

Element Power Investments S.à r.l.
Société à Responsabilité Limitée

Annual accounts for the financial year ended December 31, 2018

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RCSL Nr. : B146392

Matricule : 20092413161

BALANCE SHEET

Financial year from ⁰¹ 01/01/2018 to ⁰² 31/12/2018 (in ⁰³ EUR)

Element Power Investments S.à r.l.

15 Boulevard F.W. Raiffeisen

L-2411 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	106
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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	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	2.2.1,3	135	5,537,558.11	136 70,461,833.71
1. Shares in affiliated undertakings	1137	3.1	137	2,200,004.00	138 127.00
2. Loans to affiliated undertakings	1139	3.2	139	3,337,554.11	140 70,461,706.71
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		151	34,391,889.99	152 40,137,527.50
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	2.2.2,4	163	30,911,212.70	164 37,762,758.05
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	4.1	171	30,908,812.40	172 37,736,770.13
a) becoming due and payable within one year	1173	4.1.1	173	807,692.97	174 1,830,156.09
b) becoming due and payable after more than one year	1175	4.1.2	175	30,101,119.43	176 35,906,614.04
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	4.2	183	2,400.30	184 25,987.92
a) becoming due and payable within one year	1185	4.2.1	185	2,400.30	186 3,469.50
b) becoming due and payable after more than one year	1187	4.2.2	187	0.00	188 22,518.42

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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	3,480,677.29	2,374,769.45
E. Prepayments	1199	199	200
TOTAL (ASSETS)		39,929,448.10	110,599,361.21

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year	
A. Capital and reserves	1301	<u>5</u>	301	<u>-144,517,762.14</u>	302	<u>-76,020,882.04</u>
I. Subscribed capital	1303	<u>5.1</u>	303	<u>30,600.00</u>	304	<u>30,600.00</u>
II. Share premium account	1305	<u>5.2</u>	305	<u>55,515,658.00</u>	306	<u>55,515,658.00</u>
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309		310	
1. Legal reserve	1311		311		312	
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>-131,567,140.04</u>	320	<u>-130,270,772.26</u>
VI. Profit or loss for the financial year	1321		321	<u>-68,496,880.10</u>	322	<u>-1,296,367.78</u>
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	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	
C. Creditors	1435	<u>2.2.4,6</u>	435	<u>184,447,210.24</u>	436	<u>186,620,243.25</u>
1. Debenture loans	1437		437	<u>159,081,546.76</u>	438	<u>156,763,193.81</u>
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445	<u>6.1</u>	445	<u>159,081,546.76</u>	446	<u>156,763,193.81</u>
i) becoming due and payable within one year	1447		447		448	
ii) becoming due and payable after more than one year	1449	<u>6.1.1</u>	449	<u>159,081,546.76</u>	450	<u>156,763,193.81</u>
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	

RCSL Nr. : B146392

Matricule : 20092413161

	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		367	140,875.14	368	9,647.20
a) becoming due and payable within one year	1369		369	140,875.14	370	9,647.20
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	6.2	379	25,219,958.94	380	29,842,571.24
a) becoming due and payable within one year	1381	6.2.1	381	6,848,716.53	382	5,121,303.98
b) becoming due and payable after more than one year	1383	6.2.2	383	18,371,242.41	384	24,721,267.26
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		451	4,829.40	452	4,831.00
a) Tax authorities	1393	2.2.4.1	393	4,829.40	394	4,831.00
b) Social security authorities	1395		395		396	
c) Other creditors	1397		397		398	
i) becoming due and payable within one year	1399		399		400	
ii) becoming due and payable after more than one year	1401		401		402	
D. Deferred income	1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	39,929,448.10	406	110,599,361.21

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Matricule : 20092413161

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2018 to ⁰² 31/12/2018 (in ⁰³ EUR)

