

**Elenia Finance (SPPS) S.à r.l.**  
**Société à responsabilité limitée**

**Annual accounts**

**for the financial year ended December 31, 2018**  
**and**  
**Independent auditor's report**

Registered office:  
20, Boulevard Royal  
L-2449, Luxembourg  
Luxembourg Trade and Companies Register number: B 181 775  
Share capital: EUR 64,745,300

**Elenia Finance (SPPS) S.à r.l.**  
**Société à responsabilité limitée**

**Table of contents**

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|                              | Page   |
|------------------------------|--------|
| Independent auditor's report | 1 - 3  |
| Balance sheet                | 4 - 5  |
| Profit and loss account      | 6 - 7  |
| Notes to the annual accounts | 8 - 12 |

To the Board of Managers of  
Elenia Finance (SPPS) S.à r.l.  
20, Boulevard Royal  
L-2449 Luxembourg

## **Independent auditor's report**

### **Opinion**

We have audited the annual accounts of Elenia Finance (SPPS) S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2018, 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 2018, 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 those Law and standards 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 and those charged with governance 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

Luxembourg, 7 February 2019

**Annual Accounts Helpdesk :**

**Tel. :** (+352) 247 88 494  
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RCSL Nr. : B181775

Matricule : 2013 2451 940

eCDF entry date :

**ABRIDGED BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2018 **to** <sup>02</sup> 31/12/2018 (in <sup>03</sup> EUR )

Elenia Finance (SPPS) S.à r.l.

20, Boulevard Royal  
L-2449 Luxembourg

**ASSETS**

|  | Reference(s)        | Current year         | Previous year        |
|--|---------------------|----------------------|----------------------|
| <b>A. Subscribed capital unpaid</b>                  | 1101 _____          | 101 _____            | 102 _____            |
| I. Subscribed capital not called                     | 1103 _____          | 103 _____            | 104 _____            |
| II. Subscribed capital called but unpaid             | 1105 _____          | 105 _____            | 106 _____            |
| <b>B. Formation expenses</b>                         | 1107 _____          | 107 _____            | 108 _____            |
| <b>C. Fixed assets</b>                               | 1109 _____          | 109 <u>1.501,00</u>  | 110 <u>1.501,00</u>  |
| I. Intangible assets                                 | 1111 _____          | 111 _____            | 112 _____            |
| II. Tangible assets                                  | 1125 _____          | 125 _____            | 126 _____            |
| III. Financial assets                                | 1135 _____ <u>4</u> | 135 <u>1.501,00</u>  | 136 <u>1.501,00</u>  |
| <b>D. Current assets</b>                             | 1151 _____          | 151 <u>45.774,21</u> | 152 <u>50.819,13</u> |
| I. Stocks  | 1153 _____          | 153 _____            | 154 _____            |
| II. Debtors  | 1163 _____          | 163 <u>4.280,00</u>  | 164 <u>17.445,00</u> |
| a) becoming due and payable within one year          | 1203 _____          | 203 <u>4.280,00</u>  | 204 <u>14.445,00</u> |
| b) becoming due and payable after more than one year | 1205 _____          | 205 <u>0,00</u>      | 206 <u>3.000,00</u>  |
| III. Investments                                     | 1189 _____          | 189 _____            | 190 _____            |
| IV. Cash at bank and in hand                         | 1197 _____          | 197 <u>41.494,21</u> | 198 <u>33.374,13</u> |
| <b>E. Prepayments</b>                                | 1199 _____          | 199 _____            | 200 _____            |
| <b>TOTAL (ASSETS)</b>                                |                     | 201 <u>47.275,21</u> | 202 <u>52.320,13</u> |

