

**Lakeside Network Investments S.à r.l.**  
**Société à responsabilité limitée**

**Annual accounts**  
**for the financial year ended December 31, 2019**  
**and**  
**Independent auditor's report**

Registered office:  
9, allée Scheffer  
L-2520 Luxembourg  
Luxembourg Trade and Companies Register number: B 164 949  
Share capital: EUR 25,000

**Lakeside Network Investments S.à r.l.**  
**Société à responsabilité limitée**

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## Independent auditor's report

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

### Opinion

We have audited the annual accounts of Lakeside Network 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 year then ended, 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 year then ended 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.

### Other Matter

The annual accounts of Lakeside Network Investments S.à r.l. for the year ended 31 December 2018 were not audited.

## **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.

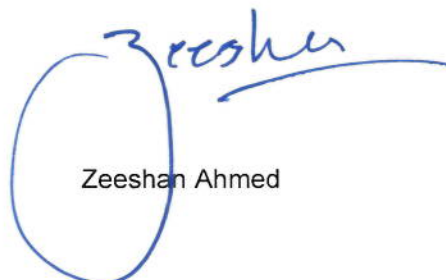


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- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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

A handwritten signature in blue ink that reads "Zeeshan". The signature is written in a cursive style and is positioned above a blue oval that encircles the printed name "Zeeshan Ahmed".

Zeeshan Ahmed

Luxembourg, 19 March 2020

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**Annual Accounts Helpdesk :**

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RCSL Nr. : B164949

Matricule : 2011 2445 456

eCDF entry date :

**BALANCE SHEET**

Financial year from <sup>01</sup> 01/01/2019 to <sup>02</sup> 31/12/2019 (in <sup>03</sup> EUR )

Lakeside Network Investments S.à r.l.

9, Allée Scheffer  
 L-2520 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____ Note 4	107 _____	108 _____ 7.018.441,87
<b>C. Fixed assets</b>			
I. Intangible assets	1109 _____ Note 5	109 _____ 1.810.000,00	110 _____ 1.798.000,00
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 _____	125 _____	126 _____
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

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

RCSL Nr. : B164949

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	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
<b>III. Financial assets</b>	1135	<b>1.810.000,00</b>	<b>1.798.000,00</b>
1. Shares in affiliated undertakings	1137	1.810.000,00	1.798.000,00
2. Loans to affiliated undertakings	1139		140
3. Participating interests	1141		142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		144
5. Investments held as fixed assets	1145		146
6. Other loans	1147		148
<b>D. Current assets</b>	1151	<b>147.994,10</b>	<b>3.648,81</b>
<b>I. Stocks</b>	1153		154
1. Raw materials and consumables	1155		156
2. Work in progress	1157		158
3. Finished goods and goods for resale	1159		160
4. Payments on account	1161		162
<b>II. Debtors</b>	1163		164
1. Trade debtors	1165		166
a) becoming due and payable within one year	1167		168
b) becoming due and payable after more than one year	1169		170
2. Amounts owed by affiliated undertakings	1171		172
a) becoming due and payable within one year	1173		174
b) becoming due and payable after more than one year	1175		176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		178
a) becoming due and payable within one year	1179		180
b) becoming due and payable after more than one year	1181		182
4. Other debtors	1183		184
a) becoming due and payable within one year	1185		186
b) becoming due and payable after more than one year	1187		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	197 147.994,10	198 3.648,81
<b>E. Prepayments</b>	1199	199	200
<b>TOTAL (ASSETS)</b>		201 1.957.994,10	202 8.820.090,68



RCSL Nr.: B164949

Matricule : 2011 2445 456

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>Note 6</u>	301 <u>-3.438.523,48</u>	302 <u>3.583.510,74</u>
I. Subscribed capital	1303	303 <u>25.000,00</u>	304 <u>25.000,00</u>
II. Share premium account	1305	305 <u>3.249.980,00</u>	306 <u>3.249.980,00</u>
III. Revaluation reserve	1307	307	308
IV. Reserves	1309	309 <u>2.500,00</u>	310 <u>2.500,00</u>
1. Legal reserve	1311	311 <u>2.500,00</u>	312 <u>2.500,00</u>
2. Reserve for own shares	1313	313	314
3. Reserves provided for by the articles of association	1315	315	316
4. Other reserves, including the fair value reserve	1429	429	430
a) other available reserves	1431	431	432
b) other non available reserves	1433	433	434
V. Profit or loss brought forward	1319	319 <u>306.030,74</u>	320 <u>373.344,96</u>
VI. Profit or loss for the financial year	1321	321 <u>-7.022.034,22</u>	322 <u>-67.314,22</u>
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
<b>B. Provisions</b>	1331	331	332
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335	335	336
3. Other provisions	1337	337	338
<b>C. Creditors</b>	1435 <u>Note 7</u>	435 <u>5.396.517,58</u>	436 <u>5.236.579,94</u>
1. Debenture loans	1437	437 <u>5.096.227,50</u>	438 <u>5.096.227,50</u>
a) Convertible loans	1439	439 <u>5.096.227,50</u>	440 <u>5.096.227,50</u>
i) becoming due and payable within one year	1441	441 <u>5.096.227,50</u>	442 <u>5.096.227,50</u>
ii) becoming due and payable after more than one year	1443	443	444
b) Non convertible loans	1445	445	446
i) becoming due and payable within one year	1447	447	448
ii) becoming due and payable after more than one year	1449	449	450
2. Amounts owed to credit institutions	1355	355	356
a) becoming due and payable within one year	1357	357	358
b) becoming due and payable after more than one year	1359	359	360

