IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR OTHERWISE THAN TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED.

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933 AS AMENDED (THE "**SECURITIES ACT**") PROVIDED BY RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") OR (2) OUTSIDE OF THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**").

MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the European Economic Area (the "**EEA**").

RESTRICTIONS: The Listing Particulars are being furnished in connection with an offering exempt from registration under the Securities Act.

IMPORTANT: You must read the following before continuing. The following applies to the Listing Particulars attached hereto, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Listing Particulars. In accessing the Listing Particulars, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE LISTING PARTICULARS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND SUCH SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE LISTING PARTICULARS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE LISTING PARTICULARS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the Listing Particulars or make an investment decision with respect to the securities described therein, investors must be either (1) a QIB or (2) outside the United States. The Listing Particulars is being sent at your request and by accepting the email and accessing the Listing Particulars, you shall be deemed to have represented to us that (A) you and any customers you represent are either (a) QIBs or (b) the email address that you gave the Managers (as defined below) and to which this email has been delivered is not located in the United States and (B) you consent to delivery of the Listing Particulars by electronic transmission.

You are reminded that the Listing Particulars has been delivered to you on the basis that you are a person into whose possession the Listing Particulars may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Listing Particulars to any other person. The materials relating to the Offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Raiffeisen Bank International AG, Renaissance Securities (Cyprus) Limited (together, the "**Joint Lead Managers**") or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

None of the Joint Lead Managers, PUBLIC JOINT STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" (the "**Co-Lead Manager**", and together with the Joint Lead Managers, the "**Managers**") or any of their respective affiliates shall be responsible for any act or omission of the Issuer, DTEK RENEWABLES B.V. or any of the Guarantors or any other person (other than the relevant Manager or affiliate) in connection with the issue and offering of the Notes.

The materials relating to the Offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by the Managers, the Issuer or the Guarantors that would or is intended to, permit a public offering of the Notes, or possession or distribution of the Listing Particulars (in preliminary or final form) or any other offering or publicity material relating to any securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the Offering be made by a licenced broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licenced broker or dealer in that jurisdiction, the Offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer and the Guarantors in such jurisdiction.

The Listing Particulars are being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments and fall within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (as amended, the "**Financial Promotion Order**"), (iii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iv) those persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue of any securities may otherwise lawfully be communicated or caused to be communicated, or (v) those persons to whom they may otherwise lawfully be distributed (all such persons referred to in (i) through (v) together being referred to as "relevant persons"). The Listing Particulars are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Listing Particulars relate are available only to relevant persons and will be engaged in only with relevant persons.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes other than in circumstances in which Section 21(1) of the FSMA does not apply.

The Listing Particulars has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Managers or any person who controls them, nor any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Listing Particulars distributed to you in electronic format and the hard copy version available to you on request from the Managers.

DTEK RENEWABLES FINANCE B.V.

(*incorporated in The Netherlands with limited liability*)

€325,000,000 8.50 per cent Senior Notes due 2024

Guaranteed by the Guarantors named herein

DTEK RENEWABLES FINANCE B.V. (the "**Issuer**") is offering (the "**Offering**") €325,000,000 8.50 per cent Senior Notes due 2024 (the "**Notes**"). The issue price of the Notes is 99.005 per cent of their principal amount. References to the "**Conditions**" are to the terms and conditions of the Notes set out in "*Terms and Conditions*".

The Notes will be senior obligations of the Issuer. DTEK RENEWABLES B.V. (the "**Company**"), ORLOVKA WEP LLC (the "**Orlovsk Guarantor**") and SOLAR FARM-3 LLC (the "**Pokrovsk Guarantor**") (the "**Sureties**" and together with the Company and any Additional Guarantors (as defined below), the "**Guarantors**"). The Guarantors will, jointly and severally, and the Company and the Pokrovsk Guarantor will, fully, unconditionally and irrevocably, and the Orlovsk Guarantor will, irrevocably, guarantee (together, the "**Guarantee**" and, together with any Additional Guarantees (as defined below), the "**Guarantees**") the due and punctual payment of all amounts becoming due and payable by the Issuer in respect of the Notes, the Trust Deed and the Agency Agreement (each as defined below), provided that, for so long as any amount remains outstanding under the Orlovska Secured Loan Facility due 2025, as defined herein, the maximum aggregate liability of the Orlovsk Guarantor shall not at any time exceed 70 per cent of the total assets of the Orlovsk Guarantor plus 70 per cent of the Orlovsk Guarantor's net cash generated from operating activities, in each case, in each respective period according to the most recent audited financial statements of the Orlovsk Guarantor. The Guarantee provided by the Company, the Orlovsk Guarantor and the Pokrovsk Guarantor will be the senior, unsubordinated and unsecured obligations of the Company, the Orlovsk Guarantor and the Pokrovsk Guarantor respectively. See "*Risk Factors—Risks Relating to the Notes and the Guarantees—The Guarantee provided by the Orlovsk Guarantor is subject to certain limitations*". The Company will grant its Guarantee pursuant to and on the terms set out in a trust deed to which it will be party in relation to the Notes (the "**Trust Deed**"). The Guarantors (other than the Company) will grant their Guarantees pursuant to and on the terms set out in the relevant surety agreement to which each of them will be a party in relation to the Notes (together, the "**Surety Agreements**", each a "**Surety Agreement**") to be dated on or before the Issue Date (as defined below) between in each case, the relevant Guarantor and BNY Mellon Corporate Trustee Services Limited in its capacity as trustee (the "**Trustee**"). Each suretyship pursuant to the Surety Agreements shall not constitute a guarantee obligation (in Ukrainian: *garantiya*) as that term is interpreted under Ukrainian law. The Notes will be constituted by the Trust Deed.

The Issuer will, in accordance with Condition 3.2 and Condition 5.15 of the Conditions and upon occurrence of the conditions set forth therein, cause certain other person or persons (the "**Additional Guarantors**") to execute and deliver to the Trustee one or several surety agreements pursuant to which such persons will, jointly and severally, unconditionally and irrevocably, guarantee (the "**Additional Guarantees**") the due and punctual payment of all amounts becoming due and payable by the Issuer in respect of the Notes, the Trust Deed and the Agency Agreement. The Guarantees will be subject to legal limitations under relevant local law. See "*Risk Factors—Risks Relating to the Notes and the Guarantees— If one or more of the Guarantors is declared bankrupt, Ukrainian law may limit the claims of Noteholders against the Guarantor in such bankruptcy*". A Guarantee of any Guarantor will be automatically and unconditionally released under certain circumstances; see Condition 5.15.

Interest on the Notes is payable semi-annually in arrears on 12 May and 12 November in each year, commencing on 12 May 2020. Payments on the Notes and under the Guarantees will be made without withholding or deduction for or on account of taxes of the relevant Tax Jurisdiction to the extent described under Condition 9 of the Conditions and subject to applicable laws.

The Notes mature on 12 November 2024 (the "**Maturity Date**"). The Notes mature at their principal amount together with accrued interest.

These listing particulars are for the purpose of the application to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the listing of the Notes and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Application has been made for these Listing Particulars to be approved by Euronext Dublin as listing particulars (the "**Listing Particulars**"). Application has also been made to Euronext Dublin for the Notes to be admitted to the official list (the "**Official List**") and to trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**").

The Notes are expected to be rated B by Fitch Ratings Limited ("**Fitch**") and B- by Standard & Poor's Global Ratings ("**S&P**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION TITLED "*RISK FACTORS*" IN THESE LISTING PARTICULARS.

THE NOTES AND THE GUARANTEES (TOGETHER, THE "**SECURITIES**") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE UPON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES AND DISTRIBUTION OF THESE LISTING PARTICULARS, SEE "*SUBSCRIPTION AND SALE*" AND "*TRANSFER RESTRICTIONS*".

The Notes will be issued in registered form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. Delivery of the Notes will be made on or about 12 November 2019 (the "**Issue Date**"). The Regulation S Notes will upon issue be represented by a global note certificate (the "**Regulation S Global Note Certificate**") in registered form, which will be deposited with a common depositary (the "**Common Depositary**") for, and registered in the name of a nominee of, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about the Issue Date for the accounts of their respective accountholders. The Rule 144A Notes will upon issue be represented by a global note certificate (the "**Rule 144A Global Note Certificate**" and, together with the Regulation S Global Note Certificate, the "**Global Note Certificates**"), which will be deposited with a Common Depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, in each case on or about the Issue Date for the accounts of their respective accountholders. Ownership interests in the Global Note Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants.

Joint Lead Managers

Raiffeisen Bank International | **Renaissance Capital**

Co-Lead Manager

JSB "Ukrgasbank"

The date of these Listing Particulars is 8 November 2019

NOTICES

The Issuer and the Guarantors (the "**Responsible Person(s)**") accept responsibility for the information contained in these Listing Particulars. Having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars, to the best of the knowledge of each of the Issuer and the Guarantors, is in accordance with the facts and does not omit anything likely to affect its import.

The Issuer and the Guarantors, having made all reasonable enquiries, confirm that: these Listing Particulars contain all information with respect to the Issuer, the Guarantors, the Company and its consolidated subsidiaries taken as a whole (the "**Group**"), the Notes and the Guarantees, which is material in the context of the issue and Offering of the Notes; the statements contained in these Listing Particulars relating to the Issuer, the Guarantors and the Group are true and accurate in all material respects and not misleading; the opinions, intentions and expectations expressed in these Listing Particulars with regard to the Issuer, the Guarantors and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; there are no other facts in relation to the Issuer, the Guarantors, the Group, the Notes or the Guarantees the omission of which would, in the context of the issue and offering of the Notes, make any statement in these Listing Particulars misleading; these Listing Particulars do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein, in light of the circumstances under which they were made, not misleading; and all reasonable enquiries have been made by the Issuer and the Guarantors to ascertain the facts, information and statements contained in these Listing Particulars.

These Listing Particulars may only be used for the purposes for which it has been published.

These Listing Particulars do not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Guarantors or the Managers (as defined in "*Subscription and Sale*") to subscribe for or purchase any of the Notes. The distribution of these Listing Particulars and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars comes are required by the Issuer, the Guarantors and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of the Notes and distribution of these Listing Particulars, see "*Subscription and Sale*".

No person is authorised to give any information or to make any representation not contained in these Listing Particulars and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors or the Managers. Neither the delivery of these Listing Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Guarantors or the Group since the date hereof or the date upon which these Listing Particulars has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer, the Guarantors or the Group since the date hereof or the date upon which these Listing Particulars has been most recently amended or supplemented, or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, neither the Managers nor the Trustee accept any responsibility whatsoever for the contents of these Listing Particulars or for any other statement made or purported to be made by any Manager or the Trustee or on its behalf in connection with the Issuer, the Guarantors, the Group or the issue and offering of the Notes. Each Manager and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of these Listing Particulars or any such statement. No responsibility is accepted by the Managers for any act or omission of the Issuer, the Guarantors or any other person (other than the relevant Manager) in connection with the issue and the Offering of the Notes.

Prospective investors should not construe anything in these Listing Particulars as legal, business or tax advice. Each prospective investor should consult its own advisers as needed to make its investment decision and determine whether it is legally able to purchase the Notes under applicable laws or regulations.

No representation or warranty, express or implied, is made by the Managers, the Trustee or the Agents as to the accuracy or completeness of the information set forth in these Listing Particulars, and nothing contained in these Listing Particulars is, or shall be relied upon as, a promise or representation, whether as to the past or the future. Neither the Managers nor the Trustee or the Agents assumes any responsibility for the accuracy or completeness of the information set forth in these Listing Particulars. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Guarantors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investments.

None of the Issuer, the Guarantors, the Managers, the Trustee or any of their respective representatives is making any representation to any offeree or purchaser of the Notes regarding the legality of an investment by such offeree or purchaser under appropriate legal investment or similar laws. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

The Notes have not been recommended by or approved by the U.S. Securities and Exchange Commission or any other federal or State securities commission or regulatory authority in the United States, nor has any such commission or regulatory authority passed upon the accuracy or adequacy of these Listing Particulars. Any representation to the contrary is a criminal offence in the United States.

The Securities have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Securities may not be offered or sold within the United States. The Regulation S Notes are being offered and sold outside the United States in reliance on Regulation S and the Rule 144A Notes are being offered and sold within the United States to QIBs in reliance on the exemption from registration under the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of these Listing Particulars, see "*Subscription and Sale*" and "*Transfer Restrictions*".

These Listing Particulars have been prepared solely for use in connection with the proposed offering of the Notes described in these Listing Particulars. These Listing Particulars are personal to each offeree and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of these Listing Particulars to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised, and any other disclosure of any of its contents, without the prior written consent of the Issuer, the Guarantors and the Managers, is prohibited. Each prospective investor, by accepting delivery of these Listing Particulars, agrees to the foregoing and to make no photocopies of these Listing Particulars or any documents referred to in these Listing Particulars.

FORWARD-LOOKING STATEMENTS

These Listing Particulars contain "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act which relate, without limitation, to any of the Issuer's, or the Guarantors' plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial performance and future operations and development, business strategy and the trends in the industry and the political and legal environment in which the Group operates and other information that is not historical information. The words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "will", "should" and any similar expressions to identify forward-looking statements may be used herein. Prospective investors in the Notes are cautioned that actual results could differ materially from those anticipated in forward-looking statements. The Group cautions prospective investors in the Notes that the forward-looking statements contained in these Listing Particulars are not guarantees of outcomes of future performance and the Group cannot assure any prospective investors in the Notes that such statements will be realised or the forward-looking events and circumstances will occur. Prospective investors should note that the Group has described in the Listing Particulars the risks it considers to be material, however, there may be additional risks that the Group currently considers immaterial or of which it is currently unaware which could in fact occur and could have a material adverse impact on the actual results of operations and financial performance of the Company. These risks include, but are not limited to:

- the level of competition in the electricity markets;
- the impact of volatile economic conditions on electricity demand;
- ability of the Guaranteed Buyer to settle its obligations;
- ability to successfully complete construction or acquisitions;
- the possibility of authorities delaying or preventing licensing process;
- the level of governmental regulation applicable to business operations;
- the impact of currency exchange rate fluctuations;

- influence of the political, judicial, economic or security environment on the business;
- relationships with third-party providers of hardware;
- the impact of changes in labour laws on the business;
- the impact of legal proceedings on the business;
- the impact of changes to tax legislation on the business.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond the Group's control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those described in the section headed "*Risk Factors*", as well as those included elsewhere in these Listing Particulars. Prospective investors in the Notes should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward-looking statements, the prospective investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. The Group does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. These cautionary statements qualify all forward-looking statements attributable to the Group or persons acting on its behalf.

These Listing Particulars also contain a report titled "Review of DTEK RENEWABLES B.V. Financial Forecasts" (the "**Independent Consultant's Report**"), prepared by an independent consultant, Thorndike Landing, LLC (the "**Independent Consultant**"), who has been appointed by the Company to assess and review projected results of operations of the Group's constructed projects (with installed capacity of 950 MW as of the date of these Listing Particulars) for the years ended 31 December 2019, 2020, 2021 and 2022. The Independent Consultant's Report includes electricity generation, revenue, operating expenses, administrative expenses and EBITDA projections. These figures do not deduct for minority interests or other financial interests in the applicable projects. The prospective financial information included in the Independent Consultant's Report is herein referred to as the "**forecasts**". For a summary of the Independent Consultant's Report, see "*Summary—The Independent Consultant's Report*". For the full Independent Consultant's Report, see Appendix A to these Listing Particulars.

The forecasts included in these Listing Particulars were not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation or presentation of prospective financial information.

PricewaterhouseCoopers Accountants N.V. has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the forecasts and, accordingly, PricewaterhouseCoopers Accountants N.V. does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers Accountants N.V. report included in this document relates to the Company's previously issued financial statements. It does not extend to the forecasts and should not be read to do so.

In connection with the preparation of the Independent Consultant's Report, the Independent Consultant obtained and reviewed summary project-level financial models prepared by the Group and evaluated model input assumptions for reasonableness in light of other information obtained and reviewed, including representations from the Group's management. Some of the assumptions used in the preparation of the Independent Consultant's Report, although considered reasonable at the time of preparation, may not in fact materialize as projected or at all due to unanticipated events and circumstances occurring subsequent to the date of the Independent Consultant's Report. Accordingly, actual outcomes may vary from projected outcomes and the variations may be material. Neither the Group, the independent auditors, nor the Independent Consultant can give any assurance that these assumptions are correct or that these projections and estimates will reflect actual results of operations. Therefore, no representations are made or intended to be made, nor should any be inferred, with respect to the likely existence of a particular future set of facts or circumstances. The Group also cautions that the Independent Consultant's Report forecasts have not been audited or reviewed by independent auditors. If actual results are materially less favourable than those shown in these Listing Particulars and/or in the Independent Consultant's Report or if the assumptions used in formulating these projections and estimates prove to be incorrect, the Group's ability to make payments of principal of and interest on the Notes may be materially adversely affected. For certain additional information relating to the projections and estimates contained in the Independent Consultant's Report, see "*Risk Factors—Risks relating to the Projections of the Group—Projections and their underlying assumptions may prove to be inaccurate*", "*Independent Consultant's Report Summary*" and the full Independent Consultant's Report included as Appendix A to these Listing Particulars.

DISTRIBUTION

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

AVAILABLE INFORMATION

The Issuer and the Guarantors have agreed that, for so long as any Securities are "**restricted securities**" as defined in Rule 144(a)(3) under the Securities Act, the Issuer and the Guarantors will, during any period that they are neither subject to section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or any prospective investor designated by any such holder or beneficial owner, in each case upon the request of such holder, beneficial owner, prospective investor or the Trustee, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

The Issuer and the Company are incorporated under the laws of The Netherlands. Each of the Guarantors (except for the Company) as of the Issue Date is incorporated under the laws of Ukraine and certain of the officers and members of the management board of the Company (the "**Management Board**" and each member, a "**Director**") and certain other persons referred to herein are residents of Ukraine. All or a substantial portion of the assets of such persons, the Issuer and the Guarantors are located outside the United Kingdom and the United States. As a result, it may not be possible for investors to effect service of process upon such persons in the United Kingdom or the United States or to enforce against them, the Issuer or the Guarantors judgments obtained in the courts of the United Kingdom and the United States.

The courts of Ukraine will not recognise or enforce any judgment obtained in a court established in a country other than Ukraine unless such enforcement is envisaged by an international treaty to which Ukraine is a party providing for enforcement of such judgments, and then only in accordance with the terms of such treaty. There is no such treaty between the United Kingdom and Ukraine or between the United States and Ukraine providing for enforcement of judgments. In the absence of an international treaty providing for enforcement of judgments, the courts of Ukraine may only recognise or enforce a foreign court judgment on the basis of the principle of reciprocity. Under Article 462 of the Civil Procedure Code of Ukraine (dated 18 March 2004, in effect from September 2005, ("**Civil Procedure Code**")), unless proven otherwise, reciprocity is deemed to exist in relations between Ukraine and the country where the judgment was rendered. The Civil Procedure Code does not provide for any clear rules on the application of the principle of reciprocity and there is no official interpretation or well-established court practice in respect of the relevant provisions of the Civil Procedure Code. Accordingly, there can be no assurance that the courts of Ukraine will recognise or enforce a judgment rendered by the courts of the United Kingdom or the United States on the basis of the principle of reciprocity. Furthermore, the courts of Ukraine might refuse to recognise or enforce a foreign court judgment on the basis of the principle of reciprocity on the grounds provided in the Civil Procedure Code.

As Ukraine and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters, a final and conclusive judgment for the payment of money rendered by any courts in Ukraine based on civil liability would not automatically be enforceable in The Netherlands. However, a final judgment obtained in a court of Ukraine and not rendered by default, which is not subject to appeal or other means of contestation and is enforceable in Ukraine with respect to the payment of obligations of a Dutch company expressed to be subject to Ukrainian law, may be upheld and be regarded by a competent Dutch court as conclusive evidence when asked to render a judgment in accordance with that judgment by a court of Ukraine, without substantive re-examination or re-litigation of the merits of the subject matter thereof, if: that judgment has been rendered by a court of competent jurisdiction, in accordance with the principles of due justice; its contents and enforcement do not conflict with Dutch public policy (*openbare orde*); it has not been rendered in proceedings of a penal or revenue or other public law nature; it was not rendered by default; it is not subject to appeal or other means of contestation; the judgment by the court is not compatible with a judgment rendered between the same parties by a Dutch court, or with an earlier judgment rendered between the same parties by a non-Dutch court in a dispute that concerns the same subject and is based on the same cause, provided that the earlier judgment qualifies for recognition in the Netherlands, and it is enforceable in Ukraine with respect to the payment of obligations expressed to be subject to Ukrainian law. The enforcement in a Dutch court of judgments rendered by a Ukrainian court is subject to Dutch rules of civil procedure.

The United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments and accordingly the foregoing also applies to judgments in civil and commercial matters obtained in United States courts. However, no assurance can be given that those judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in the Netherlands and predicated solely upon U.S. federal securities law.

Ukraine is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") with a reservation to the effect that, in respect of awards made in a state which is not a party to the New York Convention, Ukraine will only apply the New York Convention on a reciprocal basis. Consequently, a foreign arbitral award obtained in a state which is party to the New York Convention should be recognised and enforced by a Ukrainian court (under the provisions of the New York Convention), subject to compliance with applicable procedural requirements.