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

RCSL Nr. : B181775

Matricule : 2013 2451 940

**CAPITAL, RESERVES AND LIABILITIES**

|  | Reference(s)    | Current year                 | Previous year                |
|--|-----------------|------------------------------|------------------------------|
| <b>A. Capital and reserves</b>                       |                 |                              |                              |
|  | 1301 <u>5</u>   | 301 <u>15.799,62</u>         | 302 <u>38.155,13</u>         |
| I. Subscribed capital                                | 1303 <u>5.1</u> | 303 <u>64.745.300,00</u>     | 304 <u>64.745.300,00</u>     |
| II. Share premium account                            | 1305 <u>5.2</u> | 305 <u>1.622.631.200,00</u>  | 306 <u>1.461.551.200,00</u>  |
| III. Revaluation reserve                             | 1307 _____      | 307 _____                    | 308 _____                    |
| IV. Reserves   | 1309 _____      | 309 _____                    | 310 _____                    |
| V. Profit or loss brought forward                    | 1319 <u>5.4</u> | 319 <u>-1.526.258.344,87</u> | 320 <u>-1.312.665.104,90</u> |
| VI. Profit or loss for the financial year            | 1321 <u>5.4</u> | 321 <u>-161.102.355,51</u>   | 322 <u>-213.593.239,97</u>   |
| VII. Interim dividends                               | 1323 _____      | 323 _____                    | 324 _____                    |
| VIII. Capital investment subsidies                   | 1325 _____      | 325 _____                    | 326 _____                    |
| <b>B. Provisions</b>                                 | 1331 _____      | 331 _____                    | 332 _____                    |
| <b>C. Creditors</b>                                  |                 |                              |                              |
|  | 1435 _____      | 435 <u>31.475,59</u>         | 436 <u>14.165,00</u>         |
| a) becoming due and payable within one year          | 1453 _____      | 453 <u>31.475,59</u>         | 454 <u>14.165,00</u>         |
| b) becoming due and payable after more than one year | 1455 _____      | 455 _____                    | 456 _____                    |
| <b>D. Deferred income</b>                            | 1403 _____      | 403 _____                    | 404 _____                    |
| <b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>     |                 | 405 <u>47.275,21</u>         | 406 <u>52.320,13</u>         |

**Annual Accounts Helpdesk :**

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

RCSL Nr. : B181775

Matricule : 2013 2451 940

eCDF entry date :

**ABRIDGED PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2018 **to** <sup>02</sup> 31/12/2018 (in <sup>03</sup> EUR )

Elenia Finance (SPPS) S.à r.l.

20, Boulevard Royal  
L-2449 Luxembourg

**ABRIDGED PROFIT AND LOSS ACCOUNT**

|   | Reference(s)  | Current year          | Previous year         |
|---|---------------|-----------------------|-----------------------|
| <b>1. to 5. Gross profit or loss</b>  | 1651 <u>6</u> | 651 <u>-49.145,51</u> | 652 <u>-32.054,97</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 _____             | 658 _____             |
| a) in respect of formation expenses<br>and of tangible and intangible<br>fixed assets | 1659 _____    | 659 _____             | 660 _____             |
| b) in respect of current assets   | 1661 _____    | 661 _____             | 662 _____             |
| <b>8. Other operating expenses</b>  | 1621 _____    | 621 _____             | 622 _____             |



RCSL Nr. : B181775

Matricule : 2013 2451 940

|   | 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             |
|   | 4            | -161.050.000,00 | -213.566.000,00 |
| <b>14. Interest payable and similar expenses</b>  | 1627         | 627             | 628             |
| a) concerning affiliated undertakings   | 1629         | 629             | 630             |
| b) other interest and similar expenses  | 1631         | 631             | 632             |
| <b>15. Tax on profit or loss</b>  | 1635         | 635             | 636             |
|   | 10           | -2.675,00       | 2.675,00        |
| <b>16. Profit or loss after taxation</b>  | 1667         | 667             | 668             |
|   |              | -161.101.820,51 | -213.595.379,97 |
| <b>17. Other taxes not shown under items 1 to 16</b>  | 1637         | 637             | 638             |
|   | 10           | -535,00         | 2.140,00        |
| <b>18. Profit or loss for the financial year</b>  | 1669         | 669             | 670             |
|   |              | -161.102.355,51 | -213.593.239,97 |

## Elenia Finance (SPPS) S.à r.l.

### Notes to the annual accounts for the year ended December 31, 2018

(expressed in EUR)

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#### Note 1 - General information

Elenia Finance (SPPS) S.à r.l., hereinafter the "Company", was incorporated on November 13, 2013 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 181 775.