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

RCSL Nr.: B164949

Matricule: 2011 2445 456

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	44.173,91	68.137,45
a) becoming due and payable within one year	1369	44.173,91	68.137,45
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	251.265,17	380
a) becoming due and payable within one year	1381	1.265,17	382
b) becoming due and payable after more than one year	1383	250.000,00	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	4.851,00	72.214,99
a) Tax authorities	1393	4.851,00	394
b) Social security authorities	1395	395	396
c) Other creditors	1397	397	72.214,99
i) becoming due and payable within one year	1399	399	400
ii) becoming due and payable after more than one year	1401	401	72.214,99
<b>D. Deferred income</b>	1403	403	404
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405	1.957.994,10	8.820.090,68

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

**Annual Accounts Helpdesk :**

Tel. : (+352) 247 88 494  
 Email : centralebilans@statec.etat.lu

RCSL Nr.: B164949

Matricule : 2011 2445 456

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

Financial year from <sup>01</sup> 01/01/2019 to <sup>02</sup> 31/12/2019 (in <sup>03</sup> EUR )

Lakeside Network Investments S.à r.l.

9, Allée Scheffer  
 L-2520 Luxembourg

**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 <u>72.214,99</u>	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____ <u>Note 8</u>	671 <u>-68.985,15</u>	672 <u>-53.667,02</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 <u>-68.985,15</u>	604 <u>-53.667,02</u>
<b>6. Staff costs</b>	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 _____
<b>7. Value adjustments</b>	1657 _____	657 <u>-7.018.441,87</u>	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>-7.018.441,87</u>	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____	621 <u>-36,00</u>	622 <u>-8.832,20</u>

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	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income not included under a)	1725 _____	725 _____	726 _____
<b>11. Other interest receivable and similar income</b>	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar income	1731 _____	731 _____	732 _____
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663 _____	663 _____	664 _____
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665 _____	665 _____	666 _____
<b>14. Interest payable and similar expenses</b>	1627 _____ Note 7	627 _____ -1.971,19	628 _____
a) concerning affiliated undertakings	1629 _____	629 _____ -1.971,19	630 _____
b) other interest and similar expenses	1631 _____	631 _____	632 _____
<b>15. Tax on profit or loss</b>	1635 _____	635 _____	636 _____
<b>16. Profit or loss after taxation</b>	1667 _____ Note 9	667 _____ -7.017.219,22	668 _____ -62.499,22
<b>17. Other taxes not shown under items 1 to 16</b>	1637 _____ Note 9	637 _____ -4.815,00	638 _____ -4.815,00
<b>18. Profit or loss for the financial year</b>	1669 _____	669 _____ -7.022.034,22	670 _____ -67.314,22

#### Note 1 - General information

Lakeside Network Investments S.à r.l. (hereafter the "Company") was incorporated on November 23, 2011 and organised under the laws of Luxembourg as a société à responsabilité limitée for an unlimited period.

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 164 949.

The financial year of the Company starts on January 1 and ends on December 31 of each year.

The main activity of the Company is to hold participations in any form whatsoever, in Luxembourg and foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities or any kind, the possession, the administration, the development and the board of managers of the Company (the "Board of Managers") of its portfolio. The Company may participate in the establishment and development of any financial, industrial or commercial enterprises and may render any assistance by way of loan, guarantees or otherwise to subsidiaries or affiliated companies. The Company may borrow in any form. In general, the Company may take any controlling and supervisory measures and carry out any financial, movable or immovable, commercial and industrial operation, which it may deem useful in the accomplishment and development of its purpose.

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

The Company is included in the consolidated financial statements of Elton Investments S.à r.l.. The registered office of the latter is located at 20, boulevard Royal, L-2449 Luxembourg and the consolidated accounts are available at the same address.