The Notes, the Trust Deed, the Agency Agreement and, the Guarantees are governed by English law. Disputes arising under the Notes, the Trust Deed, the Agency Agreement, the Guarantees are subject to settlement by, among others, arbitration in accordance with the London Court of International Arbitration Rules (the "**LCIA Arbitration Rules**") subject to a right in favour of the Trustee or the Agents, as applicable, to refer any dispute to a court of law in England or such other court of competent jurisdiction (if any). Since Ukraine, the United Kingdom and the Netherlands are parties to the New York Convention, the arbitral awards obtained in the United Kingdom should be enforced in Ukraine and/or The Netherlands under the provisions of the New York Convention and subject to compliance with applicable procedural requirements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

The financial information set out in these Listing Particulars with respect to the Group has, except where expressly stated otherwise, and subject to rounding, been derived from the Group's consolidated financial statements. The Issuer's financial results are not included in the Financial Statements or any of the consolidated financial information of the Group set out in these Listing Particulars as the Issuer became a part of the Group on 1 October 2019, following the transfer by DTEK ENERGY B.V. of 100 per cent of the share capital of the Issuer to the Company. Going forward, the Issuer's financial results will be included in the Group's consolidated financial statements. The Issuer's financial results are not set out separately in, or incorporated by reference in, these Listing Particulars as they are not relevant to a consideration of the Group's financial position or results of operations, in view of the limited scope of the Issuer's operations prior to the issue of the Notes.

The consolidated financial information of the Group set out in these Listing Particulars as at and for the six months ended 30 June 2018 and 2019 has been derived from the unaudited condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2019, which were prepared in accordance with International Accounting Standards ("**IAS**") 34 (the "**Interim Financial Statements**"). The Interim Financial Statements, together with the review report on the Interim Financial Statements, are set forth on pages F-1 to F-21 in these Listing Particulars.

With respect to the unaudited condensed consolidated interim financial statements of DTEK RENEWABLES B.V. for the six-month period ended 30 June 2019, included elsewhere in these Listing Particulars, PricewaterhouseCoopers Accountants N.V. reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated 26 September 2019 appearing herein states that they did not audit and they do not express an opinion on that unaudited condensed consolidated interim financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The consolidated financial information of the Group set out in these Listing Particulars as at and for the years ended 31 December 2016, 2017 and 2018 has been derived from the audited consolidated financial statements of the Group as at and for the years ended 31 December 2016, 2017 and 2018, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (the "**Annual Financial Statements**" and, together with the Interim Financial Statements, the "**Financial Statements**"). The Annual Financial Statements, together with the respective independent auditor's reports, are set forth on pages F-22 to F-131 in these Listing Particulars.

The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain profit and loss financial and other information has been converted to Euro at an exchange rate of: (i) for the six months ended 30 June 2019, UAH 30.43 to €1.00, (ii) for the six months ended 30 June 2018, UAH 32.44 to €1.00, (iii) for the year ended 31 December 2018, UAH 32.15 to €1.00, (iv) for the year ended 31 December 2017, UAH 30.01 to €1.00 and (v) for the year ended 31 December 2016, UAH 28.28 to €1.00, each which represents the average exchange rates based on the daily exchange rates for buy-sell transactions of Hryvnia to Euro reported by the National Bank of Ukraine (the "**NBU**") (after rounding adjustments) and certain balance sheet financial and other information has been converted to Euro an exchange rate of: (i) as at 30 June 2019, UAH 29.73 to €1.00, (ii) as at 30 June 2018, UAH 30.57 to €1.00, (iii) as at 31 December 2018, UAH 31.71 to €1.00, (iv) as at 31 December 2017, UAH 33.50 to €1.00 and (v) as at 31 December 2016, UAH 28.42 to €1.00, each representing the exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all.

See "*Exchange Rates*".

Presentation of Non-IFRS Financial Information

These Listing Particulars include certain financial information and measures which are not calculated in accordance with IFRS, such as "EBITDA", "EBITDA margin", "Total External Debt", "Gross Leverage", "Debt to Equity Leverage" (the "**Non-IFRS Financial Measures**"). The Group has included these measures for the reasons described below; however, these measures should not be used instead of, or considered as alternatives to, its historical financial results based on IFRS.

EBITDA

EBITDA is calculated as profit before income tax for the period, adjusted for gains on the disposal of available-for-sale investments, finance income and finance costs, foreign exchange losses / (gains), depreciation and amortisation, impairment / (reversal of impairment) of non-current assets, net losses on the disposal of property, plant and equipment, work-in-progress impairment recognised in cost of sales and provisions charged for previously recognised contingent liabilities. For the reconciliation of net profit for the period to EBITDA, see "*Summary Historical and Consolidated Financial Information—Other financial information (unaudited)*".

EBITDA margin

The Group defines EBITDA margin as EBITDA divided by revenue.

Forecast EBITDA

Forecast EBITDA, as presented in the Independent Consultant's Report, is revenues as adjusted for forecast operating expenses and administrative expenses, reflecting projected volumes to be delivered in each year at the projected contract prices. Forecast EBITDA, as presented in the Independent Consultant's Report, reflects 100 per cent ownership for each individual asset and does not deduct for minority interests or other financial interest in the project. For further discussion, see "*Independent Consultant's Report Summary*" and the full Independent Consultant's Report included as Appendix A to these Listing Particulars.

Forecast EBITDA margin

The Group defines forecast EBITDA margin as forecast EBITDA divided by forecast revenue, each as presented in the Independent Consultant's Report.

The Group uses these measures in assessing its growth and operational efficiencies. Information regarding EBITDA and EBITDA margin or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements.

Total external debt

The Group defines total external debt as the sum of short-term and long-term liabilities. For the reconciliation of total external debt, see "*Overview—Overview of the Group—Consolidated selected operating and financial data and anticipated growth of operations and financial performance*".

Gross leverage

The Group defines gross leverage as total external debt divided by EBITDA. For the reconciliation of gross leverage, see "*Overview—Overview of the Group—Consolidated selected operating and financial data and anticipated growth of operations and financial performance*."

Debt to equity leverage

The Group defines debt to equity leverage ratio as total liabilities divided by total shareholder equity. For additional discussion of debt to equity leverage, see "*Operating and Financial Review—Key Factors Affecting Results of Operations—Investment and capital expenditure*".

The Group believes that the presentation of the Non-IFRS Financial Measures enhances an investor's understanding of its financial performance. The Group's management uses the Non-IFRS Financial Measures to assess the Group's operating performance because it believes that the Non-IFRS Financial Measures are important supplemental measures of the Group's operating performance. In addition, the Group's management believes that the Non-IFRS Financial Measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in its industry. The Non-IFRS Financial Measures are not presentations specifically defined by IFRS and the Group's use of the terms that comprise the Non-IFRS Financial Measures may vary from others in its industry due to differences in accounting policies or differences in the calculation methodology of these terms by others in the Group's industry.

The Non-IFRS Financial Measures have limitations as analytical tools, and should not be considered in isolation, or as substitutes for financial information as reported under IFRS. The Non-IFRS Financial Measures should not be considered as alternatives to profit for the period or any other performance measures derived in accordance with IFRS or as alternatives to cash flow from operating activities or as measures of its liquidity. In particular, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of their business.

Total cash flow available after debt service

For the purposes of the Independent Consultant's Report, the Independent Consultant and the Group defines total cash flow available after debt service as after-tax cash flows available to the Company after servicing existing project-level debt. The proceeds of the Offering are not reflected in this forecast calculation.

Forecasts

These Listing Particulars also contain forecasts relating to electricity generation, revenue, operating expenses, administrative expenses, EBITDA and cash flow available for debt servicing with regard to the Group's constructed projects for the years ended 31 December 2019, 2020, 2021 and 2022. These figures do not deduct for minority interests or other financial interests in the applicable projects. For a summary of the Independent Consultant's Report, see "*Summary—The Independent Consultant's Report*". For the full Independent Consultant's Report, see Appendix A to these Listing Particulars. Neither the Group, the independent auditors, nor the Independent Consultant can give any assurance that these assumptions are correct or that these projections and estimates will reflect actual results of operations. Therefore, no representations are made or intended to be made, nor should any be inferred, with respect to the likely existence of a particular future set of facts or circumstances. The Group also cautions that the forecasts have not been audited or reviewed by independent auditors. If actual results are materially less favourable than those shown in these Listing Particulars and/or in the Independent Consultant's Report or if the assumptions used in formulating these projections and estimates prove to be incorrect, the Group's ability to make payments of principal of and interest on the Notes may be materially adversely affected. For certain additional information relating to the projections and estimates contained in the Independent Consultant's Report, see "*Risk Factors—Risks relating to the Projections of the Group—Projections and their underlying assumptions may prove to be inaccurate*", "*Independent Consultant's Report Summary*" and the full Independent Consultant's Report included as Appendix A to these Listing Particulars.

Forecasts presented in the Independent Consultant's Report are presented in Euro. For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*".

Market and Industry Data

These Listing Particulars contain estimates and projections regarding market and industry data that were obtained from internal company surveys; official governmental sources of Ukraine, including the NBU, the Ministry of Economic Development and Trade of Ukraine (the "**Ministry of Economic Development**"), the Ministry of Energy and Environmental Protection of Ukraine (the "**Ministry of Energy**"), National Energy and Utilities Regulatory Commission ("**NEURC**") and the State Statistics Service of Ukraine (the "**State Statistics Service**"), other ministries or other organisations, such as the International Monetary Fund; market research; consultant surveys; publicly available information; and industry publications and surveys, including as produced by Energobiznes. See "*Risk Factors—Risks Relating to Ukraine— Official economic data and third party information may be unreliable*". These Listing Particulars also contain management's estimates and projections regarding (i) market and industry data based on data from various third-party sources and internally generated data, as well as assumptions made by us and (ii) certain other financial and performance metrics relating to the Group's business. The Group believes the information provided or made available by these third parties is generally reliable. However, market data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey, interpretation or presentation of market data and management's estimates and projections. In addition, projections are often wrong. As a result, you should be aware that market data set forth herein, and estimates, projections and beliefs (i) based on such data and (ii) relating to certain financial and performance metrics presented herein, may not be reliable. The Group has not independently verified any of the data from third-party sources nor has the Group ascertained the underlying economic assumptions relied upon therein and the Group cannot guarantee its accuracy or completeness. Similarly, internal group surveys, which the Group believes to be reliable, are based upon management's knowledge of the industry as of the date of such surveys and have not been verified by any independent sources. Accordingly, whilst the Group accepts responsibility for accurately reproducing such information, it cannot guarantee the accuracy or completeness of any such information and you should not place undue reliance on such information when making your investment decision. So far as we are aware and able to ascertain from such information, no facts have been omitted which would render any reproduced information inaccurate or misleading.

Certain Ukrainian renewable energy data, including total installed capacity, is presented net of the capacity attributable to the Autonomous Republic of Crimea and the parts of Donetsk, Luhansk and Crimea affected by the 2014 Russian military intervention (herein referred to as the "**Autonomous Republic of Crimea and the temporarily occupied territories**").

Disclosure of Operating Data

The Group does not have a 100 per cent equity interest in each of its operating subsidiaries. The Group owns (i) 99.90 per cent of WIND POWER LLC, (ii) 99.90 per cent of DTEK RENEWABLES LLC, (iii) 87.00 per cent of ORLOVKA WEP LLC, (iv) 99.99 per cent of PRIMORSKAYA WEP LLC and (v) 94.00 per cent of PRIMORSKAYA WEP-2 LLC. However, all of the information on the Group's generation and distribution volumes contained in these Listing Particulars is presented on a total basis—*i.e.*, the total interest or amount held, produced or distributed by each of the Group's operating subsidiaries since they became a subsidiary of the Group without deduction for the minority shareholders' economic interest in it. However, the Group's consolidated net results of operations are presented after deducting the minorities' share of profits and losses for each of the Group's operating subsidiaries.

Currency

In these Listing Particulars, all references to "Hryvnia" or "UAH" are to the currency of Ukraine. References to "U.S. dollars", "dollars", "$", "USD" and "US$" refer to the currency of the United States of America. References to "€", "Euro", "EUR" or "euro" refer to the currency introduced on 1 January 1999 at the start of the third stage of the European economic and monetary union pursuant to the treaty establishing the European Community, as amended from time to time.

Unless otherwise indicated or unless the context requires otherwise, references in this document to "the Group," "we," "us," or "our" refer to the Guarantors, the Issuer and its consolidated subsidiaries taken as a whole.

Rounding

Some figures included in these Listing Particulars have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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OVERVIEW

This overview may not contain all the information that may be important to prospective purchasers of the Notes and, therefore, should be read in conjunction with the entire Listing Particulars, including the more detailed information regarding the Group's business and the Group Consolidated Financial Statements included elsewhere in these Listing Particulars, including sections entitled "Forward-Looking Statements", "Risk Factors", "Operating and Financial Review" and "Business". The Issuer's financial results are not included in the Financial Statements or any of the consolidated financial information of the Group set out in these Listing Particulars as the Issuer became a part of the Group on 1 October 2019, following the transfer by DTEK Energy B.V. of 100 per cent of the share capital of the Issuer to the Company. For informational purposes and for the reader's convenience, certain financial and other information has been converted from Hryvnia to Euro and certain forecast financial information has been converted from Euro to Hryvnia. For additional information on the exchange rates used, see "Exchange Rates".

Overview of the Group

Established in 2008, the Group is the largest renewable energy producer in Ukraine by electricity generation installed capacity. According to the National Energy and Utility Regulatory Commission ("**NEURC**"), as of 30 June 2019, the Group's installed capacity represented 47 per cent and 10 per cent of wind and solar energy installed capacity, respectively, in Ukraine, whereas the Group's nearest competitors represented 27 per cent and 10 per cent, respectively, of total wind and solar energy installed capacity in Ukraine, net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories. The Group has a proven track record of successful greenfield development and all of the Group's projects, with the exception of Tryfanovka, are of utility-scale, have operating equipment purchased from leading manufacturers and are located in areas with top-quartile wind resource or solar irradiation. In the year ended 31 December 2018, the Group had average availability factors of 97.7 per cent and 99.9 per cent for wind and solar projects, respectively, and average net capacity factors of 38 per cent and 15 per cent for wind and solar projects, respectively. As of 30 June 2019, the Group's installed capacity from constructed projects, as defined herein, amounted to 510 MW and as of the date of these Listing Particulars, installed capacity from constructed projects amounts to 950 MW. The Group's management expects that installed capacity from constructed projects will be 950 MW by 31 December 2019, 1,170 MW by 31 December 2020, 1,840 MW by 31 December 2021 and 1,905 MW by 31 December 2022 with the inclusion of its development projects. Additionally, the Group is the largest private investor in the wind and solar power energy sector in Ukraine and the Group's constructed projects reflect this investment. Since its establishment, the Group's total capital and operating expenditures have reached approximately €1.2 billion. The Group intends to continue to deploy further capital to invest in its current development project pipeline in order to increase its renewable energy installed capacity.

In the years ended 31 December 2016, 2017 and 2018, the Group had revenue of UAH 2,037 million, UAH 2,116 million and UAH 2,493 million, respectively (€72 million, €71 million and €78 million equivalent), profit for the period of UAH 676 million, UAH 403 million and UAH 1,302 million, respectively (€24 million, €13 million and €40 million equivalent) and EBITDA of UAH 1,773 million, UAH 1,788 million and UAH 2,036 million, respectively (€63 million, €60 million and €63 million equivalent). For the six months ended 30 June 2018 and 2019, the Group had revenue of UAH 1,250 million and UAH 2,072 million, respectively (€39 million and €68 million equivalent), profit for the period of UAH 154 million and UAH 1,467 million, respectively (€5 million and €48 million equivalent) and EBITDA of UAH 1,007 million and UAH 1,766 million, respectively (€31 million and €58 million equivalent).

The Independent Consultant's Report forecasts that in the years ended 31 December 2019, 2020, 2021 and 2022, the Group's constructed projects will generate 1,470 GWh, 2,439 GWh, 2,433 GWh and 2,428 GWh of electricity, respectively, UAH 5,164 million, UAH 9,276 million, UAH 9,839 million and UAH 10,399 million (€173.3 million, €285.4 million, €285.2 million and €285.7 million equivalent) of revenue, respectively, and UAH 4,196 million, UAH 8,164 million, UAH 8,704 million and UAH 9,184 million (€140.8 million, €251.2 million, €252.3 million and €252.3 million equivalent) of forecast EBITDA. The Independent Consultant's Report also forecasts that for the years ended 31 December 2019, 2020, 2021 and 2022, the forecast EBITDA margin for the Group's constructed projects will be 81 per cent, 88 per cent, 88 per cent and 88 per cent, respectively. See "—*Independent Consultant's Report*".

Portfolio of assets

As of the date of these Listing Particulars, the Group has (i) seven constructed projects in operation with a combined installed capacity of 950 MW, comprising four constructed wind energy projects with a total installed capacity of 500 MW (Botievo, Primorsk I, Primorsk II and Orlovsk) and three constructed solar energy projects with a total installed capacity of 450 MW (Nikopol, Pokrovsk and Tryfanovka) and (ii) four development projects with an expected combined installed capacity of 955 MW, comprising one wind energy project with a planned installed capacity of 565 MW (Tiligul) and three solar energy projects with a planned installed capacity of 390 MW (Pavlogradskaya, Troitskaya and Vasilkovskaya). For additional information on how the Group defines "constructed" and "development" projects, see "*Business—Description of the Group's constructed projects*", "*Business—Description of the Group's development projects*" and "*Definitions*". Taking into account the expected timing for the construction of its development projects, the Group expects that its total installed capacity from constructed projects will be 950 MW, 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2019, 2020, 2021 and 2022, respectively. For further details, see "*Business—Description of the Group's constructed projects*" and "*Business—Description of the Group's development projects*".

The following table presents key data for each of the Group's constructed projects:

Project ***(wind / solar)***	**Botievo**[(1)] **(wind)**	**Tryfanovka (solar)**	**Primorsk I (wind)**	**Nikopol (solar)**	**Primorsk II**[(3)] **(wind)**	**Pokrovsk**[(2)] **(solar)**	**Orlovsk**[(2)] **(wind)**
Capacity / output	200 MW / 655 GWh	10 MW / 12 GWh	100 MW / 339 GWh	AC 200 MW / 291 GWh	100 MW / 366 GWh	AC 240 MW / 405 GWh	100 MW / 370 GWh
Net capacity factor	38%	14%	39%	17%	42%	19%	44%
Feed-in-Tariff ("FiT") rate	€113 / MWh	€150 / MWh	€102 / MWh	€150 / MWh	€102 / MWh	€150 / MWh	€102 / MWh
Completion timing	1st stage: in operation: – September 2012; full capacity - February 2013 2nd stage: in operation: - December 2013; full capacity - March 2014	In operation: August 2017 Full capacity: August 2017	In operation: March 2019 Full capacity: July 2019	In operation: March 2019 Full capacity: March 2019	24 of 26 turbines in operation October 2019 Remaining 2 of 26 turbines expected in operation by early November 2019 Full capacity: November 2019 (expected)	In operation: October 2019 Full capacity: October 2019	In operation: October 2019 Full capacity: October 2019
Key equipment suppliers	Vestas, ABB	JA Solar, ABB	GE Renewable Energy	CMEC	GE Renewable Energy	Risen Solar Technology, K-Star	Vestas
Forecast EBITDA for the year ended 31 December:[(4)]							
2019	UAH 1,871 million (€62.8 million equivalent)	UAH 51 million (€1.7 million equivalent)	UAH 608 million (€20.4 million equivalent)	UAH 1,129 million (€37.9 million equivalent)	UAH 250 million (€8.4 million equivalent)	UAH 83 million (€2.8 million equivalent)	UAH 206 million (€6.9 million equivalent)
2020	UAH 1,992 million (€61.3 million equivalent)	UAH 52 million (€1.6 million equivalent)	UAH 936 million (€28.8 million equivalent)	UAH 1,268 million (€39.0 million equivalent)	UAH 1,056 million (€32.5 million equivalent)	UAH 1,807 million (€55.6 million equivalent)	UAH 1,053 million (€32.4 million equivalent)
2021	UAH 2,125 million (€61.6 million equivalent)	UAH 55 million (€1.6 million equivalent)	UAH 1,014 million (€29.4 million equivalent)	UAH 1,321 million (€38.3 million equivalent)	UAH 1,139 million (€32.8 million equivalent)	UAH 1,884 million (€54.6 million equivalent)	UAH 1,170 million (€33.9 million equivalent)
2022	UAH 2,257 million (€62.0 million equivalent)	UAH 58 million (€1.6 million equivalent)	UAH 1,070 million (€29.4 million equivalent)	UAH 1,383 million (€38.0 million equivalent)	UAH 1,198 million (€32.9 million equivalent)	UAH 1,980 million (€54.3 million equivalent)	UAH 1,241 million (€34.1 million equivalent)
Total project costs [(5)]	UAH 10,346 million	UAH 304 million	UAH 4,504 million	UAH 6,421 million	UAH 4,473 million	UAH 5,508 million	UAH 3,530 million

	(€340 million equivalent)	(€10 million equivalent)	(€148 million equivalent)	(€211 million equivalent)	(€147 million equivalent)	(€181 million equivalent)	(€116 million equivalent)

(1) Botievo reached full capacity in two stages: (92 MW) was commissioned in February 2013 and the second stage (108 MW) was commissioned in March 2014.

(2) The Orlovsk Guarantor and the Pokrovsk Guarantor are each Guarantors and will, together with other members of the Group, be subject to certain covenants under the Trust Deed, including financial covenants. See "*Overview of the Offering*" and "*Terms and Conditions*".

(3) With respect to Primorsk II, if the wind turbines still under construction are delayed to after 31 December 2019, the currently anticipated FiT rate will be reduced by 10 per cent in 2020 (see also "*Business—Description of the pre-PPA*" and "*Regulation—Recent regulatory developments—Decrease of FiT for RES Projects*").

(4) Forecasts presented in the Independent Consultant's Report are presented in Euro. Forecasts presented in the Independent Consultant's Report are presented in Euro. For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*". For additional information on forecast EBITDA, see "*Independent Consultant's Report Summary*".

(5) Total project costs consist of capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) incurred during the construction of the project. For informational purposes and for the reader's convenience, total project costs have been converted to Euro at an exchange rate of: for the six months ended 30 June 2019, UAH 30.43 to €1.00. See "*Exchange Rates*."