On February 28, 2018, the registered office of the Company was moved from 2, rue du Fossé, L-1536 Luxembourg to 9, Allée Scheffer, L-2520 Luxembourg.

On December 21, 2018, the registered office of the Company was moved from 9, Allée Scheffer, L-2520 Luxembourg to 20, Boulevard Royal, L-2449 Luxembourg.

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

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 entity 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. This principle is applicable to all entities except for entities in liquidation or entities for which liquidation appears imminent. In accordance with this requirement, the Board of Managers of the Company (the "Management") policy is to prepare the Company's annual accounts on a going concern basis unless it intends to liquidate or has no other alternative but to liquidate.

#### 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.

##### 3.2 Significant accounting policies

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

##### 3.2.1 Financial assets

Financial assets represents investment held as fixed assets and other loans.

##### a) Investments held as fixed assets

Investments held as fixed assets are recorded in the balance sheet at their acquisition price less value adjustments for permanent impairment in value that are considered necessary in the opinion of the Management. The acquisition price includes charges and expenses in connection with the acquisition. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

##### b) Other loans

Loan and claims held as fixed assets 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 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.

##### 3.2.3 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.

**Note 3 - Summary of significant accounting policies (continued)****3.2.4 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 "Provisions". The advance payments are shown on the assets side of the balance sheet under the "Other debtors" caption.

**3.2.5 Creditors**

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

**Note 4 - Financial assets**

a) The movements for the year are as follows:

|  | Investments held as<br>fixed assets | Other loans               | Total                     |
|--|-------------------------------------|---------------------------|---------------------------|
|  | EUR                                 | EUR                       | EUR                       |
| <b>Gross book value - opening balance</b>  | <b>1,500.00</b>                     | <b>1,526,117,000.00</b>   | <b>1,526,118,500.00</b>   |
| Additions for the year                     | -                                   | 161,050,000.00            | 161,050,000.00            |
| Disposals for the year                     | -                                   | -                         | -                         |
| Transfers for the year                     | -                                   | -                         | -                         |
| <b>Gross book value - closing balance</b>  | <b>1,500.00</b>                     | <b>1,687,167,000.00</b>   | <b>1,687,168,500.00</b>   |
| <b>Value adjustments - opening balance</b> | -                                   | (1,526,116,999.00)        | (1,526,116,999.00)        |
| Allocations for the year                   | -                                   | (161,050,000.00)          | (161,050,000.00)          |
| Reversals for the year                     | -                                   | -                         | -                         |
| Transfers for the year                     | -                                   | -                         | -                         |
| <b>Value adjustments - closing balance</b> | -                                   | <b>(1,687,166,999.00)</b> | <b>(1,687,166,999.00)</b> |
| <b>Net book value - closing balance</b>    | <b>1,500.00</b>                     | <b>1.00</b>               | <b>1,501.00</b>           |
| <b>Net book value - opening balance</b>    | 1,500.00                            | 1.00                      | 1,501.00                  |

b) The investments held as fixed assets in which the Company holds interests in its share capital:

| Undertaking's name         | Registered office                    | Ownership | Annual accounts as at | Net equity at last the balance sheet date | Result for the last financial year | Net book value 2018 | Net book value 2017 |
|----------------------------|--------------------------------------|-----------|-----------------------|---|------------------------------------|---------------------|---------------------|
|                            |                                      |           |                       | EUR                                       | EUR                                | EUR                 | EUR                 |
| Elenia Holdings S.à r.l. * | 9, Allée Scheffer, L-2520 Luxembourg | 10.71%    | 31/12/2017            | (144,270,000.00)                          | (29,000.00)                        | 1,500.00            | 1,500.00            |
| <b>Total</b>               |                                      |           |                       |   |                                    | <b>1,500.00</b>     | <b>1,500.00</b>     |

\* Based on the audited consolidated financial statements of Elenia Holdings S.à r.l. as of December 31, 2017 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

On December 13, 2013, the Company acquired 10.71% of the share capital of Elenia Holdings S.à r.l. represented by 150,000 shares with an unitary value of EUR 0.01 each.

