTORS, SUPERVISORY BOARD

No remuneration, advances or loan were provided by the company to the members of the Board of Directors or the Supervisory Board in 2016 and 2017.

The original Hungarian version of this annual report has been signed by:

Marc Hörnig – Chairman of the Board of Directors

Fáskerti Zsolt – Member of the Board of Directors

Their business address is 1117 Budapest, Fehérvári út 50-52.

The person in charge of bookkeeping is Fodor-Szathmáry Zsófia, who is a registered accountant at the Ministry of Finance under the registration number 198600.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2017

21. CORPORATE TAX

The following is the calculation of the corporate tax charge for 2016 and 2017 (in EUR):

	2016	2017
Profit before tax	13 306 149	14 284 172
<u>Adjusting items:</u>		
Proportional part of previous years' unrealised foreign exchange gain	1 179 014	1 219 436
Difference in net book value of disposed assets under statutory and tax accounts	2 766	179
Non-deductible expenses	490	990
Allowable donation	0	-387
Previous year's tax credit	-48 029	-137 566
	<hr/>	<hr/>
Corporate tax base for 10% & 19% rate, and 9%, respectively	14 440 390	15 366 824
	<hr/>	<hr/>
Corporate tax payable	2 598 987	1 383 014
	<hr/>	<hr/>

22. DIVIDEND DECLARATION

The Board of Directors proposes to the Shareholders to declare the entire profit after tax for the year 2017 as dividend on their Annual General Meeting.

Budapest, 5 February 2018

BUSINESS REPORT FOR 2017

M6 Duna Autópálya Koncessziós Zrt. (the ‘‘Company’’) was founded on 7 October 2004. The Company is a private company limited by shares, established for a fixed term of 22 years, which is the concession period as set out in the Concession Agreement concluded with the Hungarian State.

In accordance with the Concession Agreement, the Company is engaged in the design, construction, renovation, operation and maintenance of the 58.6 km long section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities.

The construction works started in October 2004. The interim completion – so the opening of the motorway – took place on 11 June 2006. The relevant Traffic Authority issued the final licence to operate on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006. On 31 March 2010 the further sections of the M6 Motorway has been opened for traffic. Consequently, the M6 Motorway gives direct access to the city of Pécs.

In the 11.5 years that elapsed since the opening, the motorway has been operated in an orderly manner, without significant performance point events or unavailability incidents. The motorway is properly operated, maintained etc., in accordance with the routine maintenance plans and Hungarian road standards, by our operation subcontractor, Duna-Intertoll Zrt. The contract with Duna-Intertoll Zrt. is valid until the end of 2020.

The operation of the motorway is regularly checked by the relevant Hungarian authorities.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits deriving from those assets. Accordingly, the Company receives revenues starting from 11 June 2006, in the form of monthly availability fees paid by the Hungarian State, calculated with the formulas set out in the Concession Agreement. These fees have been fully received and in time in 2017 as well.

In addition, the ancillary facilities of the motorway also generate revenues for the Company. Accordingly, 2*2 petrol stations are operated by MOL and OMV, respectively, in the Complex Rest Areas at km 30 and 70 of the motorway.

The Company has fulfilled its debt service obligations in 2017 as well, in full compliance with the credit agreements.

In 2017 Intertoll Infrastructure Developments B.V. has sold its shares in M6 Duna to Intertoll Capital Partners B.V. The Hungarian State and the lenders of the project have approved this share purchase transaction.

The Aberdeen investment group and EBRD are committed to the long-term successful and efficient operation of the Company.

Budapest, 5 February 2018