The following table presents key data for each of the Group's development projects. The information in the below table was not part of the Independent Consultant's review for the purposes of the Independent Consultant's Report.

Project (wind / solar)	**Vasilkovskaya (solar)**	**Pavlogradskaya (solar)**	**Troitskaya (solar)**	**Tiligul (wind)**
Expected capacity / output	AC 115 MW / 197 GWh	AC 105 MW / 157 GWh	AC 170 MW / 284 GWh	565 MW / 1,906 GWh
Expected net capacity factor	19.6%	17.7%	19.1%	38.5%
Expected FiT rate[(1)]	€113 / MWh	€113 / MWh	€109 / MWh	€90 / MWh
Target in operation date	Target: Q4 2020	Target: Q4 2020	Target: Q4 2021	Target: Q4 2021 and Q1 2022
Expected total project costs[(2)]	€96 million	€80 million	€122 million	€891 million

(1) The above expected FiT rate per each development project is subject to: (i) the entry by the Group into a pre-power purchase agreement (a "**PPA**") for each such development project by 31 December 2019 and (ii) the commissioning of the solar and wind development projects within two and three years from signing of the relevant preliminary PPAs ("**pre-PPAs**"), respectively.

(2) Expected total project costs represent expected capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) on the construction of the project.

The table below presents the Group's installed capacity as of 31 December 2018 and 30 June 2019 and the Group's management expectations of installed capacity as of 31 December 2019, 2020, 2021 and 2022. For further details, see "*Business—Description of the Group's Development Projects*".

Project	31 December 2018	30 June 2019	31 December 2019	31 December 2020	31 December 2021	31 December 2022
			(MW)			
Wind Projects	**200**	**300**	**500**	**500**	**1,000**	**1,065**
Botievo[(1)]	200					
Primorsk I[(1)]		100				
Primorsk II[(1)]			100			
Orlovsk[(1)]			100			
Tiligul phase 1[(2)]					500	
Tiligul phase 2[(2)]						65
Solar Projects	**10**	**210**	**450**	**670**	**840**	**840**
Tryfanovka[(1)]	10					
Nikopol[(1)]		200				
Pokrovsk[(1)]			240			
Vasilkovskaya[(2)]				115		
Pavlogradskaya[(2)]				105		
Troitskaya[(2)]					170	
Total	**210**	**510**	**950**	**1,170**	**1,840**	**1,905**

(1) Botievo, Primorsk I, Primorsk II, Orlovsk, Tryfanovka, Nikopol and Pokrovsk are constructed projects. 24 of the 26 Primorsk II turbines are generating electricity under the FiT regime with the remaining two of 26 turbines expected to generate electricity under the FiT regime in November 2019.

(2) Tiligul, Vasilkovskaya, Pavlogradskaya and Troitskaya are development projects which have not been assessed by the Independent Consultant for the purposes of the Independent Consultant's Report.

Consolidated selected operating and financial data and anticipated growth of operations and financial performance

The following table presents the Group's key historical operational and financial indicators for the years ended or as at 31 December 2016, 2017 and 2018 and for the six months ended and as at 30 June 2018 and 2019. For further details, see "*Presentation of Financial and Other Information*".

	Year ended or as at 31 December			Six months ended or as at 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
Operational Indicators					
Installed capacity (MW)	200	210	210	210	510
Electricity output (GWh)	608	638	677	338	554
Net capacity factor (wind/solar) (%)	35 / -	36 / 10	38 / 15	38/15	37/19
Availability factor (wind/solar) (%)	98 / -	97 / 99	98 / 100	97/100	98/98
Financial indicators (in Hryvnia millions, unless otherwise indicated)					
Revenue	2,037	2,116	2,493	1,250	2,072
EBITDA	1,773	1,788	2,036	1,007	1,766
EBITDA margin (%)	87	84	82	81	85
Capex	8	370	9,556	3,648	7,740
External debt	5,099	5,360	10,510	4,507	12,103
Gross leverage	2.9x	3.0x	5.2x	2.3x	4.3x
Financial indicators (in € millions[(1)], unless otherwise indicated)					
Revenue	72	71	78	39	68
EBITDA	63	60	63	31	58
EBITDA margin (%)	87	84	82	81	85
Capex	0.2	12	297	112	254
External debt	179	160	331	147	407
Gross leverage	2.9x	3.0x	5.2x	2.3x	4.3x

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(1) The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain profit and loss financial and other information has been converted to Euro at an exchange rate of: (i) for the six months ended 30 June 2019, UAH 30.43 to €1.00, (ii) for the six months ended 30 June 2018, UAH 32.44 to €1.00, (iii) for the year ended 31 December 2018, UAH 32.15 to €1.00, (iv) for the year ended 31 December 2017, UAH 30.01 to €1.00 and (v) for the year ended 31 December 2016, UAH 28.28 to €1.00, each which represents the average exchange rates based on daily exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). Certain balance sheet financial and other information has been converted to Euro an exchange rate of: (i) as at 30 June 2019, UAH 29.73 to €1.00, (ii) as at 30 June 2018, UAH 30.57 to €1.00, (iii) as at 31 December 2018, UAH 31.71 to €1.00, (iv) as at 31 December 2017, UAH 33.50 to €1.00 and (v) as at 31 December 2016,

UAH 28.42 to €1.00, each representing the exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all. See "*Exchange Rates*".

The following table presents forecast operational and financial indicators for the Group's constructed projects as at and for the years ended 31 December 2019, 2020, 2021 and 2022 as presented in the Independent Consultant's Report and as translated to Hryvnia. For further details, see "*Presentation of Financial and Other Information*", "*Forward-Looking Statements*" and "*Independent Consultant's Report Summary*".

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
Operating metrics				
Capacity (MW)	950	950	950	950
Generation (MWh)	1,470.1	2,439.4	2,433.4	2,428.2
Net capacity factor:				
Wind	38%	40%	40%	40%
Solar	19%	18%	18%	17%
Availability factor:				
Wind	97%	97%	98%	98%
Solar	98%	98%	99%	99%
Financial forecasts (in Hryvnia millions*(1)*, unless otherwise indicated)				
Revenues	5,164	9,276	9,839	10,399
Operating expenses:	(831)	(907)	(938)	(997)
Administrative expenses	(137)	(205)	(200)	(218)
Forecast EBITDA	4,196	8,164	8,704	9,184
Forecast EBITDA margin (%)	81%	88%	88%	88%
Financial forecasts (in € millions, unless otherwise indicated)				
Revenues	173.3	285.4	285.2	285.7
Operating expenses:	(27.9)	(27.9)	(27.2)	(27.4)
Administrative expenses	(4.6)	(6.3)	(5.8)	(6.0)
Forecast EBITDA	140.8	251.2	252.3	252.3
Forecast EBITDA margin (%)	81%	88%	88%	88%

(1) For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*".

Competitive strengths

The Group believes it has a number of key competitive strengths that have contributed to its commercial success and that will be important to the implementation of its ongoing growth strategy.

Leading market position

The Group is the largest renewable energy producer in Ukraine, with an integrated renewable energy platform that accounted for nearly 25 per cent of electricity generated from wind and solar resources in Ukraine in the year ended 31 December 2018, according to NEURC. As of 30 June 2019, the Group's installed capacity represented 47 per cent and 10 per cent of wind and solar energy installed capacity, respectively, in Ukraine, whereas the Group's nearest competitors represented 27 per cent (WindKraft) and 10 per cent (CNBM), respectively, of total wind and solar energy installed capacity in Ukraine, net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories, according to NEURC. The Group has over six years of proven operating experience and is one of the longest standing renewable energy producers in Ukraine. Additionally, the Group has a proven development track record, with the Botievo wind farm notably being the first utility-scale renewable energy project in the country. All of the Group's projects, with the exception of Tryfanovka, are of utility-scale, have operating equipment purchased from leading manufacturers and are located in areas with top-quartile wind resource or solar irradiation. Having accounted for nearly 25 per cent of electricity generated from wind and solar resources in Ukraine in the year ended 31 December 2018, according to NEURC, the Group is also the country's largest renewable energy producer. The Group is focused on maintaining high availability and net capacity factors at its constructed projects to enable the Group to generate stable and predictable cash flows. In the year ended 31 December 2018, the Group had average availability factors of 97.7 per cent and 99.9 per cent for wind and solar projects, respectively, and average net capacity factors of 38 per cent and 15 per cent for wind and solar projects, respectively. The Group also has one of the largest in-house teams supporting both the Group's constructed and development projects in Ukraine.

Strong market fundamentals and attractive tariff regime

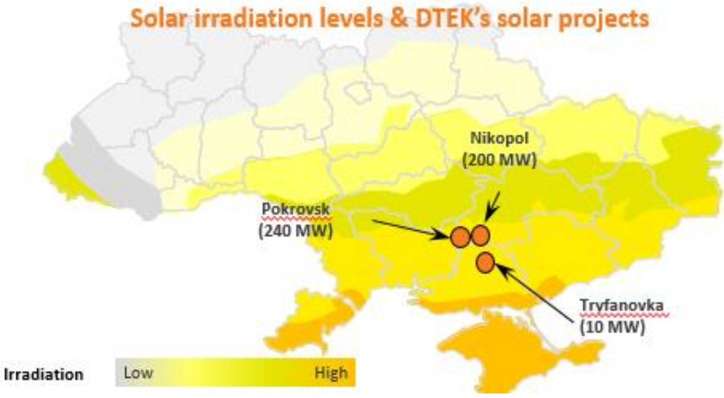
The Group operates in a strong and growing renewable energy industry, underpinned by a supportive regulatory environment. Under the EU Energy Community Treaty, to which Ukraine acceded on 1 February 2011, Ukraine has a contractual obligation to adopt the EU's legal and regulatory framework for the energy sector and to support the generation of renewable energy. As described in the Energy Strategy of Ukraine for the period until 2035 "Safety, Energy Efficiency, Competitiveness" adopted by the CMU Resolution No. 605-r, dated 18 August 2017 (the "**Ukraine Energy Strategy for 2035**"), the Ukrainian government aims to have at least 25 TWh, or approximately 12.8 per cent of total electricity generated in Ukraine, generated by wind and solar energy sources by 2035 from 2.8 TWh, or approximately 1.8 per cent, in 2018. Ukraine's total wind and solar electricity generation installed capacity in the year ended 31 December 2018 amounted to 1.9 GW, representing only 3.9 per cent of the country's total electricity generation installed capacity and illustrating the room or growth in the renewable energy sector in connection with the Ukraine Energy Strategy for 2035. Additionally, the Ukrainian regulatory drive to align with the EU norms and requirements as described in the Ukraine Energy Strategy for 2035 is also supported by the government's geopolitical strategy to increase energy independence and reduce energy imports to below 33 per cent by 2035. These complementary goals have led to an overall supportive and conducive regulatory environment for the ongoing growth of the country's renewable energy sector.

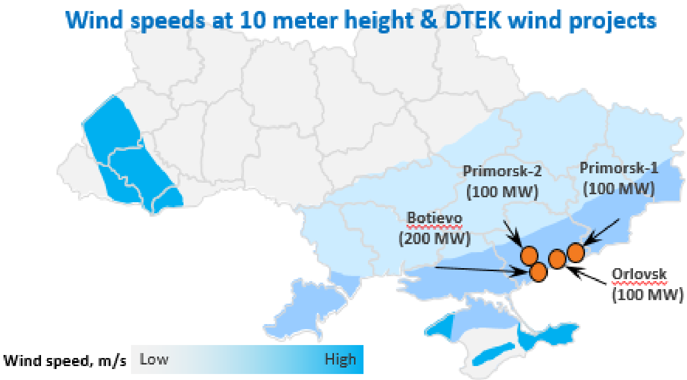
The government also supports the country's renewable energy sector through the provision of PPAs by NEURC under which the State Company "Guaranteed Buyer" (the "**Guaranteed Buyer**") purchases all of the electricity produced by qualifying renewable energy projects under the FiT regime. The FiT regime was introduced in 2009 and will remain in effect until 31 December 2029. The FiT regime secures an offtake of all electricity produced by qualifying projects. Electricity that is produced by qualifying projects under the FiT regime is sold to the Guaranteed Buyer at the relevant FiT rate and the Guaranteed Buyer sells the electricity to consumers through the day-ahead domestic, intraday and balancing markets. Under the FiT regime, the FiT rate is fixed in Euro and paid in UAH, while the UAH amount is rebased every three months to adjust for currency fluctuations. All of the Group's constructed projects qualify for the FiT regime and the Group expects that each of its development projects will also qualify for the FiT regime based on anticipated completion time. For the additional information on current and expected FiT rates, see "*Operating and Financial Review—Overview of the Group—Portfolio of assets*". To receive the applicable expected FiT rates, the Group must enter into pre-PPAs for each of its development projects by 31 December 2019. The Group expects to enter into a pre-PPA for Vasilkovskaya and Pavlogradskaya in November 2019 and a pre-PPA for Troitskaya and Tiligul by 31 December 2019 (see "*Business—Power Purchase Agreements*").

High quality constructed project portfolio

Since its establishment, the Group has invested approximately €1.2 billion in its constructed and development projects, each of which located in areas with top-quartile wind resource or solar irradiation. The Group's constructed projects have a total installed capacity of 950 MW and the Group's management expects that with the commissioning of its development projects in the coming years the Group's overall installed capacity will increase to 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2020, 2021 and 2022, respectively. The high quality of the Group's constructed projects is illustrated by the Botievo wind farm, which was commissioned more than six years ago and was the first utility-scale project in Ukraine. In the six months ended 30 June 2019 and the year ended 31 December 2018, Botievo had an availability factor of 97.9 per cent and 97.7 per cent, respectively, and a net capacity factor of 37 per cent and 38 per cent, respectively. The Group sources equipment for its wind and solar projects from the industry's leading manufacturers and the Group's management believes that this ensures high reliability of its operations. In particular, the Group purchases major components such as turbines, solar modules, inverters, cables, trackers, transformers and supervisory control and data collection systems from such manufacturers as ABB, CMEC, China XO Group, GE Renewables, Risen, Seraphim Solar, Siemens, Trina Solar and Vestas. Furthermore, the Group's equipment manufacturers provide fully wrapped operating service and maintenance ("**O&M**") agreements in which substantially all obligations and responsibilities for the service and maintenance of the operating equipment are allocated to the original equipment manufacturers ("**OEM**"), and which typically provide availability and performance guarantees for the applicable equipment and projects. For further details, see "*Business—Equipment Suppliers and Service Providers*" and "*Business—Operation and Maintenance*".

Additionally, the Group's internal planning and investment controls ensure that Group's projects are located in regions with strong meteorological resources and in which the Group has strong internal knowledge. The Group's management believes that as a result of the Group's in-house site selection and operational capabilities, the Group's constructed and development projects benefit from advantageous geographical locations and strong and consistent meteorological resources. The images below illustrate average wind speed and solar irradiation levels at the Group's constructed wind and solar projects.





Botievo, Primorsk I and Primorsk II each have wind sources with an average wind speed of 8.0 m/s at a hub height of 100 metres and Orlovsk has a wind source with an average wind speed of 8.3 m/s at a hub height of 117 metres. Tryfanovka benefits from solar irradiation of 1,303 kWh/m^2 as reported by Solar resource data Solargis 2016 and Nikopol and Pokrovsk both benefit from solar irradiation of 1,310 kWh/m^2 as reported by Solar resource data Solargis 2018. For additional information, see "*Business—Description of the Group's constructed projects—Overview of the Group's constructed projects*."

Wind projects typically achieve a higher net capacity factor and produce more electricity across the six months of autumn and winter and solar projects typically achieve a higher net capacity factor and produce more electricity across the six months of spring and summer. Similarly, wind projects produce more electricity at night and solar projects during the day, making the Group's projects complementary in terms of providing the Group with more seasonally adjusted and predicable cash and will improve financial planning.

Significant and advanced development project pipeline and demonstrated excellence in bringing development projects online

In addition to the Group's constructed projects, the Group has a strong pipeline of utility-scale development projects, comprising one wind energy development project (Tiligul) and three solar energy development projects (Pavlogradskaya, Troitskaya and Vasilkovskaya). The Group's management expects that the commissioning of its development projects will increase the Group's combined electricity generation installed capacity to 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2020, 2021 and 2022, respectively. The Group has significant experience and a demonstrated track record in bringing new projects online. The Group's first wind project, Botievo was commissioned more than six years ago and was the first utility-scale project in Ukraine and the Group has applied its experience from the successful commissioning of Botievo in the development of each of its subsequent constructed projects. The Group maintains strong and disciplined construction capabilities, as illustrated by the commissioning of the Primorsk I project in a 25 month period and of the Nikopol project in less than 18 months. For solar projects, the Group acted as general contractor for the Pokrovsk project and will seek to act as the master contractor for all of its solar energy plants going forward. The Group also maintains pricing and implementation discipline while advancing its development projects. Each of the Group's constructed projects have been built within budget and delivered ahead of schedule with the exception of Primorsk I, which was commissioned with only a slight delay despite encountered challenges including the delayed delivery by certain suppliers of components and equipment (see "*Risk Factors— The Group faces risks and uncertainties when developing wind and solar energy projects*"). Furthermore, the Group believes that its development pipeline projects benefit from low risk profiles as they largely mirror the Group's constructed projects, allowing the Group to draw upon accumulated experience and long-standing supplier relationships to increase efficiency and ensure smooth construction and implementation of each pipeline development project.

Long-term, stable cash generation

All of the Group's constructed projects qualify for the FiT regime and the Group's management expects each of the Group's development projects to qualify under the FiT regime as well, providing the Company with long-term stable cash flows and long-term revenue visibility. The PPAs applicable to the Group's constructed and development projects provide a guaranteed offtake commitment for all produced electricity until 29 December 2029 at a fixed tariff rate. FiT tariffs are denominated in Euro and adjusted on a quarterly basis to track the UAH/Euro exchange rate. Furthermore, the Group's management believes that its O&M agreements, which include performance and availability guarantees, allow it to plan stable maintenance operating expenses.

In the years ended 31 December 2016, 2017 and 2018, the Group had revenue of UAH 2,037 million, UAH 2,116 million and UAH 2,493 million, respectively (€72 million, €71 million and €78 million equivalent), EBITDA of UAH 1,773 million, UAH 1,788 million and UAH 2,036 million, respectively (€63 million, €60 million and €63 million equivalent), EBITDA margin of 87 per cent, 84 per cent and 82 per cent, respectively, and free cash flow of UAH 1,524 million, UAH 1,322 million and UAH (3,960) million, respectively (€54 million, €44 million and €(123) million equivalent). For the six months ended 30 June 2018 and 2019, the Group had revenue of UAH 1,250 million and UAH 2,072 million, respectively (€39 million and €68 million equivalent), EBITDA of UAH 1,007 million and UAH 1,766 million, respectively (€31 million and €58 million equivalent), EBITDA margin of 81 per cent and 85 per cent, respectively, and free cash flow of UAH (694) million and UAH (4,970) million, respectively (€(22) million and €(163) million equivalent).

The Independent Consultant's Report forecasts that in the years ended 31 December 2019, 2020, 2021 and 2022, the Group's constructed projects will generate 1,470 GWh, 2,439 GWh, 2,433 GWh and 2,428 GWh of electricity, respectively, UAH 5,164 million, UAH 9,276 million, UAH 9,839 million and UAH 10,399 million (€173.3 million, €285.4 million, €285.2 million and €285.7 million equivalent) of forecast revenue, respectively, and UAH 4,196 million, UAH 8,164 million, UAH 8,704 million and UAH 9,184 million (€140.8 million, €251.2 million, €252.3 million and €252.3 million equivalent) of forecast EBITDA. See "*—Independent Consultant's Report*". The Group intends to use its near- and mid-term operating cash flows to repay outstanding indebtedness and reduce its leverage ratio, pay dividends to shareholders and to support selective, opportunistic and disciplined electricity generation installed capacity expansion.

Experienced management team and strong in-house capabilities

The Group has an experienced senior management team with a proven track record of constructing, developing and operating renewable energy assets. Under the stewardship of the Group's senior management team, which has over 75 years of combined renewable energy experience, the Group's operating and financial performance has grown significantly. For further details, see "*Summary Historical Consolidated Financial Information*". The Group employs approximately 207 full-time professionals, which is expected to increase to 259 by 31 December 2019, and has a Ukrainian market leading renewable energy producer in-house team overseeing both constructed and development projects. The Group's in-house team oversees daily operations and general management and administration of the Group's constructed and development projects. For constructed projects, the in-house team conducts daily operations and general management and administration, including health, safety and environment management and regulatory compliance, O&M contracts management, supervision and enforcement, site management, performance, monitoring and analytics. For development projects, the in-house team also performs general management and administration of development projects, including prospective site allocation, resources assessment, land lease, engineering works, permitting, supply and procurement and project contracts execution. Notably, the Group's in-house team successfully developed the Pokrovsk solar project without a general EPC contractor. Going forward, the Group intends to act as the master contractor for solar energy plants, which the Group's management believes will give it more control over the process and costs associated with the development of these projects. The Group's in-house capabilities are further complemented by strong relationships with engineering and legal consultants as well as leading international counterparts, such as Vestas, GE Renewables, Siemens, Trina Solar, Seraphim Solar, ABB, CMEC, Risen, Windguard, Fichtner and Poyry. Equipment service and maintenance of Group assets is outsourced to either OEMs or specialized service companies, with coordination, supervision, execution control and acceptance of servicing and maintenance works managed by the Group's in-house team.