Element Power Investments S.à r.l.
15 Boulevard F.W. Raiffeisen
L-2411 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 <u>0.00</u>	714 <u>46,399.26</u>
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-125,042.05</u>	672 <u>-79,149.94</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 <u>-125,042.05</u>	604 <u>-79,149.94</u>
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 <u>9</u>	657 <u>195,593.43</u>	658 <u>0.00</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 <u>9</u>	661 <u>195,593.43</u>	662 <u>0.00</u>
8. Other operating expenses	1621 _____	621 <u>-36.00</u>	622 <u>-56.00</u>

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

RCSL Nr. : B146392	Matricule : 20092413161
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	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	726
11. Other interest receivable and similar income	1727	7	1,036,595.64
a) derived from affiliated undertakings	1729	7.1	1,027,687.19
b) other interest and similar income	1731		8,908.45
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	2.2.5,10	-66,833,780.76
14. Interest payable and similar expenses	1627	8	-2,765,395.36
a) concerning affiliated undertakings	1629	8.1	-2,740,881.07
b) other interest and similar expenses	1631		-24,514.29
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	-68,492,065.10
17. Other taxes not shown under items 1 to 16	1637	11	-4,815.00
18. Profit or loss for the financial year	1669	669	-68,496,880.10

Element Power Investments S.à r.l.
Notes to the annual accounts as at December 31, 2018

1. General information

Element Power Investments S.à r.l. (hereafter the "Company") was incorporated on May 19, 2009 and is organised under the laws of Luxembourg as a Société à Responsabilité Limitée for an unlimited period.

The registered office of the Company was transferred from 5 Rue Guillaume Kroll, L-1882 Luxembourg to 15 Boulevard F.W. Raiffeisen, L-2411 Luxembourg on December 1, 2018.

The Company's financial year starts on January 1st and ends on December 31st of each year.

The Company may carry out all transactions pertaining directly or indirectly to the taking of participating interests in any enterprises in whatever form, as well as the administration, the management, the control and the development of such participating interests.

The Company may particularly use its funds for the setting-up, the management, the development and the disposal of a portfolio consisting of any securities and patents of whatever origin, participate in the creation, the development and the control of any enterprise, acquire by way of contribution, subscription, underwriting or by option to purchase and any other way whatever, any type of securities and patents, realize them by way of sale, transfer, exchange or otherwise, have developed these securities and patents.

The Company may grant assistance (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises in which the Company has an interest or which form part of the group of companies to which the Company belongs (including shareholders or affiliates).

In general, the Company may carry out any financial, commercial, industrial, personal or real estate transactions, take any measure to safeguard its rights and make any transactions whatsoever which are directly or indirectly connected with its purposes or which are liable to promote their development or extension.

The Company may borrow in any form and proceed to the issuance of bonds or any other instruments which may be convertible.

Based on the criteria defined in the Luxembourg law, the Company is exempt from the requirement to prepare consolidated accounts and a consolidated management report for the financial year ended December 31, 2018.

As a consequence, in accordance with legal provisions, these annual accounts were presented on a non-consolidated basis for the approval of the annual general meeting of the shareholders.

2. Summary of significant accounting policies and valuation methods

2.1. General principles

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg under the historical cost convention. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Management.

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.

2.2. Significant accounting and valuation policies

The significant accounting and valuation policies of the Company can be summarised as follows:

2.2.1. Financial assets

Financial assets such as shares in affiliated undertakings, participating interests, loans to these undertakings, investments held as fixed assets and other loans are valued at their historical acquisition cost including the incidental costs of acquisition. Loans granted to affiliated undertakings or other companies and defined as financial assets are valued at their nominal value.

If the Management determines that a durable impairment has occurred in the value of a financial asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.2. Debtors

Debtors are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.3. Foreign currency translation

The Company maintains its books and records in EUR.

All transactions expressed in currency other than EUR are translated into EUR at the exchange rate prevailing at the date of the transaction.

Element Power Investments S.à r.l.
Notes to the annual accounts as at December 31, 2018

Fixed assets other than the long-term loans classified as financial assets and expressed in another currency than EUR are translated in EUR at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash is translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses resulting from this conversion are accounted for in the profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower (assets) or at the higher (liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

In the case there is an economic link between an asset and a liability, they are translated in total and only the unrealised net exchange losses are accounted for in the profit and loss account.

