

Elenia Investments S.à r.l.
Société à responsabilité limitée

Annual accounts

**for the period from July 25, 2019 (date of incorporation) to
December 31, 2019
and
Independent auditor's report**

Registered office:
9, Allée Scheffer
L-2520, Luxembourg
Luxembourg Trade and Companies Register number: B 236 561
Share capital: EUR 12,000.00

Elenia Investments S.à r.l.
Société à responsabilité limitée

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Independent auditor's report

To the Board of Managers of
Elenia Investments S.à r.l.
9, Allée Scheffer
L-2520, Luxembourg

Opinion

We have audited the annual accounts of Elenia Investments S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the period from 25 July 2019 (date of incorporation) to 31 December 2019, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2019, and of the results of its operations for the period from 25 July 2019 (date of incorporation) to 31 December 2019 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” 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 Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 accounts.

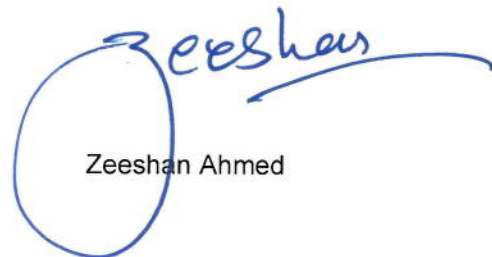
As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting 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 report of the “réviseur d'entreprises agréé” to the related disclosures in the annual accounts 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 report of the “réviseur d'entreprises agréé”. 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 accounts, including the disclosures, and whether the annual accounts 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.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Zeeshan Ahmed

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RCSL Nr. : B236561

Matricule : 2019 2446 385

eCDF entry date :

BALANCE SHEET

Financial year from 01 25/07/2019 to 02 31/12/2019 (in 03 EUR)

Elenia Investments S.à r.l.
 9, allée Scheffer
 L-2520 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	105 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 _____	110 _____
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

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Matricule : 2019 2446 385

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	135	136
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147	148
D. Current assets	1151	11,912,25	152
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163	164
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171	172
a) becoming due and payable within one year	1173	173	174
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 11.912,25	198 _____
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		201 11.912,25	202 0,00

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 Email : centralebilans@statec.etat.lu

RCSL Nr. : B236561

Matricule : 2019 2446 385

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 25/07/2019 to ⁰² 31/12/2019 (In ⁰³ EUR)

Elenia Investments S.à r.l.

9, allée Scheffer
 L-2520 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____ Note 5	671 _____ 30.984,47	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____ 30.984,47	604 _____
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 _____	622 _____

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RCSL Nr. : B236561

Matricule : 2019 2446 385

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
10. Income from other investments and loans forming part of the fixed assets	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income not included under a)	1725 _____	725 _____	725 _____
11. Other interest receivable and similar income	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar income	1731 _____	731 _____	732 _____
12. Share of profit or loss of undertakings accounted for under the equity method	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 _____	665 _____	666 _____
14. Interest payable and similar expenses	1627 _____	627 _____	628 _____
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar expenses	1631 _____	631 _____	632 _____
15. Tax on profit or loss	1635 _____	635 _____	636 _____
16. Profit or loss after taxation	1667 _____ Note 6	667 _____ 30.984,47	668 _____
17. Other taxes not shown under items 1 to 16	1637 _____	637 _____	638 _____
18. Profit or loss for the financial year	1669 _____	669 _____ 30.984,47	670 _____

The notes in the annex form an integral part of the annual accounts

Elenia Investments S.à r.l.

Notes to the annual accounts for the period ended December 31, 2019 (expressed in EUR)

Note 1 - General information

Elenia Investments S.à r.l., hereinafter the "Company", was incorporated on July 25, 2019 as a "société à responsabilité limitée". The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established in Luxembourg City and is registered at the Trade and Companies register in Luxembourg under the number B 236 561.

On the date of incorporation, the registered office of the Company was established at 9, Allée Scheffer, L-2520 Luxembourg.

The financial year of the Company starts on January 1 and ends on December 31 of each year except for the first year which starts on July 25, 2019.