Strong corporate governance

The Group's management team is autonomous from the management of DTEK B.V. and its subsidiaries ("**DTEK Group**") and reports to the Supervisory Board which includes one independent non-executive director. The Group benefits from a strong corporate governance framework, including (i) the Supervisory Board (ii) the Management Board and (iii) the Audit Committee. The Supervisory Board performs expert and control functions, including approving issues that require the expert opinion of independent directors and provides strategic guidance for the Group. The Management Board is responsible for managing day-to-day activities and implementing the strategy approved by the Supervisory Board. The Audit Committee is responsible for: (i) supervision of the internal control and risk management systems and external and internal audit activities, (ii) analysis and decision making regarding the reliability and accuracy of financial statements and other financial records, (iii) consideration of risk management, internal audit and compliance systems, (iv) recommendations to the Supervisory Board regarding the selection of external auditors and (v) assessment of the scope and quality of audit procedures and the independence and credibility of the external auditor. The quality of the Group's corporate governance contributes to the Group's sustainable development and investment appeal. It also gives additional assurances to shareholders, partners, customers and contributes to the strengthening of the internal control system.

Strategies

The key pillars of the Group's strategy are:

Maintain operational excellence

The Group intends to focus on maintaining its operational excellence, including by seeking to bring development projects online on time and on budget, continuing to source operating equipment from the industry's leading manufacturers, entering into favourable contractual arrangements with contractors and strengthening its on-site management teams. In the year ended 31 December 2018, the Group's constructed wind projects had an average availability factor of 97.7 per cent and an average net capacity factor of 38 per cent and the Group's constructed solar projects had an average availability factor of 99.9 per cent and an average net capacity factor of 15 per cent. The Group's constructed projects are brought into commission at full capacity and over the first year of operation, the Group focuses on fine-tuning and increasing the availability of generating systems as they are brought into use. These expected fine-tunings are reflected in expected availability and capacity factors for the years ended 31 December 2019, 2020, 2021 and 2022. For the year ended 31 December 2019, the Group's management expects constructed wind projects to have an average availability factor of 97 per cent and an average net capacity factor of 38 per cent and constructed solar projects to have an average availability factor of 98 per cent and an average net capacity factor of 19 per cent. For the year ended 31 December 2020, the Group's management expects constructed wind projects to have an average availability factor of 97 per cent and an average net capacity factor of 40 per cent and constructed solar projects to have an average availability factor of 98 per cent and an average net capacity factor of 18 per cent. For the year ended 31 December 2021, the Group's management expects constructed wind projects to have an average availability factor of 98 per cent and an average net capacity factor of 40 per cent and constructed solar projects to have an average availability factor of 99 per cent and an average net capacity factor of 18 per cent. For the year ended 31 December 2022, the Group's management expects constructed wind projects to have an average availability factor of 98 per cent and an average net capacity factor of 40 per cent and constructed solar projects to have an average availability factor of 99 per cent and an average net capacity factor of 17 per cent. See, also "*Competitive Strengths—High quality constructed project portfolio*".

Expand domestic capacity

The Group's management believes it has an important role to play in expanding Ukraine's renewable energy sector and is committed to supporting the country in the achievement of national energy independence targets. The Group intends to continue to grow its renewable energy business in Ukraine. As of 30 June 2019, the Group's installed capacity from constructed projects, as defined herein, amounted to 510 MW and as of the date of these Listing Particulars, installed capacity from constructed projects amounted to 950 MW. The Group's management expects that installed capacity from constructed projects will be 950 MW by 31 December 2019, 1,170 MW by 31 December 2020, 1,840 MW by 31 December 2021 and 1,905 MW by 31 December 2022.

In the near- and mid-term, the Group plans to focus on commissioning its existing wind and solar development projects and also, more generally, on maintaining its overall market leadership in the Ukraine solar and wind renewable energy industry. In commissioning development projects, the Group will seek to maintain the same pricing, construction and implementation discipline as it demonstrated in the development of its constructed projects. The Group will also deploy its in-house capabilities, including its specialized knowledge of the local market and it's contacts and relationships with regulators, suppliers and other partners in the renewable energy sector, to strategically identify, assess and launch additional development projects to further increase its electricity generation installed capacity.

Achieve industry leading operating and financial performance

In the mid-term, the Group will focus on maintaining its industry leading role in the Ukrainian renewable energy sector as well as improving its operational key performance indicators, including its electricity generation installed capacity, electricity output, net capacity and availability factors. The Group's goal is to become one of the top European renewable energy producers and the Group's management believes the Group can achieve this goal by continuing to focus on disciplined management of its operational projects and the opportunist selection and completion of pipeline development projects to continue to drive the upward trajectory of the Group's key financial indicators, including revenue, EBITDA and EBITDA margin.

Optimise capital structure and profitability

The Group will continue to actively manage its capital structure to ensure its strong financial position going forward, to secure the best possible credit rating and to optimise the Group's return on capital. In the near- and mid-term, the Group expects significant EBITDA growth, to maintain a high EBITDA margin and to benefit from stable cash flow generation as illustrated by the Independent Consultant's Report forecasts. See "*Overview—Independent Consultant's Report Summary*".

Continue to strengthen corporate culture

The Group intends to continue to invest in recruiting and developing the best talent in the renewable energy industry, to further develop its expertise and core competencies, in particular with regard to its in-house operational and development capabilities, and to reinforce its strong corporate governance framework. In addition, in connection with historic and expected growth in electricity generation installed capacity, the Group has experienced significant growth in full time employees over the previous eighteen months and continues to focus on integrating new employees, building a strong corporate culture and developing and capitalizing upon best practices related to the integration of new personnel.

Risk Factors

An investment in the Notes is subject to risks related to the Group's business and industry, economic, political and social risks associated with Ukraine and risks arising from the nature of the Notes and the markets on which they are expected to be traded. For a detailed discussion of the risks and other factors to be considered when making an investment with respect to the Notes, see "*Risk Factors*" and "*Forward-Looking Statements*". Prospective investors in the Notes should carefully consider the risks and other information contained in these Listing Particulars prior to making any investment decision with respect to the Notes. Prospective investors should note that the Group has described the risks it considers to be material in these Listing Particulars, however, there may be additional risks that the Group currently considers immaterial or of which it is currently unaware and which could in fact occur and could have a material adverse impact on the actual results of operations and financial performance of the Company.

Use of Proceeds from the Offering

The Issuer intends to use the proceeds of the issuance of the Notes (i) to repay existing Bridge Financing, as defined below in "*—Recent Developments*", relating to past capital expenditure of Eligible Green Projects; (ii) to repay existing deferred vendor financing and shareholder and affiliate loans, each relating to past capital expenditure of Eligible Green Projects; (iii) for the ongoing and future expenditure of development Eligible Green Projects, (iv) for the payment of costs relating to the issuance of the Notes and pre-funding of the Interest Reserve Account; and (v) for capital expenditure and working capital of SOLAR FARM-3 LLC and ORLOVKA WEP LLC. For more information, see "*Use of Proceeds*", "*Capitalisation*" and "*Green Bond Framework*".

Recent Developments

In August 2019, the Group obtained debt financing for the construction of ORLOVKA WEP LLC in the amount of €21 million (UAH 595 million equivalent as at the date of the agreement) (the "**Orlovka Financing**").

In the second half of 2019, the Company's subsidiaries entered into revolving credit lines with three Ukrainian banks to refinance indebtedness incurred for the purposes of funding its capital expenditure. The Group entered into separate agreements with each Ukrainian bank on the following terms: (i) a loan agreement for up to UAH 940 million at 17.50 per cent per annum due in December 2019, of which the Group has drawn UAH 940 million as of the date of these Listing Particulars; (ii) an loan agreement for up to UAH 1,400 million at 18.45 per cent per annum due in December 2019, of which the Group has drawn UAH 930 million as of the date of these Listing Particulars; and (iii) an loan agreement for up to UAH 1,400 million at 16.75 per cent per annum with maturity in December 2019, of which the Group has drawn UAH 930 million as of the date of these Listing Particulars (the "**Bridge Financing**"). For further information, see "*Description of Indebtedness—Summary of indebtedness agreements entered into after 30 June 2019*."

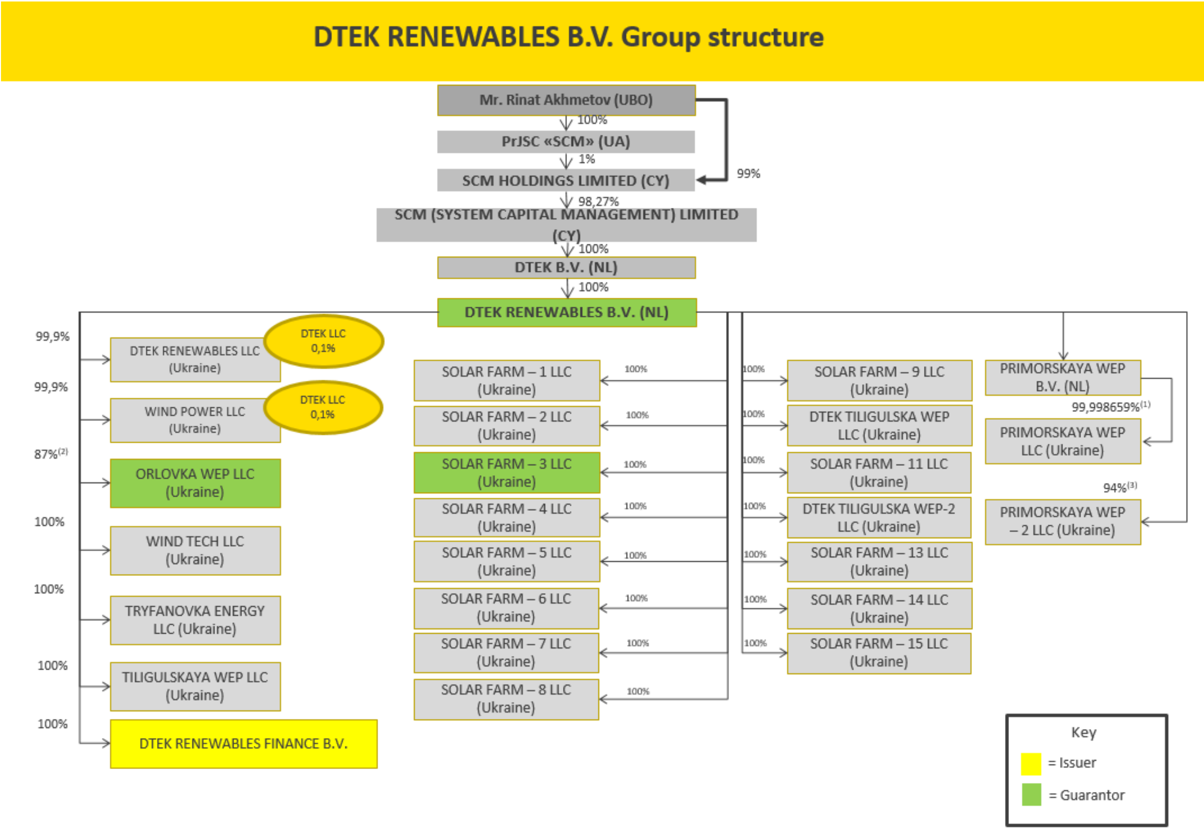
In September 2019, the Primorsk II project became operational and began generating electricity. As of 1 October 2019, the Pokrovsk project began generating at full capacity. As of 21 October 2019, the Orlovsk project began generating at full capacity. See "*Business—Description of the Group's constructed projects*" for further information.

The table below presents the electricity output (in MWh) and the net capacity factor of each constructed project for the period 1 October 2019 to 17 October 2019.

Date (2019)	**Botievo**		**Tryfanovka**		**Primorsk I**		**Nikopol**		**Primorsk II**		**Pokrovsk**		**Orlovsk**	
	Output (MWh)	**NCF**	**Output (MWh)**	**NCF**	**Output (MWh)**	**NCF**	**Output (MWh)**	**NCF**	**Output (MWh)**	**NCF**	**Output (MWh)**	**NCF**	**Output (MWh)**	**NCF**
1 October	2,587.5	53.9%	40.5	16.9%	1,595.5	66.8%	733.4	15.3%	1,090.3	59.3%	933.2	16.2%	80.2	14.7%
2 October	473.7	9.9%	50.4	21.0%	231.8	9.7%	1,327.7	27.7%	283.4	15.4%	1,741.3	30.2%	56.3	8.8%
3 October	1,714.5	35.7%	38.7	16.1%	1,334.5	55.8%	1,227.9	25.6%	915.8	49.8%	1,609.6	27.9%	165.1	18.1%
4 October	1,365.3	28.5%	11.0	4.6%	806.8	33.8%	351.9	7.3%	656.5	35.7%	363.6	6.3%	338.6	30.9%
5 October	725.1	15.1%	2.4	1.0%	451.6	18.9%	54.6	1.1%	376.4	20.5%	64.4	1.1%	234.7	18.4%
6 October	1,436.1	29.9%	12.0	5.0%	1,033.6	43.2%	337.6	7.0%	734.8	40.0%	460.7	8.0%	493.2	38.6%
7 October	1,436.4	29.9%	5.4	2.2%	902.2	37.7%	203.0	4.2%	588.1	29.1%	240.1	4.2%	438.0	34.3%
8 October	1,651.5	34.4%	32.7	13.6%	939.1	39.3%	750.5	15.6%	928.0	45.9%	1,000.4	17.4%	579.9	35.3%
9 October	519.9	10.8%	34.1	14.2%	271.3	11.4%	752.8	15.7%	291.1	14.4%	1,014.0	17.6%	180.5	14.1%
10 October	1,097.1	22.9%	34.4	14.3%	563.0	23.6%	854.5	17.8%	558.9	27.6%	1,182.2	20.5%	394.2	30.9%
11 October	680.7	14.2%	23.5	9.8%	537.8	22.5%	520.6	10.8%	434.1	21.5%	706.3	12.3%	289.0	22.6%
12 October	517.8	10.8%	46.2	19.3%	508.1	21.3%	1,137.8	23.7%	405.5	20.1%	1,484.0	25.8%	272.2	18.7%
13 October	798.0	16.6%	47.7	19.9%	583.7	24.4%	1,225.4	25.5%	548.2	27.1%	1,588.4	27.6%	329.2	22.6%
14 October	45.3	0.9%	36.2	15.1%	93.1	3.9%	778.1	16.2%	34.4	1.8%	973.0	16.9%	25.7	1.8%
15 October	40.2	0.8%	30.3	12.6%	72.7	3.0%	823.4	17.2%	40.2	2.0%	1,157.9	20.1%	24.3	1.7%
16 October	1,602.9	33.4%	45.1	18.8%	1,032.5	43.2%	1,157.5	24.1%	678.7	38.9%	1,487.2	25.8%	734.4	42.4%
17 October	2,540.1	53.0%	42.8	17.9%	1,513.3	63.3%	1,145.0	23.9%	1,112.4	60.5%	1,498.3	26.0%	1,070.5	61.8%
Total	19,232.1		533.4		12,470.6		13,381.6		9,676.7		17,504.6		5,705.9	
Average	1,131.3	23.6%	31.4	13.1%	733.6	30.7%	787.2	16.4%	569.2	30.0%	1,029.7	17.9%	335.6	24.4%

CORPORATE STRUCTURE

The Group conducts its business through a number of subsidiaries. The chart below shows the Group's corporate and ownership structure and certain ownership information relating to its subsidiaries, as at the date of these Listing Particulars.



(1) The remainder of PRIMORSKAYA WEP B.V. (NL) shares belong to DTEK RENEWABLES LLC.
(2) PrJSC "SCM" controls 6 per cent of the corporate rights of ORLOVKA WEP LLC and Mr. Oleg Popov controls 7 per cent of the corporate rights of ORLOVKA WEP LLC.
(3) Mr. Oleg Popov controls 6 per cent of corporate rights of PRIMORSKAYA WEP-2 LLC (Ukraine).

INDEPENDENT CONSULTANT'S REPORT SUMMARY

The below section of these Listing Particulars presents a summary of the key findings of the Independent Consultant's Report. The full Independent Consultant's Report is included in these Listing Particulars as Appendix A. Forecasts presented in the Independent Consultant's Report are presented in Euro. For informational purposes and for the reader's convenience, certain forecast financial information has been converted from Euro to Hryvnia. For additional information on the exchange rates used, see "Exchange Rates".

Scope of the Independent Consultant's Report

The objective of the Independent Consultant's Report was to review certain projections of operating and financial information associated with the Group's constructed projects for the years ended 31 December 2019, 2020, 2021 and 2022, including projections relating to revenue, operating expenses, administrative expenses, EBITDA and after-tax cash flows available to the Company. The Independent Consultant's Report forecasts only take into account expected results from the 950 MW of installed capacity associated with currently constructed projects. These figures do not deduct for minority interests or other financial interests in the applicable projects. The proceeds of the Offering are not reflected in any forecasts included in the Independent Consultant's Report. The Independent Consultant's Report has been prepared on the basis stated therein, in a manner consistent with the accounting policies of the Company and on a basis comparable with the Company's historic financial information, taking into account the assumptions discussed below in " —*Methodology, assumptions and parameters*". The forecasts presented herein have been summarized based on the Independent Consultant's Report and are qualified in their entirety by the complete Independent Consultant's Report included in Appendix A of these Listing Particulars.

In connection with the preparation of the Independent Consultant's Report, the Independent Consultant (i) obtained and reviewed summary project-level financial models prepared by the Group and evaluated model input assumptions for reasonableness in light of other information obtained and reviewed, including (a) reports issued by resource consultants with regard to the Group's wind projects, (b) "**PVSYST**", an industry standard software tool used for the study, sizing and data analysis of photovoltaic systems which, based on longitudinal and latitudinal factors as well as technical inputs such as solar panel and inverter type, projects future expected solar electricity generation based on estimated irradiation levels and system efficiency; (c) resolutions issued by Ukrainian regulatory authorities regarding FiT rates related to the Group's constructed projects; (d) certain contracts including OEM full service agreements, other long-term maintenance agreements, lease agreements and other contracts; (e) actual operating and financial results for the Group's constructed projects; (f) certain debt agreements and supporting schedules; (g) other documentation; and (h) representations from the Group's management and (ii) reviewed and presented consolidated projected financial information based on the foregoing. The Independent Consultant did not review all reports or contracts in their entirety but focused on key findings and contract terms, including duration and pricing, and then compared these key findings and terms to the assumptions underlying the financial models.

Some of the assumptions used in the preparation of the Independent Consultant's Report, although considered reasonable at the time of preparation, may not in fact materialize as projected or at all due to unanticipated events and circumstances occurring subsequent to the date of the Independent Consultant's Report. Accordingly, actual outcomes may vary from projected outcomes and the variations may be material. Neither the Group, the independent auditors, nor the Independent Consultant can give any assurance that these assumptions are correct or that these projections and estimates will reflect actual results of operations. Therefore, no representations are made or intended to be made, nor should any be inferred, with respect to the likely existence of a particular future set of facts or circumstances. The Group also cautions that the following information has not been audited or reviewed by independent auditors. If actual results are materially less favourable than those shown in these Listing Particulars and/or in the Independent Consultant's Report or if the assumptions used in formulating these projections and estimates prove to be incorrect, the Group's ability to make payments of principal of and interest on the Notes may be materially adversely affected. For certain additional information relating to the projections and estimates contained in the Independent Consultant's Report, see "*Forward-Looking Statements*" and "*Risk Factors—Risks relating to the Projections of the Group—Projections and their underlying assumptions may prove to be inaccurate*".

Forecast revenue and EBITDA as shown in the Independent Consultant's Report may not be in accordance with IFRS. For instance, under IFRS accounting, PPAs meeting certain criteria must be recognized as a lease. As such, revenue recognition under these agreements would be predefined and would differ from actual cash-based revenues. However, for the projections presented herein, revenues and EBITDA reflect projected volumes to be delivered in each year at the projected contract prices. In addition, annual revenues, expenses and EBITDA as shown herein are consolidated measures reflecting 100 per cent ownership for each individual asset.

Group forecast capacity, generation and financial information

For the years ended 31 December 2019, 2020, 2021 and 2022 the Group is forecast to generate forecast revenues of UAH 5,164 million, UAH 9,276 million, UAH 9,839 million and UAH 10,399 million and EBITDA of UAH 4,196 million, UAH 8,164 million, UAH 8,704 million and UAH 9,184 million, respectively (€140.8 million, €251.2 million, €252.3 million and €252.3 million equivalent). For the years ended 31 December 2019, 2020 and 2021, the Group forecast EBITDA margin is forecast to be 81 per cent, 88 per cent, 88 per cent and 88 per cent, respectively.

The tables below present, in MW and MWh, the forecast installed capacity and electricity generation for the Group's constructed projects for the years ended 31 December 2019, 2020, 2021 and 2022 and the forecast revenue, EBITDA, EBITDA margin and total cash flow available after debt service in connection with the Group's constructed projects for the years ended 31 December 2019, 2020, 2021 and 2022. The proceeds of the Offering are not reflected in any forecasts included in the Independent Consultant's Report.

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
Operating metrics:				
Capacity (MW)	950	950	950	950
Generation (MWh)	1,470.1	2,439.4	2,433.4	2,428.2
Net capacity factor:				
Wind	38%	40%	40%	40%
Solar	19%	18%	18%	17%
Availability factor:				
Wind	97%	97%	98%	98%
Solar	98%	98%	99%	99%

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
		(in € millions)		
Financial forecasts:				
Revenues	173.3	285.4	285.2	285.7
Operating expenses:	(27.9)	(27.9)	(27.2)	(27.4)
Administrative expenses	(4.6)	(6.3)	(5.8)	(6.0)
Forecast EBITDA	140.8	251.2	252.3	252.3
Forecast EBITDA margin	81%	88%	88%	88%
Income tax[(1)]	(8.5)	(19.8)	(22.9)	(25.5)
Other changes in working capital	26.9	11.0	5.0	(0.3)
Operating cash flow	159.2	242.3	234.3	226.5
Investment cash flows	(379.1)	(0.8)	(0.9)	(0.9)
Financing cash flows:				
Loan proceeds	162.2	-	-	-
Loan principal repayment	(66.2)	(67.0)	(68.3)	(62.1)
Interest	(9.1)	(11.8)	(9.9)	(8.0)
ECA and other fees	(30.6)	(0.1)	(0.1)	(0.1)
Debt service reserve	(10.1)	0.6	0.5	7.5
Total financing cash flows	46.1	(78.3)	(77.8)	(62.6)
Total cash flow available after debt service	(173.8)	163.3	155.7	163.0

(1) Forecast income tax is dependent upon forecast EBITDA, interest expenses, foreign exchange rates associated with loan portfolios and, generally, Euro to Hryvnia exchange rate fluctuations. Income tax for the fourth quarter of each year is paid in the first quarter of the following year.