#### 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 7,022,034.22 and has cumulative losses brought forward of EUR 6,716,003.48 which is mainly due to the value adjustment recorded this year on formation expenses. 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 (an affiliated entity of the Company) 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 made a capital contribution in kind of Lakeside Network Investment B.V. to Elenia Investment S.à r.l. 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 the Company incorporated a new company Elenia Investments S.à r.l. as its direct subsidiary.
- 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 Elenia Investments S.à r.l. (direct subsidiary of the Company).
- In January 2020, the shares in Lakeside Network Investments Holding B.V. (a direct subsidiary of the Company) have been transferred by series of share-for-share exchanges from 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). 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. Elenia Verkko Oyj will be the surviving company.
- In July 2020, the Company will merge into Elenia Holdings S.à r.l. (an affiliate undertaking of the 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. (direct subsidiary of the Company) will merge into Elenia Verkko Oyj. 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.

After taking over the above steps for the reorganization of the Group, Elenia Oy's immediate parent company will be Elenia Investments S.à r.l., and above that there will be the Company (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, the Company will be merged into Elenia Holdings S.à r.l. and assets and liabilities will therefore be transferred to Elenia Holdings S.à r.l.. 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 is prepare the Company's annual accounts on a going concern basis.

### Note 3 - Summary of significant accounting policies

#### 3.1 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 Management 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.

In 2019, the Company recorded the following adjustments related to prior years: (1) write-off of formation costs for an amount of EUR 7,018,441.87 capitalized in prior years as these costs were not qualify as a formation costs and accordingly the adjustment is recorded in value adjustments in respect of formation expenses and of tangible and intangible fixed assets in profit and loss account; and (2) write-off of unclaimed trader creditors for an amount of EUR 72,214.99 and accordingly the adjustment is recorded in other operating income in profit and loss account. These adjustments resulted in a EUR 72,214.99 increase in income and a EUR 7,018,441.87 increase to expenses.

#### 3.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

##### Financial assets

Financial assets represents shares in affiliated undertakings. They are valued at purchase price including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

##### Debtors

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

##### 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.

##### 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.

##### Creditors

Creditors are stated as their reimbursement value.

The tax and social security debts corresponding to the tax liability estimated by the Company for the financial years for which the tax returns have not yet been filed are recorded under the caption "Creditors". The advance payments are shown in the assets of the balance sheet under the "Debtors" caption.

### Note 4 - Formation expenses

This item corresponds to formation expenses incurred for the incorporation of the Company.

The movements for the year are as follows :

	2019 EUR	2018 EUR (unaudited)
Gross book value - opening balance	7,018,441.87	7,018,441.87
Additions for the year		
Prior year adjustment (refer note 3)	(7,018,441.87)	
Gross book value - closing balance	-	7,018,441.87
<b>Net book value - opening balance</b>	<b>-</b>	<b>7,018,441.87</b>
Accumulated value adjustment - opening balance	-	-
Allocations/ Reversals for the year	-	-
Accumulated value adjustment - closing balance	-	-
<b>Net book value - closing balance</b>	<b>-</b>	<b>-</b>

In 2019, the Company recorded a write-off of the formation costs for an amount of EUR 7,018,441.87 capitalized in prior years as these costs do not qualify as a formation costs, accordingly the adjustment is recorded in "value adjustments in respect of formation expenses and of tangible and intangible fixed assets" in profit or loss account.

**Lakeside Network Investments S.à r.l.**  
**Notes to the annual accounts for the year ended December 31, 2019**  
 (expressed in EUR)

**Note 5 - Financial assets**

Name	Ownership (%)	Annual accounts as at	Currency	Net equity (result included)	Net result
<b>Registered office</b>					
Lakeside Network Investments Holding B.V. <i>Amsterdam, the Netherlands</i>		31/12/2019*	EUR	1,569,257.09	(155,395.91)
Elenia Investments S.à r.l. <i>Luxembourg, Luxembourg</i>		31/12/2019**	EUR	(18,984.47)	(30,984.47)

\* Based on the audited financial statements as of December 31, 2019 prepared in accordance with Dutch GAAP.

\*\* Based on the audited financial statements as of December 31, 2019 prepared in accordance with Luxembourg Laws and Regulations.

The movements for the year are as follows:

Name	Acquisition cost at the beginning of the year	Additions/ (-) disposals for the year	Acquisition cost at the end of the year	Value adjustment at the beginning of the year	Value adjustments at the end of the year	Net book value at the end of the year
	(unaudited) EUR	EUR	EUR	(unaudited) EUR	EUR	EUR
Lakeside Network Investments Holding B.V.	1,798,000.00	-	1,798,000.00	-	-	1,798,000.00
Elenia Investments S.à r.l.	-	12,000.00	12,000.00	-	-	12,000.00
<b>At the end of the year</b>	<b>1,798,000.00</b>	<b>12,000.00</b>	<b>1,810,000.00</b>	<b>-</b>	<b>-</b>	<b>1,810,000.00</b>

On February 23, 2018, the Subsidiary has made a distribution in cash to the Company through repayment of premium reserve in the total amount of EUR 20,000.