According to the Management, there is no permanent impairment in the value of the shares in Elenia Holdings S.à r.l..

c) Other loans are detailed as follows:

| Name                                      | Maturity         | Nominal value | Net book value 2018 | Net book value 2017 |
|---|------------------|---------------|---------------------|---------------------|
|   |                  |               | EUR                 | EUR                 |
| SPPS - issued by Elenia Holdings S.à r.l. | 99th anniversary | 0.01          | 1.00                | 1.00                |
| <b>Total</b>                              |                  |               | <b>1.00</b>         | <b>1.00</b>         |

## Elenia Finance (SPPS) S.à r.l.

### Notes to the annual accounts for the year ended December 31, 2018

(expressed in EUR)

#### Note 4 - Financial assets (continued)

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 and also the sole shareholder of the Company (the "Issuer" or the "Sole Shareholder").

As part of the reorganization of the Group's financing arrangements carried out in December 2013 (the "Refinancing"), the Issuer had established a EUR 3,000,000,000.00 multicurrency programme (the "Programme") for the issuance of a single class of bonds on terms set out in the prospectus dated December 5, 2013 and had so far issued under the Programme several series of bonds having the following total principal amounts and maturities: (i) EUR 500,000,000.00 bonds maturing on December 17, 2020, (ii) EUR 150,000,000.00 bonds maturing on December 17, 2030, (iii) EUR 120,000,000.00 bonds maturing on July 2, 2026, (iv) EUR 20,000,000.00 bonds maturing on July 17, 2026, (v) EUR 25,000,000.00 bonds maturing on August 4, 2029, (vi) EUR 13,000,000.00 maturing on September 4, 2034, (vii) EUR 50,000,000.00 maturing on January 27, 2031, (viii) EUR 27,000,000.00 maturing on May 6, 2029, (ix) EUR 30,000,000.00 maturing on August 26, 2034, (x) 75,000,000.00 maturing on September 11, 2034 and (xi) 161,000,000.00 maturing on June 14, 2035.

The Issuer also had so far issued, by way of private placement the following total principal amounts and maturities: (i) EUR 35,000,000.00 maturing on September 9, 2034, (ii) EUR 120,000,000.00 maturing on July 30, 2034, (iii) EUR 75,000,000.00 maturing on August 19, 2030, (iv) EUR 25,000,000.00 maturing on June 22, 2031, (v) EUR 29,000,000.00 maturing on December 14, 2029, (vi) EUR 29,000,000.00 maturing on December 14, 2031, (vii) EUR 42,000,000.00 maturing on December 14, 2033, (viii) EUR 25,000,000.00 maturing on December 21, 2031, (ix) EUR 25,000,000.00 maturing on April 10, 2032, (x) EUR 17,000,000.00 maturing on April 10, 2028, (xi) EUR 16,500,000.00 maturing on April 10, 2028, (xii) EUR 20,000,000.00 maturing on April 10, 2028, (xiii) EUR 10,000,000.00 maturing on April 10, 2032, (xiv) EUR 5,000,000.00 maturing on April 10, 2028, (xv) EUR 25,000,000.00 maturing on April 10, 2032, and (xvi) EUR 20,000,000.00 maturing on April 10, 2028.

The primary purpose of the Refinancing was to support the operational activities of the Group, therefore, the Issuer used the funds received under the above Refinancing to finance the equity of the Company and the Company used these funds for the subscription of the following SPPS issued by Elenia Holdings S.à r.l..

During the year ended December 31, 2018, the Company has subscribed to 16,105,000,000 SPPS with a nominal value of EUR 0.01 each for a total amount of 161,050,000.00.