The tables below present the Group's forecast EBITDA and forecast EBITDA by MW by constructed project for the years ended 31 December 2019, 2020, 2021 and 2022.

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**

	(in € millions, unless otherwise noted)			
Botievo	62.8	61.3	61.6	62.0
Primorsk I	20.4	28.8	29.4	29.4
Nikopol	37.9	39.0	38.3	38.0
Tryfanovka	1.7	1.6	1.6	1.6
Primorsk II	8.4	32.5	32.8	32.9
Orlovsk	6.9	32.4	33.9	34.1
Pokrovsk	2.8	55.6	54.6	54.3
Total forecast EBITDA	**140.8**	**251.2**	**252.3**	**252.3**
Forecast EBITDA (in € thousands) per MW	**148.7**	**265.2**	**266.3**	**266.3**

Methodology, assumptions and parameters

The Independent Consultant reviewed the Group's financial modelling as it relates to the financial and operating information included in the Independent Consultants Report. The financial modelling included a decision by the Group's management to revise the estimated useful life of solar panels from 15 years to five years when calculating the depreciation expense in the Group's financial statements, which is the only amendment to the Group's accounting estimates made after 30 June 2019. As a result, the Group's financial projections were prepared using a five year useful life of solar panels to reflect the revised accounting estimate used from 1 July 2019. The Group's historical financial information as at and for the six-months ended 30 June 2019 and as at and for the years ended 31 December 2016, 2017 and 2018 were prepared based on a 15 year useful life of solar panels and management's accounting estimates applicable on those dates. The Independent Consultant's review of the model logic included a review of certain calculations and input assumptions below EBITDA, specifically debt serving in relation to principal and interest on third party debt, which has the most significant impact on cash flow below EBITDA. The Independent Consultant identified no issues with the logic of the financial modelling. The Independent Consultant also reviewed underlying input assumptions for operating characteristics and parameters, revenues and operating and administrative expenses. The Independent Consultant also relied on management assumptions and calculations related to cash flow items below EBITDA, other than in relation to debt service components mentioned above, including, but not limited to, income taxes, changes in working capital, capital expenditures (or investment cash flows) and loan proceeds.

Forecast operations approach and assumptions

The Independent Consultant identified and reviewed key operational assumptions based on the revenue structure of individual project PPAs, most notably expected generation, and taking into account (i) resource studies for wind projects; (ii) PVSYST reports for solar projects; (iii) historical performance; and (iv) other data where such information was available. The Independent Consultant noted in the Independent Consultant's Report that, based on the review of the aforementioned resources, the reviewed operational input assumptions were generally consistent with historical performance, where applicable, or expected operational performance.

Forecast revenue approach and assumptions

The Independent Consultant's revenue forecasts are based on: (i) expected generation from constructed projects; and (ii) applicable FiT rates. Revenue forecasts for the year ended 31 December 2019 are based on actual results through 31 August 2019 and forecasts for the remainder of the year. FiT rates are fixed in Euro and paid in Hryvnia and the amount paid in UAH is adjusted every three months based on currency movements. See "*Operating and Financial Review—Key Factors Affecting Results of Operations—Regulatory and Tariff Regime*". The financial model provided to the Independent Consultant by the Group assumed an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. As the FiT rates are denominated in Euro and repriced on a quarterly basis, deviations from the financial model due to Euro to Hryvnia exchange rate fluctuations would be due to short term (less than 90 day) fluctuations. Under the Group's PPA's, tariff rates for wind and solar energy projects are determined under a fixed FiT denominated in Euro for each constructed project. For the wind projects, the modelled FiT ranges from approximately €100 per MWh to €114 per MWh and for solar projects, the modelled FiT is approximately €150 per MWh. The Independent Consultant reconciled Euro-denominated modelled rates to

NEURC rates and noted no material differences. The FiT rate has been assigned for all constructed projects with the exception of 2 out of the 26 Primorsk II wind turbines. According to Group management, the assignment of the FiT rate for these turbines is largely procedural and no issues in the assignment of the FiT rate are anticipated. If the remaining launch stages of Primorsk II, however, do not achieve commissioning by 31 December 2019, the FiT rate applicable to such launch stages will be discounted by 10%. Although no changes in laws, policies or programs are currently anticipated, there is no guarantee that there will not be future changes in such laws, policies or programs, including but not limited to retrospective reduction in the FiT, that could have a material adverse effect on revenue generated by the Group's constructed projects.

Forecast operating expenses, administrative expenses, working capital and cash flow after debt service approach and assumptions

The Independent Consultant's forecast operating expenses were reviewed in light of available information including, but not limited to (i) OEM service agreements; (ii) other contracts or services agreements in relation to, among others, staff, maintenance and repairs, security, insurance, energy and land leases; (iii) actual historical results; and (iv) other management representations.

Operating expenses

Projected annual operating expenses associated with Botievo, which are generally consistent with historic operating expenses, including depreciation, represent 37-41 per cent of projected operating expenses for the years ended 31 December 2020 to 2022. Projected annual operating expenses associated with Primorsk I, Primorsk II and Orlovsk, which collectively represent 27-31 per cent of annual projected operating expenses, are generally consistent with historic Botievo operating expenses on a €/kW-year basis after adjusting for differences in turbine OEM services agreements. Total projected operating costs for the years ended 31 December 2020 to 2022, after adjustment for project size and the costs of turbine OEM services agreements were approximately €20-24/kW-year, which is also generally consistent with historic Botievo operating expenses of €19-20/kW-year. Expenses under OEM services agreements were reconciled with modelled expenses and any differences between the contract and modelled expenses were deemed immaterial by the Independent Consultant. The Independent Consultant's Report notes that costs under wind project OEM service agreements varied significantly based on the project and agreement and historic and projected operating costs for each project reflect this variation. For insurance, the Independent Consultant reconciled a schedule of policies to the financial model and traced selected policies to underlying agreements. Insurance expense for Nikopol is forecasted to increase in the year ended 31 December 2020 compared to the year ended 31 December 2019 due to the addition of political risk insurance for the year ended 31 December 2020 and the insurance expense for Orlovsk is forecast to increase in the year ended 31 December 2020 due to the transition from a construction-phase insurance policy with Vestas to separately procured insurance. For lease costs, the Independent Consultant reconciled lease costs for Nikopol and Pokrovsk, which together represent 90 per cent of lease costs, to supporting schedules and traced selected lease costs to underlying agreements. For security, the Independent Consultant reconciled modelled costs to selected agreements. For other infrastructure agreements, expenses per services agreements were reconciled with expenses in the financial modelling and any differences between the contract and modelled expenses were deemed by the Independent Consultant to be immaterial. Based on the foregoing, approximately 54 per cent of operating expenses were traced on a test basis to underlying documents and an incremental 30 per cent of operating expenses associated with the wind projects were reviewed based on Botievo operating history and found to be consistent with recent historical results. For the remaining 16 per cent of operating expenses, the Independent Consultant relied on management calculations and assumptions rather than independent sources.

Administrative expenses

The Independent Consultant's Report notes that, when comparing general and administrative expenses, excluding depreciation, for the year ended 31 December 2019 (calculated by annualizing the general and administrative expenses, excluding depreciation, presented in the Interim Financial Statements) to the general and administrative expenses, excluding depreciation, for the same period per the financial model, annualized administrative expenses of €10.1 million were materially higher than the modelled administrative expenses of €4.6 to 6.3 million. Company management noted that administrative costs for the year ended 31 December 2019 were largely front-loaded in the beginning of the year in connection with projects coming into operation and the Company expects that similar costs associated with these projects will decrease in the six months ended 31 December 2019 and the years ended 31 December 2020, 2021 and 2022. Similarly, general and administrative expense for Botievo for the year ended 31 December 2018 of €2.76 million were higher than the modelled administrative expenses of €0.0 million in the year ended 31 December 2019 and between €1.2 million and €1.3 million per year for the years ended 31 December 2020 to 2022 million. Company management noted that this was due to mapping administrative related expenses for the year ended 31 December 2019 to "other operating costs" within operating expense and WIND POWER LLC being an intermediate holding company prior to the formation of DTEK RENEWABLE B.V. and, as a result, bearing more administrative costs than the entity will bear going forward. For forecast administrative expenses, the Independent Consultant relied upon management assumptions and calculations, including assumptions that administrative costs for the year ended 31 December 2019 were largely front-loaded in the first six months of the year due in connection with bringing constructed projects online and as a result administrative costs associated with these constructed projects will be less in the second half of the year ended 31 December 2019 as well as in the years ended 31 December 2020, 2021 and 2022.

Other changes in working capital

The financial model provided to the Independent Consultant assumed a change in the account receivable period associated with the purchase of generated electricity, moving from a one-month accrual of account receivable from SE Energorynok prior to July 2019 to a ten-day account receivable period from the Guaranteed Buyer from July 2019. The financial model also assumes the receipt in the year ended 31 December 2021 of a delayed June 2019 payment from SE Energorynok.

Total cash flow available after debt service

Adjustments to forecast EBITDA made by the Independent Consultant in order to derive total cash flow available after debt service to the Issuer included, among others, of income tax, changes in working capital, loan proceeds, loan principal repayment and interest debt service obligations, capital expenditures or investment cash flows.**.** According to the Independent Consultant's Report, the Group's most significant driver of cash flows after forecast EBITDA is debt service. ***Forecast debt service as presented in the Independent Consultant's Report do not take into account proceeds of the offering or future payments in connection with the Notes.*** To analyse this impact the Independent Consultant reconciled principal payments and interest rates per the Group's financial modelling to summaries of Group debt obligations provided by Group, with (i) information relating to payment provided by the Group's summaries reconciled to underlying amortization schedules in the respective loan documentation and (ii) information relating to interest rates provided by the Group's summaries was recalculated on a test basis. The Independent Consultant also relied on management assumptions and forecasts related to the post- EBITDA cash flow items described above.

Forecasts by constructed project

Forecast electricity generation and sales

The table below presents the Group's installed electricity generation capacity by constructed project as of 31 December 2019 and upon which the Independent Consultants financial and other forecasts for the years ended 31 December 2019, 2020, 2021 and 2022 are based.

	MW
Botievo	200.0
Primorsk I	100.0
Nikopol	200.0
Tryfanovka	10.0
Primorsk II	100.0
Orlovsk	100.0
Pokrovsk	240.0
Total Generating Capacity	**950.0**

The table below presents the Group's forecast net electricity generation by constructed project for the years ended 31 December 2019, 2020, 2021 and 2022.

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
	(in GWh)			
Botievo	649.5	655.2	655.2	655.2
Primorsk I	253.9	338.7	338.7	338.7
Nikopol	280.8	291.1	285.0	282.7
Tryfanovka	12.8	12.5	12.2	12.1
Primorsk II	119.5	366.4	366.4	366.4
Orlovsk	100.2	370.3	379.4	379.4

	2019	2020	2021	2022
Pokrovsk	53.4	405.3	396.5	393.7
Total Net Generation	**1,470.1**	**2,439.4**	**2,433.4**	**2,428.2**

The Independent Consultant assessed the underlying assumptions with regard to wind projects by comparing them to assessments presented in various resource consultants reports of whether there is a 50 per cent chance that production will be at least the specified amount for the applicable period (the "**P50**" case). For Botievo, given it has sufficient operating history, the Independent Consultant also compared assumed production with historical actual production. For a list of the applicable resource consultant reports and additional analysis of the forecast results, see the full Independent Consultant's Report included as Appendix A of these Listing Particulars.

The Independent Consultant assessed the underlying assumptions with regard to solar projects by comparing them to PVSYST outputs based on location and irradiation, configuration and losses. For Tryfanovka, given it has sufficient operating history, the Independent Consultant also compared assumed production with historical actual production. For further discussion of the PVSYST outputs and additional analysis of the forecast results, see the full Independent Consultant's Report included as Appendix A of these Listing Particulars.

Forecast net electricity generation for the year ended 31 December 2020, 2021 and 2022 is based on expected performance when all constructed projects are fully in operation. Forecast net electricity generation for the year ended 31 December 2019 represents a recalculation of actual net electricity generation based on, for wind projects, the expected year ended 31 December 2020 wind project net electricity generation, adjusted for the phase-in of turbines placed in service, and, for solar projects, monthly expected output per PVSYST reports.

The recalculation of the Group's actual net electricity generation for constructed projects for the year ended 31 December 2019 is presented in the table below.

Project	In-Service Date (2019)	Full Year (2020) Generation	Calculated Pro Rata 2019 Generation	Modeled 2019 Generation	Delta	
			(in GWh)			*(%)*
Primorsk I	Mar	338.7	270.0	253.9	16.1	6.3
Nikopol	Mar	291.1	266.1	280.8	(14.6)	(5.2)
Primorsk II	Sept – Nov	366.4	118.1	119.5	(1.4)	(1.1)
Orlovsk	Oct	370.3	108.0	100.2	7.8	7.8
Pokrovsk	Oct	405.3	53.7	53.4	0.3	0.5

Forecast financial and other data

Constructed projects are expected to derive substantially all of their revenues from FiT payments made by the Guaranteed Buyer. According to the Auctions Law, the FiT rate for solar power plants will be decreased for projects commissioned in 2020 by 25 per cent with a further decrease by approximately 3.5 per cent each year for three subsequent years, in each case as compared to the previously established FiT rate. The FiT rate for wind power plants will be decreased for projects commissioned in 2020 by approximately 10 per cent, with a further annual decrease by approximately 1.5 per cent each year for three subsequent years for turbines up to 2 MW and with no further annual decrease for turbines with an installed capacity exceeding 2 MW, in each case as compared to the previously established FiT. Forecast operating and administrative expenses include service company contracts, notably the OEM service agreements, energy costs, insurance, staff costs including payroll taxes, maintenance and repairs, land leases, security, transfer and switches maintenance, other operating and maintenance costs, landscape maintenance, GE infrastructure maintenance, maintenance of ASCME, automatic process control system maintenance and other costs.

The tables below present the Group's forecast financial, operating and administrative expense and total cash flow for constructed projects for the years ended 31 December 2019, 2020, 2021 and 2022.

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
	(in € millions, except as noted)			
Botievo[(1)]**:**				
Revenues:				
Generation (GWh)	649.5	655.2	655.2	655.2
FiT (€/MWh) [(2)]	114.09	111.29	111.73	112.21
Total revenues	74.1	72.9	73.2	73.5
Operating expenses	(11.3)	(10.4)	(10.3)	(10.3)
Administrative expenses	-	(1.2)	(1.3)	(1.2)

	Year ended 31 December			
	2019	2020	2021	2022
	(in € millions, except as noted)			
Forecast EBITDA	62.8	61.3	61.6	62.0
Income tax[(3)]	(2.2)	(7.5)	(7.3)	(8.4)
Other changes in working capital[(4)]	5.1	(0.2)	1.5	(0.1)
Operating cash flow	65.7	53.6	55.8	53.5
Investment cash flows	(0.2)	(0.6)	(0.6)	(0.6)
Financing cash flows:				
Loan proceeds	-	-	-	-
Loan principal repayment	(30.5)	(30.5)	(30.5)	(24.3)
Interest	(2.5)	(1.7)	(1.0)	(0.4)
ECA and other fees	(0.0)	(0.0)	(0.0)	(0.0)
Debt service reserve	-	-	-	7.0
Total financing cash flows	(33.0)	(32.2)	(31.5)	(17.6)
Total cash flow available after debt service	32.5	20.7	23.7	35.3
Primorsk I:				
Revenues:				
Generation (GWh)	253.9	338.7	338.7	338.7
FiT (€/MWh)[(2)]	100.6	100.2	100.5	101.0
Total revenues	25.6	33.9	34.1	34.2
Operating expenses	(3.0)	(3.9)	(3.7)	(3.8)
Administrative expenses	(2.1)	(1.2)	(0.9)	(1.0)
Forecast EBITDA	20.4	28.8	29.4	29.4
Income tax[(3)]	(0.5)	(1.2)	(2.1)	(2.8)
Other changes in working capital[(4)]	11.5	0.1	1.2	(0.0)
Operating cash flow	31.4	27.7	28.4	26.7
Investment cash flows	(22.1)	(0.1)	(0.1)	(0.1)
Financing cash flows:				
Loan proceeds	20.9	-	-	-
Loan principal repayment	(4.5)	(9.0)	(9.0)	(9.0)
Interest	(1.8)	(1.5)	(1.4)	(1.2)
ECA and other fees	(0.1)	(0.0)	-	-
Debt service reserve	6.0	0.1	0.1	0.1
Total financing cash flows	20.6	(10.5)	(10.3)	(10.1)
Total cash flow available after debt service	29.8	17.2	18.1	16.5
Nikopol:				
Revenues:				
Generation (GWH)	280.8	291.1	285.0	282.7
FiT (€/MWh)[(2)]	150.1	147.9	148.4	149.1
Total revenues	42.2	43.0	42.3	42.1
Operating expenses	(1.9)	(2.9)	(3.0)	(3.1)
Administrative expenses	(2.4)	(1.1)	(0.9)	(1.0)
Forecast EBITDA	37.9	39.0	38.3	38.0
Income tax[(3)]	(4.8)	-	-	-
Other changes in working capital[(4)]	23.2	0.2	2.4	0.0
Operating cash flow	56.3	39.2	40.7	38.0
Investment cash flows	(2.4)	(0.0)	-	-
Financing cash flows:				
Loan proceeds	-	-	-	-
Loan principal repayment	-	(14.9)	(14.9)	(14.9)
Interest	(2.3)	(5.1)	(4.5)	(3.9)
ECA and other fees	(12.3)	-	-	-
Debt service reserve	(8.0)	0.3	0.3	0.3
Total financing cash flows	(22.6)	(19.7)	(19.1)	(18.5)
Total cash flow available after debt service[)]	31.2	19.5	21.6	19.5
Tryfanovka:				
Revenues:				
Generation (GWh)	12.8	12.5	12.2	12.1
FiT (€/MWh)[(2)]	154.1	147.9	148.4	149.1
Total revenues	2.0	1.8	1.8	1.8
Operating expenses	(0.2)	(0.1)	(0.2)	(0.2)

	Year ended 31 December			
	2019	2020	2021	2022
	(in € millions, except as noted)			
Administrative expenses	(0.1)	(0.0)	(0.0)	(0.0)
Forecast EBITDA	1.7	1.6	1.6	1.6
Income tax(3)	(0.1)	(0.1)	(0.1)	(0.1)
Other changes in working capital(4)	(0.1)	(0.0)	0.1	(0.0)
Operating cash flow	1.5	1.6	1.6	1.4
Investment cash flows	(0.0)	-	-	-
Financing cash flows:				
Loan proceeds	-	-	-	-
Loan principal repayment	(1.1)	(1.1)	(1.1)	(1.1)
Interest	(0.3)	(0.3)	(0.2)	(0.1)
ECA and other fees	-	-	-	-
Debt service reserve	-	-	-	-
Total financing cash flows	(1.4)	(1.4)	(1.3)	(1.2)
Total cash flow available after debt service	0.1	0.2	0.3	0.2
Primorsk II:				
Revenues:				
Generation (GWh)	119.5	366.4	366.4	366.4
FiT (€/MWh) (2) (5)	99.5	99.8	100.5	101.0
Total revenues	11.9	36.6	36.8	37.0
Operating expenses	(3.5)	(3.3)	(3.1)	(3.2)
Administrative expenses	-	(0.7)	(0.9)	(0.9)
Forecast EBITDA	8.4	32.5	32.8	32.9
Income tax(3)	(0.4)	(2.3)	(3.3)	(3.7)
Other changes in working capital(4)	0.6	(0.0)	(0.1)	(0.1)
Operating cash flow	8.6	30.2	29.4	29.1
Investment cash flows	(97.2)	(0.1)	(0.1)	(0.1)
Financing cash flows:				
Loan proceeds	89.5	-	-	-
Loan principal repayment	-	(9.0)	(9.0)	(9.0)
Interest	(0.7)	(1.7)	(1.5)	(1.3)
ECA and other fees	(17.7)	(0.1)	(0.0)	(0.0)
Debt service reserve	(8.0)	0.2	0.1	0.1
Total financing cash flows	63.1	(10.6)	(10.4)	(10.2)
Total cash flow available after debt service	(25.5)	19.6	19.0	18.8
Orlovsk:				
Revenues:				
Generation (GWh)	100.2	370.3	379.4	379.4
FiT (€/MWh) (2) (5)	98.5	99.8	100.5	101.0
Total revenues	9.9	36.9	38.1	38.3
Operating expenses	(2.9)	(3.5)	(3.4)	(3.3)
Administrative expenses	-	(1.1)	(0.9)	(0.9)
Forecast EBITDA	6.9	32.4	33.9	34.1
Income tax(3)	(0.5)	(3.4)	(4.6)	(4.9)
Other changes in working capital(4)	(6.5)	4.7	(0.1)	(0.1)
Operating cash flow	0.0	33.6	29.1	29.1
Investment cash flows	(88.5)	(0.1)	(0.1)	(0.1)
Financing cash flows:				
Loan proceeds	51.8	-	-	-
Loan principal repayment	(30.1)	(2.5)	(3.9)	(3.9)
Interest	(1.5)	(1.6)	(1.3)	(1.0)
ECA and other fees	(0.5)	-	-	-
Debt service reserve	(0.1)	0.1	-	-
Total financing cash flows	19.6	(4.0)	(5.2)	(4.9)
Total cash flow available after debt service)	(68.9)	29.6	23.9	24.2
Pokrovsk:				
Revenues:				
Generation (GWh)	53.4	405.3	396.5	393.7

	Year ended 31 December			
	2019	2020	2021	2022
	(in € millions, except as noted)			
FiT (€/MWh) (2)	146.5	148.5	148.7	149.1
Total revenues	7.8	60.2	59.0	58.7
Operating expenses	(5.0)	(3.8)	(3.5)	(3.5)
Administrative expenses	-	(0.9)	(0.9)	(0.9)
Forecast EBITDA	2.8	55.6	54.6	54.3
Income tax(3)	(0.1)	(5.3)	(5.4)	(5.6)
Other changes in working capital(4)	(7.0)	6.3	(0.0)	(0.0)
Operating cash flow	(4.3)	56.5	49.2	48.7
Investment cash flows	(168.8)	-	(0.1)	(0.1)
Financing cash flows:				
Loan proceeds	-	-	-	-
Loan principal repayment	-	-	-	-
Interest	-	-	-	-
ECA and other fees	-	-	-	-
Debt service reserve	-	-	-	-
Total financing cash flows	-	-	-	-
Total cash flow available after debt service	(173.1)	56.5	49.1	48.6

(1) The Company is required to cause WIND POWER LLC to become an Additional Surety on the date of the final repayment of the Windpower ECA Facilities, which final repayment is scheduled to occur on the Anticipated Repayment Date. With effect from the Issue Date, WIND POWER LLC will not be permitted to incur any new debt or to extend the maturity of the Windpower ECA Facilities until the Windpower ECA Facilities have been repaid.