The closing exchange rates as of December 31, 2018 are as follows:

GBP 1.00 = EUR 1.11790 (2017: EUR 1.12710)

MXN 1.00 = EUR 0.04450 (2017: EUR 0.04226)

2.2.4. Creditors

Creditors are recorded at their repayment value. When the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

2.2.4.1. Other creditors - Tax

This item includes the tax liability estimated by the Company for the financial years for which the Company has not been assessed yet. The advance payments are disclosed in the assets of the balance sheet under "Other debtors".

2.2.5. Value adjustments and fair value adjustments on financial assets

The value adjustments are deducted directly from the related asset.

Element Power Investments S.à r.l.
Notes to the annual accounts as at December 31, 2018

3. Financial assets

3.1. Shares in affiliated undertakings

The companies in which the Company owns at least fifty per cent of the share capital, or in which it is the member having unlimited liability are as follows:

Name of the company	Registered office	Percentage of ownership	Closing date of last financial year	Shareholders equity (EUR)	Results of last financial year (EUR)	Net Investment amount (EUR)
EP Power Holdings B.V.	760 Amstelveenseweg, NL-1081 JK Amsterdam Netherlands	100.00%	31.12.2017	(29,430,215.00)	(3,440,900.00)	2,200,000.00
Element Power Limited	19 Eastbourne Terrace, Paddington, W2 6LG London	100.00%	31.12.2018	(30,458,764.21)	(17,322,821.15)	1.00
Element Power México, S. De R.L. De C.V.	15F Reforma 115, Colonia Lomas De Chapultepec, Mexico City	99.97%	31.12.2016	10,083.15	(3,944,870.81)	1.00
Element Power Northern Europe Developments Ltd	19 Eastbourne Terrace, Paddington, W2 6LG London	100.00%	31.12.2016	(27,342,910.53)	(8,238,729.27)	1.00
Element Power Asset Management Limited	19 Eastbourne Terrace, Paddington, W2 6LG London	100.00%	31.12.2016	(3,449.87)	(1,470.42)	1.00
Total						2,200,004.00

As an indication, the Shareholders equity and the Results of the last financial period of the financial investments whose financial statements were expressed in another currency other than EUR were translated into EUR with the exchange rate prevailing at the balance sheet date.

The figures mentioned in the Shareholder's equity and the Result of the last financial year are based on the latest annual accounts available.

As at and for the year ended December 31, 2018, the management considered the valuation of its subsidiaries and decided to record additional value adjustment on Element Power Asset Management Limited for an amount of EUR 122.00. As at December 31, 2018, net investment in Element Power Asset Management Limited amounted to EUR 1.00 (2017: EUR 123.00).

In addition, during the year, the Company converted receivables from Element Power Holdings B.V. as additional contribution in kind for an amount of EUR 30,000,000.00 and the Company further reduced the capital invested by EUR 11,552,913.48. Management considered the valuation of its investment in Element Power Holdings B.V. and decided to record additional value adjustment for an amount of EUR 16,247,087.52. As at December 31, 2018, net investment in Element Power Holdings B.V. amounted to EUR 2,200,000.00 (2017: EUR 1.00).

Element Power Investments S.à r.l.
Notes to the annual accounts as at December 31, 2018

3.2. Loans to affiliated undertakings

Movement of loans to affiliated undertakings can be summarized in the following table:

Nature	Issuer	Maturity date	Interest Rate	Nominal Value (EUR)	Accumulated value adjustments (EUR)	Net Value 31.12.2017 (EUR)	Transactions during the year				
							Loan / (Reimbursement) (EUR)	Value adjustments during the year (EUR)	Capitalised interest (EUR)	Net Value 31.12.2018 (EUR)	Accrued interest (EUR)
Loan	Element Power México, S. De R.L. De C.V.	31.12.2020	Euribor 12 months + 2 %	4,846,102.36	(4,846,102.36)	0.00	0.00	0.00	0.00	0.00	0.00
Loan	Element Power Limited	31.12.2020	Euribor 12 months + 2 %	10,007,208.88	0.00	10,007,208.88	852,504.13	(11,246,803.69)	387,090.68	0.00	0.00
Loan	Element Power Northern Europe Developments Ltd	31.12.2020	Euribor 12 months + 2 %	27,462,164.06	(1,518,018.00)	25,944,146.06	2,481,217.21	(28,273,594.37)	423,293.77	575,062.67	0.00
Loan	Element Power Holdings B.V.*	31.12.2020	Euribor 12 months + 2 %	34,510,351.77	0.00	34,510,351.77	(32,442,627.81)	0.00	694,767.48	2,762,491.44	295,023.52
Total				76,825,827.07	(6,364,120.36)	70,461,706.71	(29,108,906.47)	(39,520,398.06)	1,505,151.93	3,337,554.11	295,023.52