The Company's object is the acquisition of participations, in Luxembourg or abroad, in any company or enterprise in any form whatsoever, and the management of those participations. The Company may in particular acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and, more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. Further, it may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin. The Company may use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

The Company may carry out any commercial, industrial or financial activities which may deem useful in accomplishment of its purpose.

Note 2 - Going Concern

A fundamental principle of the preparation of annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation and presentation of annual accounts is the assumption that the Company or its operations will continue in existence as a going concern, which contemplates continuity of operations and the realization of assets and settlement of liabilities occurring in the ordinary course of business.

For the year ended 31 December 2019, the Company has incurred a loss of EUR 30,984.47 which is due to the fact that the Company has been incorporated this year and it has not generated any revenues yet. Consequently, the going concern of the operations and activities is dependent on its future cash flows and profitable operations, as well as the continuous financial support from its sole shareholder.

The Company is part of a group of companies (the Group), which comprises, among others:

- (i) Elenia Holdings S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated in Luxembourg,
- (ii) Elenia Oy (and its subsidiaries), a private company incorporated with limited liability in Finland and a wholly owned subsidiary of Elenia Holdings S.à r.l. and
- (iii) Elenia Finance Oyj, a public company incorporated with limited liability in Finland and a wholly owned subsidiary of Elenia Oy.

As part of the reorganization of the Group, on 28 November 2019 Elenia Finance Oyj announced that the Security Trustee had received the requisite votes from the Secured Creditors in favour of the proposed reorganisation of Group to be implemented as it was published on 4 November 2019.

The purpose of the reorganization is to i) simplify the existing structure, ii) cure the negative equity of Elenia Oy, and iii) ensure the operating assets of the regulated network business are within the same entity as interest costs. This is a common control reorganization (i.e. ultimate ownership of the Group will not change) and the operations of the Group will remain same.

As part of the reorganization, the following steps are taken in 2019 and will be taken during 2020:

- On 2 January 2020, the Company's sole shareholder made a capital contribution in kind of Lakeside Network Investment B.V. to the Company. The value of the contribution in kind amounted to EUR 2,207,400,000.00.
- During 2019, Elenia Services Oy (an affiliated entity of the Company) incorporated Elenia Newco Oyj (to be renamed Elenia Verkko Oyj subsequently) as its direct subsidiary and Lakeside Network Investments S.à r.l. (the Sole Shareholder of the Company) incorporated the Company.
- In January 2020, Elenia Oy (an affiliated entity of the Company) sold 100% of the shares in Elenia Palvelut Oy (an affiliated entity of the Company) to the Company.
- In January 2020, the shares in Lakeside Network Investments Holding B.V. (an affiliated entity of the Company) have been transferred by series of share-for-share exchanges from Lakeside Network Investments S.à r.l. (the Sole Shareholder of the Company) to Elenia Verkko Oyj (an affiliated entity of the Company).
- In July 2020, Elenia Oy (an affiliated entity of the Company) will merge into Elenia Verkko Oyj (an affiliated entity of the Company). Company Elenia Verkko Oyj will be the surviving company.
- In July 2020, Elenia Finance Oyj (an affiliated entity of the Company) will merge into Elenia Verkko Oyj. Company Elenia Verkko Oyj will be the surviving company.
- In July 2020, Elenia Finance (SPPS) S.à r.l. (an affiliated entity of the Company) will merge into Elenia Holdings S.à r.l. (an affiliate undertaking of the Company). Company Elenia Holdings S.à r.l. will be the surviving company.
- In July 2020, Elenia Holdings S.à r.l. (an affiliate undertaking of the Company) and Lakeside Network Investments Holding B.V. (an affiliate undertaking of the Company) will merge into Elenia Verkko Oyj. Company Elenia Verkko Oyj will be the surviving company.
- After all the above mergers Elenia Palvelut Oy will be renamed as Elenia Oy and it will be the parent company of Elenia Group.

Elenia Investments S.à r.l.