(2) The Group's constructed projects are expected to derive substantially all revenues through FiT payments made by the Guaranteed Buyer under terms outlined in PPA's executed by the Group and Guaranteed Buyer and effective through January 1, 2030. See "*Operating and Financial Review—Key Factors Affecting Results of Operations—Regulatory and Tariff Regime*" and "*Business—Project Development Process—Power Purchase Agreements*". FiT rates are denominated in Euro but paid in UAH. See, "*Business—Project Development Process—Power Purchase Agreements—Key terms of the PPA*".

(3) The income tax figures are based on the assumption that the income tax rate is 18 per cent. however these figures may be lower because payments are made on a quarterly basis and are subject to the depreciation of the Ukrainian currency.

(4) The figures for the change in working capital are affected by two components: (i) investment VAT which includes payments from the Company during the construction phase, which are refunded after the project's date of operation resulting in changes in the working capital during and after construction and (ii) account receivables from the Guaranteed Buyer which result in minimal changes in working capital due to the guaranteed off-take.

(5) Receipt of the assumed FiT prices for Primorsk II is contingent upon the commissioning of the remaining launch stages by 31 December 2019. For purposes of the Independent Consultant's Report, the Independent Consultant relied upon management assumptions that these projects would be in operation on or before 31 December 2019. If Primorsk II is not fully commissioned by 31 December 2019, the FiT rate for the launch stages that are not yet in operation will be discounted by 10 per cent. Differences in each of Primorsk II and Orlovsk's installed capacity (MW) is attributable to rounding.

Guarantor forecasts

The tables below present the forecast EBITDA and total cash flow available after debt service for the years ended 31 December 2019, 2020, 2021 and 2022 for the Guarantors.

	Year ended 31 December			
	2019	2020	2021	2022
	(in € millions, except as noted)			
Guarantor Group:				
Forecast EBITDA				
Orlovsk Guarantor	6.94	32.35	33.86	34.10
Pokrovsk Guarantor	2.8	55.6	54.6	54.3
Total forecast EBITDA	9.7	87.9	88.5	88.3
Total cash flow available after debt service				
Orlovsk Guarantor	(68.9)	29.6	23.9	24.2
Pokrovsk Guarantor	(173.1)	56.5	49.1	48.6
Total	(241.9)	86.1	73.0	72.7

The tables below present the forecast EBITDA and total cash flow available after debt service for the years ended 31 December 2019, 2020, 2021 and 2022 for the non-Guarantors.

	Year ended 31 December			
	2019	2020	2021	2022
	(in € millions, except as noted)			
Non-Guarantor Group:				
Forecast EBITDA				
Botievo	62.8	61.3	61.6	62.0
Primorsk I	20.4	28.8	29.4	29.4
Primorsk II	8.4	32.5	32.8	32.9
Nikopol	37.9	39.0	38.3	38.0
Tryfanovka	1.7	1.6	1.6	1.6
Total forecast EBITDA	131.1	163.3	163.8	163.9
Total cash flow available after debt service				
Botievo	32.5	20.7	23.7	35.3
Primorsk I	29.8	17.2	18.1	16.5
Primorsk II	(25.5)	19.6	19.0	18.8
Nikopol	31.2	19.5	21.6	19.5
Tryfanovka	0.1	0.2	0.3	0.2
Total	68.1	77.2	82.7	90.3

OVERVIEW OF THE OFFERING

Reference to the "*Conditions*" *in this overview are to the Terms and Conditions, as applicable. Terms which are defined in the Conditions have the same meaning when used in this overview with respect to the Notes.*

Notes..	€325,000,000 8.50 per cent Senior Notes due 2024 (the "**Notes**").
Issuer..	DTEK RENEWABLES FINANCE B.V.
Guarantors	The Notes will be guaranteed by the Company and by the Orlovsk Guarantor and the Pokrovsk Guarantor ("**Sureties**" and, together with the Company, and any Additional Sureties, the "**Guarantor**s"). See "*Description of the Issuer and Guarantors*".
Joint Lead Managers...........................	Raiffeisen Bank International AG and Renaissance Securities (Cyprus) Limited.
Co-Lead Manager................................	PUBLIC JOINT STOCK COMPANY JOINT STOCK BANK "UKRGASBANK"
Maturity Date.......................................	12 November 2024
Trustee	BNY Mellon Corporate Trustee Services Limited.
Registrar and Transfer Agent.............	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Principal Paying Agent	The Bank of New York Mellon, London Branch.
Irish Listing Agent......................................	Arthur Cox Listing Services Limited
Use of Proceeds..	The net proceeds from the issue of the Notes will be applied (i) to repay existing Bridge Financing, relating to past capital expenditure of Eligible Green Projects; (ii) to repay existing deferred vendor financing and shareholder and affiliate loans, each relating to past capital expenditure of Eligible Green Projects; (iii) for the ongoing and future expenditure of development Eligible Green Projects, (iv) for the payment of costs relating to the issuance of the Notes and pre-funding of the Interest Reserve Account; and (v) for capital expenditure and working capital of SOLAR FARM-3 LLC and ORLOVKA WEP LLC, as further described "*Use of Proceeds*", "*Capitalisation*", and "*Green Bond Framework*".
Risk Factors...	An investment in the Notes involves a high degree of risk. See "*Risk Factors*".
Issue Price..	The Notes will be issued at an issue price of 99.005 per cent of the principal amount of the Notes.
Interest	The Notes will bear interest from and including the Issue Date at a rate of 8.50 per cent per annum payable semi-annually in arrears on 12 May and 12 November in each year, commencing on 12 May 2020.
Guarantees	The Company has, pursuant to the granting of the Guarantee under the Trust Deed, fully, unconditionally and irrevocably, guaranteed the due and punctual payment of all amounts becoming due and payable by the Issuer under the Trust Deed, the Notes and the Agency Agreement.

The Orlovsk Guarantor has, pursuant to the granting of an unsubordinated guarantee under the relevant Surety Agreement, irrevocably guaranteed the due and punctual payment of all amounts becoming due and payable by the Issuer under the Trust Deed, the Notes and the Agency Agreement, provided that, for so long as any amounts are outstanding under the €21 million Orlovska secured loan facility due 2025 (the "**Orlovska Secured Loan Facility due 2025**") the maximum aggregate liability of ORLOVKA WEP LLC under the Surety Agreement shall not at any time exceed 70 per cent of the total assets of the Orlovsk Guarantor plus 70 per cent from the Orlovsk Guarantor's net cash generated from operating activities, in each case, in each respective period according to the most recent audited financial statements of the Orlovsk Guarantor. As of 31 December 3018, the Orlovsk Guarantor represented nil per cent of total Group EBITDA and nil per cent of Group net assets.

The Pokrovsk Guarantor has, pursuant to the granting of an unsubordinated guarantee under the relevant Surety Agreement, fully, unconditionally and irrevocably, guaranteed, the due and punctual payment of all amounts becoming due and payable by the Issuer under the Trust Deed, the Notes and the Agency Agreement.

Also see "*Risk Factors—Risks relating to the Notes—The validity of the Surety Agreements could be challenged*", "*Risk Factors—Risks relating to the Notes—The Guarantee provided by the Orlovsk Guarantor is subject to certain limitations*" and "*Risk Factors—Risks relating to the Notes—The Notes will be structurally subordinated to the liabilities and preference shares (if any) of the Company's non guarantor subsidiaries*".

Each Guarantee under the relevant Surety Agreements shall not constitute a guarantee obligation (in Ukrainian: *garantiya*) as that term is interpreted under Ukrainian law.

Payment of amounts due under the Guarantees will require compliance with certain Ukrainian currency control regulations.

See "*Risk Factors—Risks relating to the Notes—If one or more of the Ukrainian Guarantors is declared bankrupt, Ukrainian law may limit the claims of Noteholders against the Guarantor in such bankruptcy*" and "*Risk Factors—Risks relating to the Notes—The ability of the Ukrainian Guarantors to make payments pursuant to the Surety Agreements is limited by Ukrainian law*".

The Company is required to cause WIND POWER LLC to become an Additional Surety on the date of the final repayment of the Windpower ECA Facilities, which final repayment is scheduled to occur on 4 May 2023 (the "**Anticipated Repayment Date**"). With effect from the Issue Date, WIND POWER LLC will not be permitted to incur any new debt or to extend the maturity of the Windpower ECA Facilities until the Windpower ECA Facilities have been repaid.

Optional Redemption for Taxation Reasons..

All of the Notes, but not in part only, may be redeemed at the option of the Issuer at any time (subject to certain conditions), at a redemption price equal to 100 per cent. of their principal amount together with interest accrued to but excluding the date

	of redemption and all Additional Amounts (if any) then due and which will become due on the date of redemption if the Issuer satisfies the Trustee that (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after the Issue Date, on the next Interest Payment Date the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 9, and (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it.
Redemption at the Option of the Issuer..	At any time prior to 12 November 2021 the Issuer may also redeem all or part of the Notes at a redemption price equal to 100 per cent of the principal amount thereof, plus the Applicable Premium as of, and accrued and unpaid interest thereon and additional amounts, if any, to, but excluding, the redemption date. In addition, on or after 12 November 2021 the Issuer may, on any one or more occasions, redeem all or part of the Notes at the redemption prices (expressed as percentages of principal amount) set out below, plus accrued and unpaid interest thereon and additional amounts, if any, to, but excluding the redemption date, if redeemed during the 12 month period beginning on 12 November, of the years indicated below:

Year	**Notes Redemption Price**
2021	104.250%
2022	102.125%
2023 and thereafter	100.000%

Redemption upon Change of Control	Upon the occurrence of a Change of Control (as defined in "*Terms and Conditions of the Notes—Condition 7.3*") occurs, each Noteholder shall have the right, at such Noteholder's option, to require the Issuer to repurchase all or any part of such Noteholder's Notes at a purchase price in cash equal to 101 per cent of their principal amount together with accrued interest and any Additional Amounts to but excluding the date of redemption, as further described in Condition 7.3.
Ranking of the Notes and the Guarantees	The Notes will constitute direct, unsubordinated and unconditional obligations of the Issuer as set out in Condition 3.3. The Guarantee provided by each of the Company and the Pokrovsk Guarantor constitutes or will constitute a senior, unsubordinated and unsecured obligation of each of the Company and the Pokrovsk Guarantor. The Guarantee provided by the Orlovsk Guarantor constitutes a senior, unsubordinated and unsecured obligation of the Orlovsk Guarantor and is limited to the value of 70 per cent of the total assets of the Orlovsk Guarantor plus 70 per cent from the Orlovsk Guarantor's net cash generated from operating activities, in each case, in each respective period according to the most recent audited financial statements of the Orlovsk Guarantor.

Security	The Notes will be secured by certain security in respect of the Interest Reserve Account and the Account Bank Agreement only, as more particularly described in Condition 4.
Taxation	All payments of the principal of, premium on, if any, and interest on the Notes or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the relevant Tax Jurisdiction or any political or governmental subdivision or authority thereof or therein having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer (or, as the case may be, the Guarantors) shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required ("**Additional Amounts**"). See Condition 9 (*Taxation*).
Covenants	The terms and conditions of the Notes (the "**Conditions**") contain covenants including the requirement to appoint a Restricted Subsidiary as an Additional Surety within 60 days after the date on which the proceeds from the Offering are first applied by the relevant Restricted Subsidiary and to appoint Windpower to become an Additional Surety upon the date of final repayment of the Windpower ECA Facilities, as well as certain covenants limiting, among other things, the Issuer's and the Issuer's subsidiaries' ability to: • incur additional debt; • create certain liens; • enter into transactions with affiliates; • make certain restricted payments or restricted investments; and • sell certain assets; • restrict distributions from restricted subsidiaries; • merge or consolidate with other entities; and • engage in any business not related to renewable energy. See "*Terms and Conditions of the Notes—Covenants*".
Events of Default	The Conditions permit the acceleration of the Notes if requested by holders of 25 per cent in principal amount of the Notes outstanding, following the occurrence of the certain continuing events of default, including: • non-payment of principal or interest; • breach of liens covenant or merger covenant in the Conditions; • breach of other obligations under the Notes; • cross-payment default and cross-acceleration in relation to money borrowed;

- the occurrence of certain enforcement proceedings or failure to pay certain final judgments;
- certain insolvency events and proceedings in relation to or the inability to pay its debts on the part of the Material Subsidiary;
- nationalisation;
- illegality of obligations under the Notes or the Guarantees or the Guarantees are claimed to be unenforceable;
- the Interest Reserve Account ceasing to be in full force and effect*;* and
- analogous events.

Form and Denomination .... The Notes will be issued in registered form in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof. The Regulation S Notes and the Rule 144A Notes will each be represented by a Regulation S Global Note Certificate and a Rule 144A Global Note Certificate, respectively. The Regulation S Global Note Certificate and the Rule 144A Global Note Certificate will be exchangeable for Definitive Certificates in the limited circumstances specified in the Regulation S Global Note Certificates and the Rule 144A Global Note Certificates.

Initial Delivery of Notes....................... On or before the Issue Date, the Rule 144A Global Note Certificate and the Regulation S Global Notes Certificate will be deposited with the Common Depositary and registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg.

Listing and admission to trading........ Application has been made for these Listing Particulars to be approved by Euronext Dublin as listing particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market.

Selling Restrictions .... The Notes may be sold only in compliance with applicable laws and regulations. See "*Subscription and Sale*".

MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document ("**KID**") has been prepared as the Notes are not available to retail investors in the EEA.

Transfer Restrictions........................... The Notes have not been, and will not be, registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Governing Law..................................... The Notes, the Surety Agreements, the Agency Agreement and the Trust Deed will be governed by English law.

Financial Information.......................... For a presentation of the Group's financial information, see "*Selected Consolidated Financial Information*" and "*Index to Financial Statements*".

Security Codes......................................

	ISIN	Common Code
Rule 144A Notes	XS2070013250	207001325
Regulation S Notes	XS2069980246	206998024

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The tables below set forth the summary consolidated financial information extracted from the audited annual financial statements of the Group as at and for the years ended 31 December 2018, 2017 and 2016 and the unaudited financial statements as at and for the six months ended 30 June 2019 and 2018. For additional information see "*Presentation of Financial and Other Information*". The Issuer's financial results are not included in the consolidated financial information of the Group set out in, or incorporated by reference in, these Listing Particulars as the Issuer became a part of the Group on 1 October 2019, following the transfer by DTEK ENERGY B.V. of 100 per cent of the share capital of the Issuer to the Company. In view of the limited scope of the Issuer's operations prior to the issue of the Notes, the Issuer's financial results are not relevant to a consideration of financial position or results of operations of the Group. Going forward, the Issuer's financial results will be included in the consolidated financial statements of the Group.

The audited annual financial statements as at and for the years ended years ended 31 December 2018, 2017 and 2016 have been prepared in accordance with IFRS, as endorsed by the EU. The unaudited financial statements as at and for the six months ended 30 June 2019 have been prepared in accordance with IAS 34. These audited financial statements and unaudited financial statements are included under "*Index to Financial Statements*". This section should be read together with the information contained in "*Use of Proceeds*", "*Operating and Financial Review*" and the Consolidated Financial Statements of the Group included under "*Index to Financial Statements*". For more information regarding what has been included in key income statement items, see "*Operating and Financial Review—Explanation of Key Income Statement Items*".

Consolidated Balance Sheet

	As at 31 December			As at 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
			(*in millions of Hryvnia*)		
ASSETS					
Non-current assets					
Property, plant and equipment	5,871	6,463	15,583	9,907	22,943
Intangible assets	11	11	11	9	171
Financial investments	213	466	629	425	767
Loans receivable	-	-	-	1,277	-
Deferred income tax asset	72	37	17	83	10
Total non-current assets	**6,167**	**6,977**	**16,240**	**11,701**	**23,891**
Current assets					
Inventories	7	6	4	5	11
Financial investments	342	–	–	-	-
Loans receivable	474	7,833	5,459	5,939	5,034
Trade and other receivables	147	182	1,747	262	1,394
Cash and cash equivalents	203	711	1,158	1,395	1,301
Total current assets	**1,172**	**8,733**	**8,369**	**7,601**	**7,740**
TOTAL ASSETS	**7,339**	**15,710**	**24,608**	**19,302**	**31,631**
EQUITY					
Share capital	0	0	0	0	0
Share premium	1,522	8,478	9,090	9,090	12,093
Other reserves	(434)	(434)	(434)	(434)	-
Revaluation reserve	2,597	2,927	2,713	2,832	2,619
Retained earnings /(Accumulated losses)	(1,537)	(1,012)	(47)	(1,271)	1,080
TOTAL EQUITY	**2,149**	**9,959**	**11,322**	**10,217**	**15,791**
LIABILITIES					
Non-current liabilities					
Borrowings	4,399	4,414	8,996	5,762	8,985
Other payables	-	-	-	-	117
Deferred income tax liabilities	–	119	379	359	498
Total non-current liabilities	**4,399**	**4,533**	**9,375**	**6,121**	**9,600**
Current liabilities					
Borrowings	650	1,051	3,039	2,547	5,070

	As at 31 December			As at 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
			(*in millions of Hryvnia*)		
Trade and other payables	139	129	470	156	651
Dividends payable	–	1	232	220	220
Income tax payables	–	36	165	38	292
Liabilities to non-controlling participants	2	3	4	4	6
Total current liabilities	**791**	**1,218**	**3,911**	**2,965**	**6,239**
TOTAL LIABILITIES	**5,190**	**5,751**	**13,286**	**9,085**	**15,840**
TOTAL LIABILITIES AND EQUITY	**7,339**	**15,710**	**24,608**	**19,302**	**31,631**

Consolidated Income Statement

	Year ended 31 December			As at 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	(*in millions of Hryvnia*)				
Revenue	2,037	2,116	2,493	1,250	2,072
Cost of sales	(596)	(622)	(731)	(367)	(533)
Gross profit	**1,441**	**1,494**	**1,761**	**883**	**1,539**
Other operating income	1	8	7	3	1
General and administrative expenses	(69)	(94)	(160)	(75)	(151)
Other operating expenses	(5)	(10)	(39)	(16)	(39)
Net foreign exchange gains less losses on operating activities	8	62	(9)	10	(46)
Impairment of property, plant and equipment and intangibles assets	-	(17)	-	-	-
Operating profit	**1,376**	**1,443**	**1,559**	**805**	**1,303**
Foreign exchange losses less gains on financing and investing activities	(375)	(544)	(27)	(295)	282
Finance income	316	122	1,109	285	212
Finance costs	(497)	(539)	(850)	(494)	(126)
Net impairment losses of financial assets	-	-	(72)	50	118
Profit before income tax	**821**	**482**	**1,721**	**352**	**1,789**
Income tax expense	(144)	(79)	(418)	(198)	(323)
Profit for the period	**676**	**403**	**1,302**	**154**	**1,467**
Profit is attributable to:					
Equity holders of the parent	676	403	1,301	153	1,466
Non-controlling interest	0	0	2	1	1

Consolidated Statement of Comprehensive Income

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	(*in millions of Hryvnia*)				
Profit for the period	676	403	1,302	154	1,467
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Property, plant and equipment:					
Revaluation of property plant and equipment	168	600	(29)	-	-
Income tax recorded on revaluation of property plant and equipment	(30)	(108)	5	-	-
Total comprehensive income for the period	**814**	**895**	**1,279**	**154**	**1,467**
Total comprehensive income attributable to:					
Equity holders of the Company	813	894	1,277	153	1,466
Non-controlling interest	0	1	1	1	1