During the year, the Board of Managers decided to record value adjustments on the following loans to affiliated undertakings:

- a portion of the nominal value of the loan with Element Power Northern Europe Developments Ltd for an amount of EUR 28,273,594.37;
- the nominal value of the loan with Element Power Limited for an amount of EUR 11,041,852.72 and accrued interest receivable on the loan for an amount of 204,950.97.

Moreover, the Board of Managers decided that the loan to Element Power México, S. De R.L. De C.V. is deemed fully impaired as at December 31, 2018 and 2017. There were no additional loans during the year.

Element Power Investments S.à r.l.
Notes to the annual accounts as at December 31, 2018

4. Debtors

4.1. Amounts owed by affiliated undertakings

4.1.1. becoming due and payable within one year

This debtors account totalling EUR 807,692.97 consists of interest receivable for EUR 295,023.52 and EUR 512,669.45 related to Element Power Holdings B.V. and Element Power Investments B.V., respectively (2017: EUR 1,830,156.09), see tables 3.2 and 4.1.2.

4.1.2. becoming due and payable after more than one year

This item can be summarized in the following table:

Nature	Borrower	Maturity date	Interest Rate	Nominal Value (EUR)	Value adjustments (EUR)	Net Value 31.12.2017 (EUR)	Transactions during the year			
							Loan / (Reimbursement) (EUR)	Value adjustments (EUR)	Net Value 31.12.2018 (EUR)	Accrued interest (EUR)
Loan	Element Power Espana SLU	31.12.2020	Euribor 12 months + 2 %	7,606,150.94	0.00	7,606,150.94	1,387,340.63	(7,705,437.55)	1,288,054.02	0.00
Loan	Element Power Polska Spzoo	31.12.2020	Euribor 12 months + 2 %	64,273.45	(64,273.45)	0.00	165,533.59	(165,533.59)	0.00	0.00
Loan	Element Power Investment BV	31.12.2020	Euribor 12 months + 2 %	27,067,672.09	0.00	27,067,672.09	1,745,393.32	0.00	28,813,065.41	512,669.45
Loan	Element Power Sweden AB	undetermined	N/A	110,281.86	(110,281.86)	0.00	486.40	(486.40)	0.00	0.00
Loan	Element Power GP S.a r.l.	undetermined	N/A	253,740.00	0.00	253,740.00	20,000.00	(273,740.00)	0.00	0.00
Loan	Element Power Chile Solar Holdings SL	31.12.2020	Euribor 12 months + 2 %	617,614.01	0.00	617,614.01	182,948.54	(800,562.55)	0.00	0.00
Loan	Element Power Management Co Ltd	31.12.2020	Euribor 12 months + 2 %	361,437.00	0.00	361,437.00	1,736,457.67	(2,097,894.67)	0.00	0.00
Total				36,081,169.35	(174,555.31)	35,906,614.04	5,238,160.15	(11,043,654.76)	30,101,119.43	512,669.45

Element Power Investments S.à r.l.
Notes to the annual accounts as at December 31, 2018

The Board of Managers decided to record the following additional value adjustments on the nominal value and accrued interest on the loans with:

- Element Power Espana SLU for an amount of EUR 7,705,437.55 (2017: nil);
- Element Power GP S.à r.l. for an amount of EUR 273,740.00 (2017: nil);
- Element Power Chile Solar Holdings SL for an amount of EUR 786,542.11 and accrued interest for an amount of EUR 14,020.44 (2017: nil);
- Element Power Management Co Ltd for an amount of EUR 2,097,894.67 (2017: nil).