Notes to the annual accounts for the period ended December 31, 2019 (expressed in EUR)

Note 2 - Going Concern (continued)

After taking over the above steps for the reorganization of the Group, Elenia Oy's immediate parent company will be the Company, and above that there will be Lakeside Network Investments S.à r.l. (which will be renamed as Elenia Holding S.à r.l.). Elenia Group Oy will be the ultimate Finnish parent company of Elenia Oy.

The Board of Managers of the Company (the "Management") has not yet approved the merger of the Company but it is expected that the Management will approve the merger in their next meeting.

Considering the reorganization steps that will be taken in 2020, and given that the Secured Creditors have approved the reorganization and as the mergers are universal succession, the reorganization has no adverse impact on the creditors and their rights. Furthermore, as mergers are universal succession, therefore, the Board of Managers of the Company (the "Management") is preparing the Company's annual accounts on a going concern basis.

Note 3 - Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements ("Luxembourg GAAP"), notably with Title II of the law of 19 December 2002 relating to the accounting and the annual accounts of companies and to the register of commerce as amended. Accounting policies and valuation rules are, besides the ones set down by the Accounting Law, determined and applied by the Board of Managers of the Company.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers (the "Management") of the Company to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The main accounting policies and valuation rules applied by the Company are the following :

3.2.1 Debtors

Debtors are accounted for at their nominal value. They are subject to value adjustments where their recovery is comprised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

3.2.2 Foreign currency translation

The annual accounts are presented in Euro ("EUR"). The balance sheet and the profit and loss account are expressed in this currency. Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Cash at bank and in hand is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing, or approximating thereto, at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions are recognised in the accompanying profit and loss account. Losses arising from the translation of monetary assets and liabilities not denominated in EUR at year end exchange rates are also recognised in the profit and loss account.

3.2.3 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors". The advance payments are shown on the assets side of the balance sheet under the "Debtors" caption.

3.2.4 Creditors

Creditors are recorded in the balance sheet at their reimbursement value.

Elenia Investments S.à r.l.

Notes to the annual accounts for the period ended December 31, 2019
(expressed in EUR)

Note 4 - Capital and reserves

The Company was incorporated on July 25, 2019 with a subscribed and fully paid-up capital of EUR 12,000.00 represented by 12,000 shares at a nominal value of EUR 1.00 each.

Note 5 - Creditors

Amounts due and payable for the accounts shown under "Creditors" are as follows:

	Within one year EUR	After one year and within five years EUR	After more than five years EUR	Total 2019 EUR
Trade creditors				
Suppliers	1,250.52	-	-	1,250.52
Suppliers - invoices not yet received	29,646.20	-	-	29,646.20
Total	30,896.72	-	-	30,896.72

Note 6 - Other external expenses

This caption is detailed as follows:

	2019
	EUR
Accounting and auditing fees	26,300.00
Tax advisory fees	3,346.20
Notary fees	1,250.52
Bank fees	87.75
	30,984.47

Note 7 - Income tax

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 8 - Off balance sheet commitments

The company has no off balance sheet commitments

Note 9 - Subsequent events

On 6 February 2020, Elenia Finance Oyj issued a EUR 500 million bond to institutional investors with a maturity of seven years and a fixed coupon of 0.375%. The Company had guaranteed the payment of all amounts due in respect of bonds issued under the Bonds issued and notes offered by way of private placements.

The post year-end Covid-19 virus outbreak is impacting the global economy and the market environment. At this stage, the final impact of the Covid-19 virus outbreak on the operations of the Group is hard to predict. However, based on initial assessment, the Board of Managers doesn't currently foresee that Covid-19 virus outbreak would have material impact on the Group's business. Therefore, these consolidated financial statements do not include any impacts related to this event. The Board of Managers is actively monitoring the consequences of this event with the local management in Finland. However, this post year-end market conditions and related uncertainties could result in outcomes that require an adjustment to the carrying amount of assets and liabilities affected in future periods.

Apart from the matters listed above, no other matters or circumstances of importance other than those already described in the present notes to the accounts have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.