In accordance with the terms and conditions of SPPS, the mandatory redemption date is agreed on the 99th anniversary of the date of issuance. On the mandatory redemption date, Elenia Holdings S.à r.l. shall redeem all outstanding SPPS at a redemption price equal to the redemption value of the outstanding SPPS, but only to the extent that such payment does not leave Elenia Holdings S.à r.l. insolvent. The Company may at any time redeem all or part of SPPSs at a redemption price equal to the redemption value for each outstanding SPPS provided that:

- (I) the redemption price will be equal to the redemption value only to the extent that Elenia Holdings S.à r.l. will not be Insolvent after making payment of such redemption price and is not in a tax loss situation at that time;
- (II) the optional redemption is carried out in a manner such that, after the redemption, each Holder shall hold the same proportion of SPPSs to other shareholder instruments; and
- (III) to the extent Elenia Holdings S.à r.l. would have declared though not yet paid any yield on any date selected by the Management of Elenia Holdings S.à r.l. for making an optional redemption, Elenia Holdings S.à r.l. shall first proceed to the payment of such yield.

In accordance with the terms and condition of SPPS, the Company receives annually a yield equal to:

- a fixed coupon of 1% p.a. computed on the adjusted profit; and
- a variable coupon as determined by Management of Elenia Holdings S.à r.l..

The yield shall be payable and due on the payment date and to be paid only if to the extent that:

- a- The yield has been declared by the Management of Elenia Holdings S.à r.l.;
- b- Elenia Holdings S.à r.l. is not in tax loss position for the relevant accounting period; and
- c- Elenia Holdings S.à r.l. will not be insolvent after making the payment.

As of December 31, 2018, no yield (2017: nil) has been declared by Elenia Holdings S.à r.l..

As at December 31, 2018, the total number of SPPS subscribed was 168,716,700,000 (2017: 152,611,700,000 SPPS) with an aggregate nominal value of EUR 1,687,167,000.00 (2017: EUR 1,526,117,000.00).

During the year ended December 31, 2018, the Management assessed the recoverability of SPPS and decided to record a permanent impairment in the value of EUR 161,050,000.00 (2017: 213,566,000.00).

#### Note 5 - Capital and reserves

##### 5.1 Subscribed capital

The Company was incorporated on November 13, 2013 with a subscribed and fully paid-up capital of EUR 12,500.00 represented by 1,250,000 shares at a nominal value of EUR 0.01 each.

On December 17, 2013, the Sole Shareholder resolved to increase the share capital of the Company by an amount of EUR 64,732,800.00 in order to bring it from its present amount of EUR 12,500.00 to EUR 64,745,300.00 by way of issuance of the 6,473,280,000 new shares. The Sole Shareholder acknowledges that the cash payment in consideration for the issuance of the new shares in the aggregate amount of EUR 647,328,000.00 should be allocated as follows:

- (i) an amount of EUR 64,732,800.00 to the share capital account of the Company; and
- (ii) an amount of EUR 582,595,200.00 to the share premium account of the Company.

As of December 31, 2018, the subscribed capital of the Company is divided into 6,474,530,000 shares fully paid-up with a nominal value of EUR 0.01 each.

**Note 5 - Capital and reserves (continued)****5.2 Share premium account**

Apart from the allocation of the amount from the Issuance of shares to share premium as mentioned above, the Company recorded the Sole Shareholder contributions as non-share equity contributions under the Share premium account (account 115 of the "plan comptable luxembourgeois" dated June 10, 2009; capital contribution without the issuance of new shares in the Company).

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

|                        | Share premium      | Capital contribution | Share premium        |
|------------------------|--------------------|----------------------|----------------------|
|                        | EUR                | EUR                  | account              |
|                        |                    |                      | EUR                  |
| <b>Opening balance</b> | <b>582,595,200</b> | <b>878,956,000</b>   | <b>1,461,551,200</b> |
| Movements for the year | -                  | 161,080,000          | 161,080,000          |
| <b>Closing balance</b> | <b>582,595,200</b> | <b>1,040,036,000</b> | <b>1,622,631,200</b> |

The movements for the year under this caption corresponds to a capital contribution without issuance of new shares in the Company in the amount of 161,080,000 following decisions taken by the Management on June 12, 2018.

**5.3 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. No appropriation is required for the year ended December 31, 2018.