The Board of Managers further decided to fully impair the nominal value of the loans with:

- Element Power Polska Spzoo; and
- Element Power Sweden AB.

In 2017, the Board of Managers also recorded a value adjustment on the amounts owed by Element Power Sweden AB and Element Power Polska Spzoo for an amount of EUR 110,281.86 and EUR 64,273.45, respectively (see note 10).

4.2. Other debtors

4.2.1. becoming due and payable within one year

This item is mainly composed of 2018 Net Wealth Tax advance made to Luxembourg Tax Authorities amounting to EUR 2,400.30 (2017: EUR 3,469.50).

4.2.2. becoming due and payable after more than one year

This item can be detailed as follows:

Nature	Issuer	Nominal Value 31.12.2017 (EUR)	Loan / (Reimbursement) (EUR)	Value adjustment (EUR)	Nominal Value 31.12.2018 (EUR)
Loan	Faro Managers	22,518.42	0.00	(22,518.42)	0.00
Total		22,518.42	0.00	(22,518.42)	0.00

The Board of Managers decided to record value adjustment on the nominal value of the loan with Faro Managers.

5. Capital and reserves

5.1. Subscribed capital

The subscribed capital, amounting to EUR 30,600.00, is represented by 30,600 shares with a nominal value of EUR 1.00, fully paid.

The subscribed capital is fully paid up and represented by 3,060 class A shares, by 3,060 class B shares, by 3,060 class C shares, by 3,060 class D shares, by 3,060 class E shares, by 3,060 class F shares, by 3,060 class G shares, by 3,060 class H shares, by 3,060 class I shares, by 3,060 class J shares with a nominal value of EUR 1.00 each. All shares are ordinary shares giving right to an annual dividend.

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5.2. Share premium account

There is a share premium for a total amount of EUR 55,515,658.00.

5.3. Legal reserve

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

6. Creditors

6.1. Non-convertible loans

6.1.1. becoming due and payable after more than one year

The non-convertible debenture loans can be summarized in the following table:

	Subscriber	Maturity date	Interest Rate	Nominal Value 31.12.2017 (EUR)	Movement during the year (EUR)	Nominal Value 31.12.2018 (EUR)	Accrued interest (EUR)
IFPECs*	Element Power UK LP	25/06/2039	0%	35,564,298.00	0.00	35,564,298.00	0.00
IBPECs*	Element Power UK LP	25/06/2039	Euribor 12 months + 2 %	121,198,895.81	2,318,352.95	123,517,248.76	2,240,602.89
Total				156,763,193.81	2,318,352.95	159,081,546.76	2,240,602.89

* Interest Free Preferred Equity Certificates

** Interest Bearing Preferred Equity Certificates

6.2. Amounts owed to affiliated undertakings

6.2.1. becoming due and payable within one year

Nature	Subscriber	Maturity Date	Interest Rate	Net Value 31.12.2017 (EUR)	Borrowing/ (Reimb.) (EUR)	Waived (EUR)	Net Value 31.12.2018 (EUR)
Loan	Element Power Limited	On or before December 31, 2019	Euribor 12 months + 2 %	0.00	194,576.12	(194,576.12)	0.00
Advances	Element Power Holdings B.V.*	*On or before December 31, 2019	non-interest bearing	2,145,110.18	1,828,813.21	0.00	3,973,923.39
Advances	Element Power Investment B.V.	On or before December 31, 2019	non-interest bearing	0.00	103,623.60	0.00	103,623.60
Advances	Element Power Poland B.V.	On or before December 31, 2019	non-interest bearing	0.00	30,712.16	0.00	30,712.16
Interest	Element Power UK LP	25/06/2039	Euribor 12 months + 2 %	2,318,352.95	(77,750.06)	0.00	2,240,602.89
Interest	Element Power UK LP	31/12/2020	Euribor 12 months + 2 %	377,889.21	121,965.28	0.00	499,854.49
Total				4,841,352.34	2,201,940.31	(194,576.12)	6,848,716.53

* This amount includes the remaining balance of the loan which amounted to EUR 18,250.29 due to Element Power Ireland Finance Ltd which was assigned to Element Power Holdings B.V. following the former's sale to StatKraft. Element Power Holdings B.V. is the direct shareholder of Element Power Ireland Finance Ltd. The loan is expected to be fully settled on or before December 31, 2019.