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Revaluation reserve	Other reserve	Retained earnings / (Accumulated losses)	Total equity
			(*in millions of Hryvnia*)			
Balance at 1 January 2016	**0**	**1,522**	**2,614**	**(434)**	**(2,367)**	**1,336**
Profit for the period	-	-	-	-	676	**676**
Other comprehensive income	-	-	137	-	-	**137**
Total comprehensive income	-	-	**137**	-	**676**	**813**
Utilisation of revaluation reserve, net of tax	-	-	(154)	-	154	-
Acquisition of subsidiary from parties under common control	-	-	-	0	-	0
Balance at 31 December 2016	**0**	**1,522**	**2,597**	**(434)**	**(1,537)**	**2,149**
Profit for the period	-	-	-	-	403	403
Other comprehensive income	-	-	492	-	-	**492**
Total comprehensive income	-	-	**492**	-	**403**	**894**
Utilisation of revaluation reserve, net of tax	-	-	(162)	-	162	-
Share premium contribution	-	6,956	-	-	-	**6,956**
Dividends distribution	-	-	-	-	(40)	**(40)**
Balance at 31 December 2017	**0**	**8,478**	**2,927**	**(434)**	**(1,012)**	**9,959**
Balance at 1 January 2018	**0**	**8,478**	**2,927**	**(434)**	**(1,012)**	**9,959**
Effect from the first application of IFRS 9	-	-	-	-	(255)	(255)
Balance at 1 January 2018 after application of new standards	**0**	**8,478**	**2,927**	**(434)**	**(1,268)**	**9,704**
Profit for the period	-	-	-	-	1,301	1,301
Other comprehensive loss	-	-	(23)	-	-	(23)
Total comprehensive income / (loss)	-	-	**(23)**	-	**1,301**	**1,277**
Utilisation of revaluation reserve, net of tax	-	-	(191)	-	191	-
Share premium contribution	-	611	-	-	-	611
Dividends distribution	-	-	-	-	(271)	(271)
Balance at 31 December 2018	**0**	**9,090**	**2,713**	**(434)**	**(47)**	**11,322**

	Share capital	Share premium	Revaluation reserve	Other reserve	(Retained earnings /	Total equity

					(Accumulated losses)	
			(in millions of Hryvnia)			
Balance at 1 January 2018	**0**	**8,478**	**2,927**	**(434)**	**(1,012)**	**9,959**
Effect from the first application of IFRS 9	-	-	-	-	(255)	(255)
Balance at 1 January 2018 after application of new standards	**0**	**8,478**	**2,927**	**(434)**	**(1,268)**	**9,704**
Profit for the period	-	-	-	-	153	153
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**153**	**153**
Utilisation of revaluation reserve, net of tax	-	-	(95)	-	95	-
Share premium contribution	-	611	-	-	-	611
Dividends distribution	-	-	-	-	(271)	(271)
Balance at 30 June 2018	**0**	**9,090**	**2,832**	**(434)**	**(1,290)**	**10,198**
Balance at 1 January 2019	**0**	**9,090**	**2,713**	**(434)**	**(47)**	**11,322**
Profit for the period	-	-	-	-	1,466	**1,466**
Total comprehensive income	-	-	-	-	**1,466**	**1,466**
Utilisation of merge reserve	-	-	-	434	(434)	-
Utilisation of revaluation reserve, net of tax	-	-	(94)	-	94	-
Share premium contribution	-	3,003	-	-	-	3,003
Balance at 30 June 2019	**0**	**12,093**	**2,619**	**-**	**1,080**	**15,791**

Consolidated Statement of Cash Flows

	Year ended 31 December			**Six months ended 30 June**	
	2016	**2017**	**2018**	**2018**	**2019**
			(in millions of Hryvnia)		
Cash flows from operating activities					
Profit before income tax	**821**	**482**	**1,721**	**352**	**1,789**
Adjustments for:					
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets	362	383	408	204	380
Losses less gains on disposals of property plant and equipment	0	-	-	-	-
Allowance for inventory	-	-	3	-	1
Foreign exchange losses less gains on financing and investing activities	375	544	27	295	(282)
Unrealised foreign exchange gain	(1)	(4)	-	-	-
Impairment loss (Reverse of impairment loss) on financial assets	-	-	72	(50)	(118)
Finance costs (income), net	181	417	(260)	209	(86)
Operating cash flows before working capital changes	**1,737**	**1,823**	**1,970**	**1,010**	**1,685**
Trade and other receivables	3	(36)	(1,565)	(80)	353
Inventories	(2)	0	(1)	1	(8)
Trade and other payables	(5)	(6)	92	29	27
Cash generated from operations	**1,733**	**1,781**	**496**	**960**	**2,058**
Interest paid	(249)	(146)	(310)	(209)	(241)
Interest received	128	67	356	171	36
Income tax paid	(3)	(2)	0	(1)	(78)
Cost and fees incurred on debt renegotiation	(77)	-	-	-	-
Debt attraction fees paid	-	-	(300)	-	(347)
Net cash generated from operating activities	**1,532**	**1,700**	**242**	**920**	**1,428**
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	(8)	(378)	(4,202)	(1,614)	(6,398)
Placement of restricted cash	(212)	(188)	(188)	-	(185)
Loan provided to related party	(467)	(7,301)	(2,646)	(1,629)	(490)

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	(*in millions of Hryvnia*)				
Repayment of loans provided to related parties	777	2	4,536	1,200	876
Capitalised borrowing cost paid	-	-	(13)	-	-
Return of deposit	-	342	-	-	-
Deposit placement	(342)	-	-	-	-
Proceeds from sale of property plant and equipment and intangible assets	2	3	0	-	-
Net cash used in investing activities	**(250)**	**(7,521)**	**(2,513)**	**(2,043)**	**(6,196)**
Cash flows from financing activities					
Share premium contribution from shareholder	-	6,956	611	611	3,003
Dividend paid	-	(40)	(45)	(45)	-
Purchase of non-controlling interest	0	-	-	-	-
Contribution of capital to a subsidiary from non-controlling participants	-	-	-	-	1
Proceeds from borrowings	450	215	3,158	1,651	2,288
Repayment of borrowings	(1,701)	(809)	(1,010)	(408)	(385)
Net cash generated / (used) in financing activities	**(1,251)**	**6,322**	**2,715**	**1,810**	**4,907**
Net increase in cash and cash equivalents	**30**	**501**	**444**	**688**	**139**
Cash and cash equivalents at the beginning of the year	178	203	711	711	1,158
Exchange gain / (loss) on cash and cash equivalents	(6)	7	3	(4)	4
Cash and cash equivalents at the end of the year	**203**	**711**	**1,158**	**1,395**	**1,301**

Other financial information (unaudited)

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	(*in millions of Hryvnia*)				
Net profit for the period	676	403	1,302	154	1,467
adjusted for:					
Income tax expense	144	79	418	198	323
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets	362	383	408	204	380
Finance income and finance costs, excluding finance income accrued on current accounts and short-term deposits	224	441	(200)	216	(50)
Foreign exchange result	367	482	36	285	(236)
Impairment / reverse of impairment on financial assets	-	-	72	(50)	(118)
EBITDA	**1,773**	**1,788**	**2,036**	**1,007**	**1,766**

EXCHANGE RATES

The following tables set forth, for the periods indicated, the average and period-end official rates set by the NBU, in each case for the purchase of Hryvnia, expressed in Hryvnia per Euro.

Year ended 31 December	High	Low	Average[(1)]	Period End
		(Hryvnia per Euro)		
2016	30.20	25.21	28.28	28.42
2017	33.50	27.60	30.01	33.50
2018	35.66	30.17	32.15	31.71

(1) Calculated based on the exchange rates for each banking day of the period and the number of banking days in the period.

2019	High	Low	Average[(1)]	Period End
		(Hryvnia per Euro)		
January	32.61	31.22	31.82	31.72
February	31.87	30.51	30.85	30.73
March	31.04	29.59	30.40	30.57
April	30.57	29.61	30.11	29.61
May	29.92	29.14	29.50	29.92
June	30.59	29.51	29.89	29.73
July	29.76	27.98	28.91	27.98
August	28.78	27.73	28.09	27.94
September	27.99	26.33	27.27	26.33
October	27.96	26.35	27.40	27.76
November[(2)]	27.68	27.56	27.66	27.67

(1) Calculated based on the exchange rates for each banking day of the period and the number of banking days in the period.
(2) Up to and including 5 November 2019.

The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain profit and loss financial and other information has been converted to Euro at an exchange rate of: (i) for the six months ended 30 June 2019, UAH 30.43 to €1.00, (ii) for the six months ended 30 June 2018, UAH 32.44 to €1.00, (iii) for the year ended 31 December 2018, UAH 32.15 to €1.00, (iv) for the year ended 31 December 2017, UAH 30.01 to €1.00 and (v) for the year ended 31 December 2016, UAH 28.28 to €1.00, each which represents the average exchange rates based on the daily exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). Certain balance sheet financial and other information has been converted to Euro an exchange rate of: (i) as at 30 June 2019, UAH 29.73 to €1.00, (ii) as at 30 June 2018, UAH 30.57 to €1.00, (iii) as at 31 December 2018, UAH 31.71 to €1.00, (iv) as at 31 December 2017, UAH 33.50 to €1.00 and (v) as at 31 December 2016, UAH 28.42 to €1.00, each representing the exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all. See "*Exchange Rates*". The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all. The NBU's Hryvnia/Euro exchange rate as reported on 5 November 2019 (after rounding adjustments), was UAH 27.67 to €1.00.

Forecasts presented in the Independent Consultant's Report are presented in Euro. Forecasts presented in the Independent Consultant's Report are presented in Euro. For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information.

The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been or could be converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all.

RISK FACTORS

An investment in the Notes involves a high degree of risk. Prospective investors in the Notes should carefully consider the risks described below and the other information contained in these Listing Particulars before making a decision to invest in the Notes. Any of the following risks could adversely affect the Group's business, results of operations, financial condition and prospects, in which case the trading price of the Notes could decline, resulting in the loss of all or part of an investment in the Notes, and the Issuer's ability to pay all or part of the interest or principal on the Notes could be negatively affected. The Group believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Group based on information currently available to it or which it may not currently be able to anticipate.

Risks relating to the Group's business

The Group's business is dependent on the regulatory environment affecting the renewable energy sector in Ukraine

The regulatory environment in which the Group operates is evolving and subject to change. Such changes, including the instances mentioned below, may materially and adversely affect the Group's business, prospects, financial condition, results of operations and cash flows to the extent that the Group is unable to suitably respond to and comply with any such changes in applicable law and policy. The Group's current operations and development projects are all located in Ukraine and are therefore substantially dependent on the legal and regulatory framework in Ukraine. The current legal and regulatory environment may change, including as a result of economic and/or political developments, which may be adverse for the Group and its operations. New regulation or changes to existing regulation in the renewable energy sector may impact the Group's ability to acquire, develop and construct profitable wind or solar energy projects, generate adequate returns on investments and continue to operate in the Ukrainian renewable energy sector. A change in regulations could also result in additional costs and fees associated with regulatory compliance, reduced support mechanisms or reduced revenues from or increased taxation on the projects developed by the Group. Any introduction of new protectionist rules or local content requirements could hinder the Group's ability to identify and capitalize upon growth opportunities, to access key construction and maintenance equipment at affordable prices or at all or to attract and maintain industry leading talent. Furthermore, Group constructed and development projects may suffer downtime, repair and maintenance or construction delays or cost overruns if adjustments need to be made to accommodate changes in applicable regulatory or legal requirements, which may have a material adverse effect the results of operations and financial performance of the applicable project or the Group as a whole.

The Group's constructed projects currently qualify under the FiT regime and the Group's management expects the Group's development projects to qualify under the FiT regime as well. There can be no guarantees, however, that the Group's development projects will qualify under the FiT regime or that the FiT regime will not be amended, revoked or replaced in unanticipated ways in the future. The government of Ukraine, as part of the country's commitments to liberalise the electricity market in compliance with the requirements of the EU Directive 2009/72/EC and Regulation (EC) No 714/2009, brought into force the Ukrainian Electricity Market Law (the "**Electricity Market Law**") in 2017. Following the entry into force of the Electricity Market Law, the regulatory framework has been gradually updated to transition from a monopolistic single-buyer market model, which is still in place under the FiT regime, to a competitive open market with multiple segments and trade channels. On 25 April 2019, the Ukrainian parliament approved the draft law "On Introduction of Certain Changes to Laws of Ukraine regarding Ensuring Competitive Conditions for Generation of Electricity from Alternative Energy Sources No. 8449-d", which became effective on 22 May 2019 (the "**Auctions Law**"), which provides for the auction regime governing the sale and purchase of electricity in Ukraine to being implemented from 1 July 2019. On 1 July 2019, this more liberal electricity market model, as contemplated under the Electricity Market Law (the "**New Electricity Market Model**"), was established.

Under the New Electricity Market Model, qualifying projects will continue to operate under the FiT regime until 31 December 2029. If Primorsk II or any other of the Group's development projects (i) enters into a pre-PPA prior to 31 December 2019 and (ii) is commissioned within two years (for solar projects) or three years (for wind projects) from the date of the applicable pre-PPA, the relevant project will benefit from the FiT regime. However, if any of these conditions are not satisfied, such projects may not qualify for the FiT regime at all. If Primorsk II or any of the Group's development projects qualify for the FiT regime, the FiT rate for each project will be determined as of the commissioning date of the relevant project. For example, if the remaining Primorsk II turbines are not commissioned by 31 December 2019, the turbines will receive a 10 per cent reduction in the relevant FiT rate. Electricity generated by projects that do not qualify under the FiT regime will instead be sold at the price determined by the auction process governed by the Auctions Law. In order to enter into a new pre-PPA, the project developer must have secured the land required for a solar farm or wind turbines (including related infrastructure), finalise a grid connection agreement and obtain a construction permit. There can be no guarantee that the Group will be able to satisfy these conditions prior to the applicable deadlines. There is a risk that the Group's development projects may not qualify for the FiT regime at all, or may qualify at a lower FiT rate than currently expected, either of which may have a material adverse effect on the profitability of the Group. See "*Business – Project Development Process –Power Purchase Agreements*" for further information on the pre-PPA conditions and the status of the pre-PPA for each relevant project.

Further, the auction regime has not yet been implemented and there can be no guarantee it will run efficiently. To implement the auction regime fully, the CMU must adopt the detailed procedure on auctions and conduct pilot auctions. The initial pilot auctions are required be held within six months from the effective date of the Auctions Law but in any case not later than 31 December 2019. The CMU was expected to adopt the detailed procedure on auctions before 22 August 2019 however it has not yet adopted this procedure. The CMU has also not yet conducted the pilot auctions. In addition, the CMU must approve annual quotas for (i) wind, (ii) solar, and (iii) other types of RES (i.e., biomass, biogas, hydro and geothermal) for the next five years by 1 December 2019. When approving the quotas, the CMU must take into account proposals from additional regulatory bodies, including the Ministry of Energy, Ukrenergo and State Agency on Energy Efficiency and Energy Saving of Ukraine. As the CMU has missed the original deadline for adoption of the auction procedure, there can be no assurance that the CMU will not miss future deadlines. Involvement of several state authorities in the process of approving the quotas increases the risk of potential delay in conducting the auctions. As a result, the auction regime has not been tested yet in practice.

The Electricity Market Law has also introduced a competitive balancing mechanism which requires renewable energy producers under the FiT regime (the "**RES Producers**") to be liable for deviations from the estimated value of electricity supplied (the "**Imbalances**"). Starting from 1 July 2019, the Guaranteed Buyer, as the party responsible for balancing, on behalf of all RES Producers, any Imbalances that emerge between RES Producers, will require that the relevant RES Producers reimburse costs relating to any Imbalances, which will gradually increase over time (see "*Business – Power Purchase Agreements*" for specific details). To mitigate the Imbalances Settlement Cost resulting from this balancing mechanism, the Group will implement hedging and forward looking estimation tools. For example, the Group will utilise a specialised software that is built to display predictive analytics for electricity production at solar and wind farms. However, no assurance can be given that such measures will be sufficient to eliminate or reduce the Imbalances Settlement Cost, or that such measures will be effective immediately upon implementation.

The Ukrainian electricity market is currently unstable

While certain laws, incentives, programs and policies promote renewable energy, there is no guarantee that such laws, incentives, programs and policies will not be adversely modified in the future (such as the upcoming adverse change from the FiT regime to the auction regime in 2020). There has also been cases of retroactive reduction of the FiT in Ukraine. For example, in 2017, the FiT was reduced for solar farms which were commissioned before July 2015 with a capacity of over 10 MW. This reduction did not impact the Group but there is a risk that a retroactive reduction in tariffs which does impact the Group may occur in the future. Uncertainty in the applicability, interpretation or implementation of such amendment to, or change in, governing law, regulation or policy in Ukraine may be time consuming as well as costly for the Group to resolve and may impact the viability of the Group's business currently or in the future. The following factors in particular may adversely affect the operation of the New Electricity Market Model, as well as the Ukrainian renewables industry in general.

Unconstitutionality of certain provisions of the NEURC Law

On 13 June 2019, the Constitutional Court of Ukraine ("**CCU**") declared unconstitutional certain provisions of the Law of Ukraine "On the National Energy and Utilities Regulatory Commission" (the "**NEURC Law**") regarding (a) the legal status of the NEURC as a permanent independent state collegial body, and (b) the powers of the President of Ukraine and the Ukrainian Parliament on appointing members of the NEURC. The CCU ruled that the above provisions cease to be in force from 31 December 2019 onwards. During this period, the Parliament is expected to bring the regulatory framework on the NEURC into compliance with the Constitution of Ukraine.

If the Parliament fails to bring the regulatory framework on the NEURC in line with the Constitution of Ukraine, the powers of the NEURC may be suspended from 1 January 2020 (including its ability to adopt new decisions). This may result in the instability of the Ukrainian electricity market generally and, in particular, affect the ability of the NEURC to establish the FiT, issue electricity generation licenses and carry out other actions which fall within its competence. The ability of a RES Producer to enter into a PPA or convert a pre-PPA into a PPA depends on the availability of the FiT and the electricity generation license.

Potential issues regarding payments to RES Producers by Guaranteed Buyer

On 27 June 2019, the District Administrative Court of Kyiv passed an injunction ("**Injunction**") freezing the NEURC's resolutions establishing increased grid transmission and dispatching tariffs from 1 July 2019 ("**Resolutions**"). The new increased tariffs were intended to cover the payments of Ukrenergo to the Guaranteed Buyer, which should be further used to make payments under FiT to RES Producers, such as the Group. The court granted the Injunction to allow for the claims of certain large Ukrainian industrial enterprises, which paid for grid transmission and dispatching services to PrJSC "NPC "Ukrenergo" ("**Ukrenergo**" and "**Claimants**", respectively). The Injunction resulted in the suspension of payments under the FiT for all market participants in July 2019, which effectively precluded the RES Producers, including the Group, from receiving full payments under the FiT for the produced electricity. However, on 1 August 2019, the District Administrative Court of Kyiv replaced the Injunction by suspending the effect of the Resolutions for the Claimants. To improve the situation on the market, the NEURC superseded the Resolutions with two new resolutions on 1 August 2019 and 4 August 2019, respectively ("**New Resolutions**"). The New Resolutions provide for approximately 10 per cent decrease in grid transmission and dispatching tariffs as compared to the Resolutions. The Claimant and certain other industrial producers brought separate claims seeking the invalidation of the New Resolutions. The hearing on the merits with respect to the proceedings (following which the tariffs may be suspended for all market participants), has not been scheduled yet. If any interested party successfully challenges the Resolutions and the New Resolution, the Guaranteed Buyer may become unable to make full payments to the RES Producers, including the Group, under the FiT for the produced electricity unless other sources of funding by the Guaranteed Buyer are established, which could have a material adverse effect on the Group's financial position and the results of operations and prospects. For further details, see "*Business—Legal Proceedings"*.

Due to the Injunction described above, the Group received July payments under the FiT with delay. The situation with future payments under the FiT remains uncertain until the issue with the FiT proceeds is fully resolved. See "*Risk Factors – Risks relating to the Group's business – The Group is subject to risks associated with reliance on the Guaranteed Buyer as the sole off-taker of electricity under the FiT regime*" for further details.

The tax regime for the renewable energy industry is subject to change

The import of certain goods related to renewable energy production (including wind turbines) is exempt from VAT as of the date of these Listing Particulars. However, the Parliament proposed a draft law on 30 August 2019 that abolishes this VAT exemption for the import of wind turbines. If the Parliament adopts this draft law, it may have an adverse effect on the Group's cash flows in wind projects in Ukraine and increase the costs of importing wind turbines by 20 per cent. Further, the electricity produced by wind and solar power plants is currently exempt from excise tax. However, if Parliament abolishes this exemption, the Group's operational costs may increase by 3.2 per cent, which is the excise rate for electric energy as of the date of these Listing Particulars.

If any of the favourable tax regimes currently applicable to the renewable energy industry are abolished, the Group's financial position and the results of operations may be adversely affected.

The Group is subject to risks associated with reliance on the Guaranteed Buyer as the sole off-taker of electricity under the FiT regime

The Group derives substantially all of its revenue from tariff payments by the Guaranteed Buyer (which assumed State Enterprise Energorynok's obligations to RES Producers as of 1 July 2019), a state-owned entity functioning as the Ukrainian energy market's guaranteed electricity purchaser. Under the FiT regime, the Group sells all of the electricity it produces to the Guaranteed Buyer. Consequently, the Group is substantially reliant on the Guaranteed Buyer's ability to pay for the electricity it purchases from the Group on time and in full.

The ability of the Guaranteed Buyer to pay under the PPAs is subject to a number of factors, including the financial position of the Ukrainian state, which in turn is dependent on a number of economic and political factors outside of the control of the Group. State Enterprise "Energorynok" delayed its tariff payments and has paid for only 79 per cent of its tariff payments for the month of June 2019 (equating to €11.9 million) and has an outstanding debt of UAH 88 million (€3.2 million) owed to the Group for the month of June 2019. State Enterprise "Energorynok" is not able to perform its payment obligations for June 2019 due to a lack of incoming payments from electricity suppliers and distribution system operators. The Guaranteed Buyer has paid for 94 per cent of its total tariff payments for the first 20 days of October 2019 (equating to €9.9 million) and has an outstanding debt of €0.6 million owed to the Group for the month of October 2019 which is expected to be paid in November 2019.