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

|  | Subscribed capital   | Share premium account   | Legal reserve | Profit or loss brought forward | Profit or loss for the financial year |
|--|----------------------|-------------------------|---------------|--------------------------------|---------------------------------------|
|  | EUR                  | EUR                     | EUR           | EUR                            | EUR                                   |
| <b>As at January 1, 2018</b>   | <b>64,745,300.00</b> | <b>1,461,551,200.00</b> | -             | <b>(1,312,665,104.90)</b>      | <b>(213,593,239.97)</b>               |
| <u>Movements for the year</u>  |                      |                         |               |                                |                                       |
| - Allocation of the prior year's result                              | -                    | -                       | -             | (213,593,239.97)               | 213,593,239.97                        |
| - Result of the year   | -                    | -                       | -             | -                              | (161,102,355.51)                      |
| - Capital contribution without issuance of new shares (see note 5.2) | -                    | 161,080,000.00          | -             | -                              | -                                     |
| <b>As at December 31, 2018</b>                                       | <b>64,745,300.00</b> | <b>1,622,631,200.00</b> | -             | <b>(1,526,258,344.87)</b>      | <b>(161,102,355.51)</b>               |

**Note 6 - Other external expenses**

This caption is detailed as follows:

|   | 2018             | 2017             |
|---|------------------|------------------|
|   | EUR              | EUR              |
| Professional fees                           | 39,159.05        | 15,276.00        |
| Accounting and auditing fees                | 4,643.89         | 12,306.72        |
| Tax advisory fees                           | 2,419.93         | 4,062.25         |
| Notary fees                                 | 2,160.21         | -                |
| Telephone and communication fees            | 282.43           | -                |
| Bank fees                                   | 130.00           | 60.00            |
| Luxembourg Chamber of Commerce contribution | 350.00           | 350.00           |
|   | <b>49,145.51</b> | <b>32,054.97</b> |

**Note 7 - Related parties transactions**

The Company entered into a partnership agreement as a silent partner with GS Lux Management Services S.à r.l. relating to the sharing of costs for certain material, administrative support and facilities. Accordingly, GS Lux Management Services S.à r.l. has charged the Company an amount of EUR 12,300.00 (2017: EUR 12,300.00) in relation to the services provided for the year ended December 31, 2018. These expenses are included under the caption "Raw materials and consumable and other external expenses" in the profit and loss account. On February 28, 2018, the Company and GS Lux Management Services S.à r.l. agreed to terminate the agreement by common consent with effect as of February 28, 2018.

As at December 31, 2018, the Company has subscribed 168,716,700,000 SPPS (2017: 152,611,700,000 SPPS) with an aggregate nominal value of EUR 1,687,167,000.00 (2017: EUR 1,526,117,000.00) issued by a related party. For further details, refer to Note 4.

**Note 10 - Income tax**

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

**Note 11 - Off balance sheet commitments**

The Company had provided its assets as security for and guaranteed (the Existing Guarantees and Security Interests) the payment of all amounts due in respect of SPPS issued by Elenia Holdings S.à r.l. under the Programme and notes issued and offered by way of private placements and any other amounts outstanding under the applicable finance and security documents entered into by the Company in connection with the Refinancing.

The initial 1,250,000 shares subscribed by the Sole Shareholder of the Company at the incorporation have been pledged in favour of Crédit Agricole Corporate and Investment Banking, acting for itself and in favour for the account of secured parties pursuant to a share pledge agreement dated November 27, 2013 between Elenia Finance Oyj as pledgor and Citicorp Trustee Company Limited as security agent. On December 16, 2013, the share pledge agreement has been released, in accordance with the terms of a deed of release signed on that date between the parties.

The additional 6,473,280,000 shares subscribed on December 17, 2013 by the Sole Shareholder of the Company and the initial 1,250,000 shares have been pledged in favour of Citicorp Trustee Company Limited, acting for itself and on behalf of the secured creditors, pursuant to a share pledge agreement dated December 17, 2013 between Elenia Finance Oyj as pledgor and Citicorp Trustee Company Limited as security trustee.

**Note 12 - Subsequent events**

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.