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In addition, this account includes accrued interest on loans, which are as follow:

- interest payable on the loan with Element Power Cattiva Holdings S.à r.l. for an amount of EUR nil (2017: EUR 462.79), see note 6.2.2;
- interest on the loan payable with Element Power Ireland Finance Ltd for an amount of EUR nil (2017: EUR 278,975.85);
- interest payable on IBPECs with Element Power UK LP for an amount of EUR 2,240,602.89 (2017: EUR 2,318,352.95), see table 6.1.1; and
- interest payable on loan facility with Element Power UK LP for an amount of EUR 499,854.49 (2017: EUR 377,889.21), see table 6.2.2.

Moreover, nominal value on the loan with Element Power Limited (the “lender”) was waived by the lender for an amount of EUR 194,576.12 (see note 9).

6.2.2. becoming due and payable after more than one year

The long term loans can be summarised in the following table:

Nature	Subscriber	Maturity Date	Interest Rate	Nominal Value 31.12.2017 (EUR)	Borrowing/ (Reimb.) (EUR)	Waived (EUR)	Net Value 31.12.2018 (EUR)	Accrued interest (EUR)
Loan facility	Element Power UK LP	31/12/2020	Euribor 12 months + 2 %	24,696,936.43	(6,345,694.02)	0.00	18,351,242.41	499,854.49
Loan	Element Power Cattiva Holding S.à r.l.	31/12/2020	Euribor 12 months + 2 %	24,207.53	(3,313.52)	(894.01)	20,000.00	0.00
Advances	Element Power Asset Management Ltd	undetermined	N/A	123.30	0.00	(123.30)	0.00	0.00
Total				24,721,267.26	(6,349,007.54)	(1,017.31)	18,371,242.41	499,854.49

During the year, a portion of the principal amount and the accrued interest due to Element Power Cattiva Holdings S.a r.l. were waived amounting to EUR 469.67 and EUR 424.34, respectively (see note 9).

In addition, the nominal value of the loan with Element Power Asset Management Limited was fully waived (see note 9).

7. Other interest and other financial income

7.1. derived from affiliated undertakings

This item can be detailed as follows:

- interest on the loan receivable with Element Power Holdings BV for an amount of EUR 295,023.52 (2017: EUR 694,767.48) (see note 3.2);
- interest on the loan receivable with Element Power Ltd for an amount of EUR 204,950.97 (2017: EUR 182,139.71) (see note 3.2);
- interest on the loan receivable with Element Power Northern Europe Developments Ltd for an amount of EUR nil (2017: EUR 423,293.77) (see note 3.2);
- interest on the loan receivable with Element Power Polska SP Zoo for an amount of EUR 1,022.81 (2017: EUR 240.33) (see note 4.1.2);

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- interest on the loan receivable with Element Power Chile Solar Holdings SL for an amount of EUR 14,020.44 (2017: EUR 7,092.30) (see note 4.1.2);
- interest on the loan receivable with Element Power Investment BV for in amount of EUR 512,669.45 (2017: EUR 515,953.07) (see note 4.1.2); and
- interest on the loan receivable with EPMC for an amount of EUR nil (2017: EUR 6,909.76) (see note 3.2).

8. Interest and other financial charges

8.1. concerning affiliated undertakings

This item is mainly composed of;

- interest on the loan payable with Element Power Cattiva Holding S.à r.l. for an amount of EUR 423.69 (2017: 462.79) (see note 6.2.1);
- interest on the loan payable with Element Power Ireland Finance Ltd for an amount of EUR nil (2017: EUR 278,975.85);
- interest payable on IBPECs with Element Power UK LP for an amount of EUR 2,240,602.89 (2017: EUR 2,318,352.95) (see note 6.1.1); and
- interest payable on loan facility with Element Power UK LP for an amount of EUR 499,854.49 (EUR 377,889.21) (see note 6.2.1).