On July 25, 2019, the company made a capital contribution of EUR 12,000.00 in return for 12,000 shares (being 100.00% of the share capital) in the newly incorporated entity of Elenia Investments S.à r.l.

According to the Management, there is no permanent impairment in the value of the shares held.

**Note 6 - Capital and reserves**

**Subscribed capital and share premium account**

The Company was incorporated on November 23, 2011 with a subscribed and fully paid-up capital of EUR 25,000.00, divided into 2,500,000.00 shares with a nominal value of EUR 0.01 each.

**Share premium account**

The share premium account caption is composed of additional capital reserve contributed by the shareholders of the Company since its incorporation and credited to the Company's account-shareholders contributions without the issuance shares ("Capital contribution").

As of 31 December 2019, the Capital contribution of the Company amounted to EUR 3,249,980.00.

The movements on the "Share premium account" caption during the year are as follows:

	EUR
Opening balance (unaudited)	3,249,980.00
Additions for the year	-
<b>Closing balance</b>	<b>3,249,980.00</b>

**Note 6 - Capital and reserves (continued)**

**Legal reserve**

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of its annual net profit until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As of 31 December 2019, the Company has a legal reserve of EUR 2,500.00.

**Movements for the year on the reserves and profit/loss captions**

	Subscribed capital	Share premium account	Legal reserve	Loss brought forward	Profit or loss for the financial year
	EUR			EUR	EUR
As at the beginning of the year (unaudited)	25,000.00	3,249,980.00	2,500.00	373,344.96	(67,314.22)
Allocation of the prior year's result:	-	-	-	(67,314.22)	67,314.22
Loss for the year	-	-	-	-	(7,022,034.22)
As at the end of the year	25,000.00	3,249,980.00	2,500.00	306,030.74	(7,022,034.22)

**Note 7 - Creditors**

	Within one year	After one year	Total 2019 EUR	Total 2018 EUR (unaudited)
<b>Amounts owed to affiliated undertakings</b>				
Series A Interest Bearing Convertible Preferred Equity Certificates A ICPECs	-	5,096,227.50	5,096,227.50	5,096,227.50
Promissory note from Elenia Group Oy	-	250,000.00	250,000.00	-
Promissory note from Elenia Group Oy - Interest	1,265.17	-	1,265.17	-
<b>Trade creditors</b>				
Suppliers	24,205.96	-	24,205.96	55,825.54
Suppliers - invoices not yet received	19,967.95	-	19,967.95	12,311.91
Other trade creditors	-	-	-	72,214.99
<b>Other creditors</b>				
Tax authorities - 2019 NWT estimate	4,815.00	-	4,815.00	-
Tax authorities - other amounts payable	36.00	-	36.00	-
<b>Total</b>	<b>50,290.08</b>	<b>5,346,227.50</b>	<b>5,396,517.58</b>	<b>5,236,579.94</b>

As per the Series A interest bearing Convertible Preferred Equity Certificates ("A ICPECs") agreement signed on December 19, 2011, the Company issued 3,102,500 A ICPECs for a nominal amount of EUR 31,025.00 to its shareholders, having a nominal value of EUR 0.01 each. The A ICPECs holders are entitled to receive a return ("Yield") which shall be an amount as the Board of Managers of the Company may, in its absolute discretion, determine by resolutions documented in writing.

As at 31 December 2019, the nominal value of the A ICPECs amounted to EUR 5,096,227.50, represented by 590,622,750 ICPECs having a nominal value of EUR 0.01 on which no Yield has been accrued.

On September 10, 2019, The Company issued subordinated promissory notes in the amount of: i) EUR 100,000.00 to Elton Finland Bidco Oy and ii) EUR 150,000.00 to Elenia Group Oy. The notes are repayable 5 years after the date of issue and bears an interest rate of EURIBOR 12 months + 2% p.a. During the year ended December 31, 2019, interest on the note amounted to EUR 1,971.19 and is recognized in the profit and loss account.

**Note 8 - Other external expenses**

This caption is detailed as follows:

	2019 EUR	2018 EUR (unaudited)
Tax consulting fees	5,341.20	5,234.45
Bank fees	339.00	558.50
Accounting and administration fees	32,834.95	30,346.04
Other fees	16,120.00	15,003.08
Luxembourg Chamber of Commerce contribution	350.00	350.00
Audit fees	14,000.00	-
Notary fees	-	1,933.55
Telephone	-	241.40
	<b>68,985.15</b>	<b>53,667.02</b>

**Note 9 - Income tax**

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

**Note 10 - Off balance sheet commitments**

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.



**Note 11 - 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.