9. Value adjustments in respect of current asset

This item can be detailed as follows:

	2018		2017	
	Nominal value (EUR)	Accrued interest (EUR)	Nominal value (EUR)	Accrued interest (EUR)
Element Power Limited	194,576.12	0.00	0.00	0.00
Element Power Asset Management	123.30	0.00	0.00	0.00
Element Power Cattiva Holding S.à r.l.	469.67	424.34	0.00	0.00
Total	195,169.09	424.34	0.00	0.00

10. Value adjustment in respect of financial assets and of investments held

This item can be detailed as follows:

	2018		2017	
	Nominal value (EUR)	Accrued interest (EUR)	Nominal value (EUR)	Accrued interest (EUR)
Element Power Northern Europe Developments Ltd	28,273,594.37	0.00	0.00	0.00
Element Power Limited	11,041,852.72	204,950.97	0.00	0.00
Element Power Espana SLU	7,705,437.55	0.00	0.00	0.00
Element Power GP S.à r.l.	273,740.00	0.00	0.00	0.00
Element Power Chile Solar Holdings SL	786,542.11	14,020.44	0.00	0.00
Element Power Management Co Ltd	2,097,894.67	0.00	0.00	0.00
Element Power Polska Spzoo	165,533.59	0.00	64,273.45	240.33
Element Power Sweden AB	486.40	0.00	110,281.86	0.00
Element Power Arrife	0.00	0.00	30.00	0.00
Faro Managers	22,518.42	0.00	0.00	0.00
Total	50,367,599.83	218,971.41	174,585.31	240.33

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In addition, value adjustment on shares in affiliated undertakings were as follows:

- adjustment on the investment in Element Power Holdings B.V. for an amount of EUR 16,247,087.52 (2017: EUR nil), see note 3.1;
- adjustment on the investment in Element Power Asset Management Limited for an amount of EUR 122.00 (2017: EUR nil), see note 3.1.

11. Tax status

The Company is subject in Luxembourg to the applicable general tax regulations.

12. Subsequent events

- On 8 March 2019, the company acquired by transfer from Element Power Holdings BV through a capital reduction, 100% ownership of Greenlink Interconnector Holdings Limited. This entity owns 100% of Greenlink Interconnector Limited, which is a 500MW interconnector between Great Britain and Ireland. Greenlink was awarded a cap and floor regime by Ofgem (UK regulatory agency) in September 2015 for 50% of its revenues. Preliminary acceptance of a similar cap and floor regime for the remaining 50% of revenues from the Irish regulator (Commission for Regulation of Utilities or “CRU”) was announced on October 18th 2018. The Greenlink project is classed as an EU Project of Common Interest. The project has been awarded development grant funding under the Connecting Europe Facility. The project received an interconnector license in February 2016 with planned construction in 2020 and commissioning in 2023.

On the same date, the company sold 49% of its ownership of Greenlink Interconnector Holdings Limited to Greenlink (Luxembourg) S.à r.l. (a third party owned by Partners Group).

- Following the sale of the UK and Ireland development portfolio on October 2, 2018 to Statkraft AS and Statkraft UK Ltd respectively, the Element Power Group is under taking an orderly windup of the remaining companies, which is expected to be completed by end of 2021.
- Management is aware of the COVID19 pandemic that affects the world global economy since the beginning of the year 2020 and considers it is arduous to assess any potential durable impact of the COVID 19 crisis on the value of the Company. Therefore, no value adjustment have been booked so far and these annual accounts have been prepared using the valuation of the assets/liabilities available before the start of the COVID19 pandemic. As it is still the early stage of the COVID19 crisis, thus, Management has made an assessment of the Company’s ability to continue its activities as a going concern based on the above.

Management therefore concludes that as of the date of the approval of these annual accounts, it is reasonable to conclude that the Company will be able to continue in operation for the foreseeable future.