The Guaranteed Buyer has paid the tariff payments for July 2019, August 2019 and September 2019 in full but these payments were delayed. For reasons of such delay please refer to "*Risks relating to the Group's Business—The Ukrainian electricity market is currently unstable— Potential issues regarding payments to RES Producers by Guaranteed Buyer*". In the event of any non-payment of any amount due and payable by the Guaranteed Buyer, the Group may have limited recourse against the Guaranteed Buyer. Moreover, there can be no assurance that the Guaranteed Buyer will make its payments on time in the future. Please refer to "*Risks relating to the Group's Business—The Ukrainian electricity market is currently unstable— —Potential issues regarding payments to RES Producers by Guaranteed Buyer*".

The Group's operations and the ability of the Group to meet its obligations under the Notes could be materially and adversely affected by any occurrence or circumstance that reduces, suspends or cancels the Guaranteed Buyer's payment obligations or any failure or delay of the Guaranteed Buyer to fulfil its obligations under the PPA. Please refer to "*Risks relating to the Group's business—The Group depends on government policies that support renewable energy and the Group's business may be adversely affected if such support is amended, reduced or eliminated* ".

The Group is subject to a standard form PPA

NEURC adopted a standard form PPA ("**Model PPA**") from which counterparties cannot deviate from. All of the PPAs that the Group has entered into or will enter into are in the form of Model PPAs. The terms of the Model PPA are relatively restrictive. For example, Model PPAs do not provide for (i) termination payments (ii) possibility of assignment or "step-in" rights and (iii) compensation for transmission risks. Moreover, the right to refer disputes under Model PPAs to arbitration is subject to the payment of arbitration contributions. In the event of increased operational costs, the Group will not have the ability to reflect a corresponding increase in the Group's tariffs. Therefore, the prices at which the Group supplies power may have little or no relationship with the costs incurred in generating power, which may lead to fluctuations in the Group's margins.

In addition, the Group has no ability to change the terms of the Model PPA or to, for example, bring a claim against the Guaranteed Buyer over changes in the PPA. If the Guaranteed Buyer presents amendments to the Model PPA and the Group does not sign the updated PPA within one month, a repeal procedure will be initiated.

The above deficiencies of the Model PPA increase the risk of losses incurred by the Group and may adversely affect the ability of the Group to bring a claim under the Model PPA. The above factors all limit the Group's business flexibility, expose the Group to an increased risk of unforeseen business and industry changes and could have an adverse effect on the Group's business, results of operations and cash flows.

The Group is exposed to currency exchange rate risks

The Group is exposed to movements in currency exchange rates, particularly to changes in exchange rates between the Euro and Hryvnia given that, while the Group's reporting and functional currency is Hryvnia, the majority of the Group's borrowings and O&M contracts are denominated in Euro. However, the Group is only exposed to movements in currency exchange rates in relation to earnings under the FiT rate regime, for which all constructed projects currently qualify, for 90 days as, while the FiT rate regime is denominated in Euro but paid in Hryvnia, the Euro to Hryvnia exchange rate is revaluated every three months to account for any fluctuations. NEURC recalculates the Hryvnia equivalent of FiT rate on a quarterly basis and the Group repays most of its indebtedness on either a monthly and quarterly basis (with one loan repaid on a semi-annual basis), which partially mitigates the currency risk associated with the Group's payments on outstanding indebtedness. However, a significant fluctuation in Hryvnia, Euro or US dollars could have a significant impact on the Group's cash flows. The Group's results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during 2014 to 2017, the Hryvnia significantly decreased in value against major world currencies and resulted in a significant loss on the Group's income statement.

To the extent that the Group is unable to match its Euro-linked revenue with costs paid in foreign currencies, exchange rate fluctuations in any such currency could have an adverse effect on the Group's profitability and a material adverse effect on the Group's financial condition and the Group's ability to meet interest and principal payments on debts.

If environmental conditions at the Group's wind and solar energy projects are unfavourable, the Group's electricity production, and therefore the Group's revenue from operations, may be substantially below expectations

The revenues generated by the Group's projects are dependent on the amount of electricity generated, which in turn is dependent upon prevailing environmental conditions which are beyond the Group's control. Operating results for wind and solar energy projects vary significantly depending on natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. In some periods, the wind or solar conditions may fall within the Group's long-term estimates but not within the averages expected for such a period. In addition, the amount of electricity the Group's projects produce is dependent in part on the amount of sunlight or irradiation (in the case of solar power projects) and on actual wind conditions, including wind speed (in the case of wind power projects).

Wind Energy Projects: Wind energy is highly dependent on weather conditions and in particular on wind conditions. The profitability of a wind energy project depends not only on observed wind conditions at the site, which are inherently variable, but also on whether observed wind conditions are consistent with assumptions made during the project development phase. Actual wind conditions at these sites, however, may not conform to the measured data in these studies and may be affected by variations in weather patterns, including any potential impact of climate change. Typically, the Group's wind energy output is the lowest from May to July and highest from November to March of any given fiscal year. Turbines will only operate when wind speeds fall within certain specific ranges that vary by turbine type and manufacturer. If the wind speed is higher than the specified range, the electricity produced would be the maximum rated output, however if wind speeds fall outside or towards the lower end of these ranges, energy output would decline. Therefore, the electricity generated by the Group's wind energy projects may not meet the Group's anticipated production levels. If the wind resources at a particular site are below the levels the Group expects including in terms of quality, the rate of return for that project would be below the Group's expectations. Furthermore, components of the Group's systems, such as wind turbines, could be damaged by severe weather conditions, such as hailstorms, tornadoes or lightning strikes or levels of pollution, dust and humidity. Projections of wind resources also rely upon assumptions about turbine placement, interference between turbines and the effects of vegetation, land use and terrain, which involve uncertainty and require the Group to exercise considerable judgment. The Group or its consultants may make mistakes in conducting or validating these wind and other meteorological studies. Any of these factors could cause the development sites to have less wind potential than expected, or cause the Group to develop sites in ways that do not optimize their potential, which could cause the return on investment in these projects to be lower than expected.

Solar Energy Projects: The Group bases investment decisions with respect to each solar energy project on the findings of related solar studies conducted on-site prior to construction. However, actual climatic conditions at a project site may not conform to the findings of these studies. Typically, the Group's solar energy output is the lowest from October to March and highest from April to September of any given fiscal year. Unfavourable weather and atmospheric conditions could impair the effectiveness of the Group's projects or reduce their output to levels below their rated capacity or require shutdown of key equipment. Sustained unfavourable weather could also unexpectedly delay the installation of solar inverters and modules, which could increase the cost of such projects. Furthermore, components of the Group's systems, such as solar panels and inverters, could be damaged by severe weather conditions, such as hailstorms, tornadoes or lightning strikes or levels of pollution, dust and humidity. The operational performance of a particular solar energy project also depends on the contour of the land on which the project is situated.

A sustained decline in environmental and other conditions at the Group's wind or solar energy projects could materially and adversely decrease the volume of electricity generated and it could also impact market demand for wind and solar projects. If the Group is unable to meet the performance requirements under the terms of the PPAs, the Group may be required to pay the balance to the Guaranteed Buyer in proportion to the amount of power not supplied. As a consequence, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group's businesses project electricity production on the basis of normal weather representing a long-term historical average. For example, wind resource estimates are based on historical experience when available and on wind resource studies conducted by an independent engineer, and are not expected to reflect actual wind energy production in any given year. While the Group also considers possible variations in normal weather patterns and potential impacts on the Group's operations and the Group's businesses, there can be no assurance that such planning can prevent these impacts or accurately predict future weather conditions. To the extent climate change causes changes in temperature and wind patterns, variability in precipitation, sea levels to rise or exacerbates the intensity or frequency of extreme weather events, it could negatively impact the Group's business and operations.

Any such significant variations from normal weather where the Group's projects are located could have a material impact on the Group's results of operations.

The power generation business is subject to risk of disasters arising from natural or accidental or intentional human causes

The Group's generation facilities, or the third-party transportation or electricity transmission infrastructure that the Group relies on, may be damaged by disasters arising from natural or accidental or intentional human causes, including lightning strikes, earthquakes, tornados, floods, extreme winds, severe storms, wildfires and terrorist attacks. Disasters could require the shutdown of project equipment and facilities or transmission facilities. As all of the Group's assets are currently located in a relatively small geographic area, a single catastrophic event may affect all of the Group's asset portfolio. The Group could experience severe business disruptions, significant decreases in revenues based on lower demand arising from catastrophic events, or significant additional costs to the Group not otherwise covered by business interruption insurance clauses. Furthermore, severe weather incidents could damage components of the Group's facilities, and replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Any such catastrophes or disruptions or natural disasters could result in a significant decrease in revenue or significant reconstruction or remediation costs, beyond what could be recovered through insurance policies, which could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. In addition, any of these events could cause adverse effects on the energy demand and of consumers generally in the affected market. Some of these considerations, among others, could materially and adversely affect the Group's business, results of operations and financial condition.

The Group needs governmental approvals and permits, including labour approvals and permits, to construct and operate its projects. Any delay or failure to procure, renew or maintain necessary permits would adversely affect on-going development, construction and continuing operation of the Group's projects.

The Group is subject to numerous environmental, health and safety laws and regulations in Ukraine. These laws and regulations require the Group to obtain and maintain permits and approvals, undergo environmental impact assessments (as relevant) and review processes and implement environmental, health and safety programs and procedures to control risks associated with the ownership, construction, operation and decommissioning of projects. Additionally the Group's permits and approvals impose various conditions on the Group on a continuing basis. The Group cannot predict whether all permits required for a given project will be granted or whether the conditions prescribed in the permits will be achievable. The denial of a permit essential to a project or the imposition of impractical conditions would impair the Group's ability to develop the project. If the Group fails to satisfy the conditions or comply with the restrictions imposed by governmental approvals and permits, or the restrictions imposed by any statutory or regulatory requirements, the Group may become subject to regulatory enforcement action and the development, construction and operation of the Group's projects could be adversely affected or be subject to fines, penalties or additional costs or revocation of regulatory approvals or permits.

In addition, the Group cannot predict whether the permits will attract significant opposition (public or otherwise including on account of litigation) or whether the permitting process will be lengthened due to administrative complexities and appeals. Delay in the review and permitting process for a project can impair or delay the Group's ability to develop that project or increase the cost so substantially that the project is no longer attractive to the Group. Any failure to procure, renew or maintain necessary permits would adversely affect ongoing development, construction and continuing operation of the Group's projects.

Certain statutory and regulatory permits and approvals are required in order to operate the electricity generation businesses some of which the Group currently holds and some of which the Group is in the process of obtaining (specifically construction permits and environmental impact assessments), while new permits and approvals may be required for future operations. For example, the Group requires various approvals during the construction of its projects and prior to the issuance of the commissioning certificate, including capacity allocation and capacity transfer approvals, approvals from the local pollution control boards, evacuation and grid connectivity approvals. The relevant authorities might not issue any such permits and approvals in the timeframe anticipated or at all or might claim that the required permits or approvals were not obtained. Once a permit or other approval has been granted, it may be appealed or challenged on grounds of arbitrariness or error. The amount of time that may be needed to resolve an appeal through administrative and judicial processes can vary considerably. Further, the Group might not be able to renew its existing approvals in a timely manner or at all. While applications have been made to renew the Group's existing permits and approvals in a timely manner, the relevant state authorities may not renew the clearances in a timely manner or without imposition of stringent conditions or at all. Failure to procure, renew or maintain required permits or approvals or the Group's inability to adhere to terms and conditions imposed under these approvals may result in the interruption of the Group's operations and may have a material adverse effect on the Group's business, cash flows, financial condition and results of operations.

The Group may not be able to finance the growth of its business, including the development and construction of the Group's development projects

Completion of the Group's projects requires significant capital expenditure and construction costs. The Group uses its existing cash generated from operations as part of its financing to develop and construct its development projects, to finance the acquisition of projects or equipment and to pay the general and administrative costs of operating the Group's business. See "*Operating and Financial Review – Liquidity and Capital Resources*" for further details.

The Group's ability to obtain financing is dependent on, among other factors, continued operating performance of the Group's assets, future electricity market prices, the level of future interest rates and investors' assessment of the Group's credit risk at such time, and investor appetite for investments in renewable energy and infrastructure assets in general. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Group could delay development and construction of projects, reduce the scope of projects or abandon or sell some or all of the Group's development projects, or default on contractual commitments, if any, to buy equipment in the future, any of which would adversely affect the Group's business, prospects, cash flows, financial condition and results of operations.

The Group faces risks and uncertainties when developing wind and solar energy projects

The Group may be unable to meet its construction targets because the Group may have difficulty converting its development projects into constructed projects or the Group may be unable to find suitable projects to add to the Group's portfolio. The development and construction of wind and solar energy projects involve numerous risks and uncertainties and require extensive research, planning and due diligence. Substantial expenses are incurred in the construction of the Group's projects and if such projects cannot be built into constructed projects, the Group may have to write-off such expenses which could have a material adverse effect on its results of operations and cash flows. The Group may be required to incur significant capital expenditures for land and interconnection rights, regulatory approvals, preliminary engineering, permits, and legal and other expenses before the Group can determine whether a project is economically, technologically or otherwise feasible. Between the Group's initial investment in the development of permits for renewable projects and their connection to the transmission grid, there may be adverse developments, such as unfavourable environmental or geological conditions, labour strikes, panel shortages or weather-related restrictions. Furthermore, the Group may not be able to obtain all of the permits as anticipated, permits that were obtained may expire or become ineffective and the Group may not be able to obtain project level debt financing as anticipated. In addition, those projects that begin operations may not meet return expectations due to schedule delays, cost overruns or revenue shortfalls or they may not generate the capacity that the Group anticipates or generate revenue in the originally anticipated time period or at all. An inability to maintain and add to the Group's portfolio or to convert its development projects into financially successful constructed projects would have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

Changes in project plans or designs, or defective or late execution may increase the Group's costs from the Group's initial estimates and cause delays. Increases in the prices of the Group's materials may increase procurement costs. Labour shortages, work stoppages or labour disputes could significantly delay a project, increase the Group's costs or cause the Group to breach its performance guarantees under the Group's PPAs. Moreover, local political changes and delays, for instance, caused by state and local elections, as well as demonstrations or protests by local communities and special interest groups could result in, or contribute to, project time and cost overruns for the Group. In addition, the Group utilises and relies on third-party sub-contractors to construct and install portions of the projects. If sub-contractors do not satisfy their obligations or do not perform work that meets the Group's quality standards or if there is a shortage of third-party sub-contractors or if there are labour strikes that interfere with the ability of the Group's employees or contractors to complete their work on time or within budget, the Group could experience significant delays or cost overruns. Primorsk I experienced a slight delay in its initial construction timeline and the costs of Primorsk II were slightly above the Group's expected budget. If any future delays or cost overruns in the Group's development projects are significant, the Group may not be able to recover any of these losses. Any of the contingencies discussed above could lead the Group to fail to generate expected return from its projects and result in unanticipated and significant revenue and earnings losses.

Success in developing a project depends on many factors, including:

- securing appropriate land, with satisfactory land use permissions, on reasonable terms;
- accurately assessing resource availability at levels deemed acceptable for project development and operations;
- receiving critical components and equipment (that meet the Group's design specifications) on schedule and on acceptable commercial terms;
- securing necessary project approvals, licenses and permits in a timely manner;
- availability of adequate grid infrastructure and obtaining rights to interconnect the project to the grid or to transmit energy;
- obtaining financing on competitive terms;
- acquiring necessary resources and equipment for the execution of construction agreements on reasonable terms and in a timely manner;
- completing construction on schedule; and
- entering into PPAs on acceptable terms.

Furthermore, the Group's ability to benefit from cash flows and results of operations from any new projects is dependent on business conditions in future periods that the Group cannot predict or measure with certainty. The Group's assumptions underlying expected cash flows and results of operations may be inaccurate, and future business conditions and events may reduce or eliminate the Group's ability to realize them.

Success in executing the Group's growth strategy is contingent upon, among others:

- accurately prioritising geographic markets for entry, including estimates on addressable market demand;
- managing local operational, capital investment or components sourcing in compliance with regulatory requirements;
- negotiating favourable payment terms with suppliers;
- collecting economic incentives as expected; and
- signing agreements that are commercially acceptable, including adequate financing.

Additionally, the Group intends to expand its business with new projects in the future. As the Group grows, it expects to encounter challenges to its internal processes, project selection, external construction management, capital commitment process, project funding infrastructure and financing capabilities. The Group's existing operations, personnel, systems and internal control may not be adequate to support the Group's growth and expansion and may require the Group to make additional unanticipated investments in infrastructure. To manage the future growth of operations, the Group will be required to improve the Group's administrative, operational and financial systems, procedures and controls, and maintain, expand, train and manage its growing employee base. The Group will need to hire and train project development professionals to expand and manage its project development efforts. The Group is focused on recruiting project managers with experience in the renewable energy industry in Ukraine, CIS and Europe by providing competitive job offers and development opportunities with competence development training and leadership training according to the Group's Annual Learning and Development Plan.

If the Group is unable to manage its growth effectively, it may not be able to take advantage of market opportunities, execute business strategies successfully or respond to competitive pressures.

If the Group is unable to manage its growth effectively, the Group may not be able to take advantage of market opportunities, execute business strategies successfully or respond to competitive pressures. As a result, the Group's business, prospects, cash flows, financial condition and results of operations could be materially and adversely affected.

The Company and the Issuer are part of a fiscal unity

Pursuant to the Collection of State Taxes Act in the Netherlands, Dutch companies which are part of a fiscal unity are severally and jointly liable for certain taxes payable by other Dutch entities in the same fiscal unity. In a fiscal unity, each member of the fiscal unity transfers its tax position and liabilities to the head company of the fiscal unity, and the head company of the fiscal unity will then consolidate all tax payments and pay the aggregate tax payment to the Tax and Customs Administration in the Netherlands. The Company, the Issuer (for the purposes of VAT only) and certain other DTEK B.V. Group companies which are registered in the Netherlands form a fiscal unity or a single entity for the purposes of tax settlement in the Netherlands, with DTEK B.V. as the head company of the fiscal unity. DTEK B.V. was not required to pay any income taxes in respect of the year ended 31 December 2018.

The Company will be jointly and severally liable for the VAT and corporate income tax of certain Dutch entities of the DTEK Group if a formal payment request or claim has been issued by the Tax and Customs Administration in the Netherlands to the Company to pay such taxes, which would be issued in the event DTEK B.V. has not paid taxes payable by the members of the fiscal unity. The Issuer will be jointly and severally liable for VAT if a formal payment request or claim has been issued by the Tax and Customs Administration in the Netherlands to the Issuer to pay the such taxes. The Issuer has not opted to join the fiscal unity for corporate income tax and so will not be jointly and severally liable for these purposes. As of the date of these Listing Particulars, the Company and the Issuer has not received any formal payment request or claim from the Tax and Customs Administration in the Netherlands, however there can be no assurance that the Tax and Customs Administration in the Netherlands will not submit a formal payment request or claim to the Company and the Issuer in the future.

If the Group fails to comply with financial and other covenants under the Group's loan agreements, the Group's financial condition, results of operations, cash flows and business prospects may be materially and adversely affected, and could trigger an early repayment requirement under the Group's loan agreements

The development of new projects is dependent on the Group's ability to obtain financing to fund its operations, investments in additional projects and acquisitions, working capital and capital expenditure. The Group cannot guarantee that it will be able to obtain any financing or renew current financing arrangements on the same terms or upon the expiry of such financing arrangement.

The Group expects to continue to finance a significant portion of its project development and construction costs with project financing. The agreements with respect to its existing project-level indebtedness contain financial and other covenants that require the Group to maintain certain financial ratios or impose certain restrictions on disposition of the Group's assets or the conduct of the Group's business. In addition, the Group typically pledges the Group's project assets or account or trade receivables (consisting of the income received from the sale of electricity the Guaranteed Buyer), and in certain cases, shares of the relevant project company, to raise debt financing, and the Group is restricted from creating additional security over the Group's assets. Such account or trade receivables will include all income generated from the sale of electricity in the solar projects.

The Group's financing agreements also include certain restrictive covenants whereby the Company may be required to obtain approval from its lenders or fulfil specific conditions in order to guarantee obligations or provide loans to companies which are not part of the Group. Most of the Group's lenders also impose significant restrictions in relation to the Group's projects. For example, the relevant project company Subsidiary may be required to obtain approval from its respective lenders or fulfil specific conditions to, among other things, incur additional debt, provide loans or guarantees outside the Group, enter into any scheme of merger, amalgamation, compromise, demerger or reconstruction, change the Group's capital structure and controlling interest, dispose of or sell assets, make material changes to, or terminate, specific project documents and waive any material claims or defaults under the specific project documents. There can be no assurance that such consent will be granted in a timely manner, or at all. In the event that such lender consents are granted, they may impose certain additional conditions on us, which may limit the Group's operational flexibility or subject the Group to increased scrutiny by the relevant lenders. The time required to secure consents may hinder the Group from taking advantage of a dynamic market environment. In addition, the Group's financing agreements also require the Group to maintain certain ratings or other levels of credit worthiness, and contain provisions that limit dividend distributions based on certain thresholds and ratios, as further described in "*Description of Indebtedness*". There can be no assurance that such distributions will be made available in amounts sufficient to pay for the debt under the Notes. If the Group breaches any financial or other covenants contained in any of the Group's financing arrangements, the Group may be required to immediately repay the Group's borrowings either in whole or in part, together with any related costs.

The Group's failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain the Group's lenders' consent to take restricted actions in a timely manner or at all may result in the declaration of an event of default by one or more of the lenders, which may accelerate repayment of the relevant loans or trigger cross defaults under other financing agreements. The Group cannot guarantee that, in the event of any such acceleration, the Group will have sufficient resources to repay these borrowings. The Group's failure to meet its obligations under the debt financing agreements could have an adverse effect on the Group's cash flows, business and results of operations. Furthermore, a breach of those financial and other covenants or a failure to meet certain financial ratios under these financing agreements will also restrict the Group's ability to pay dividends.

The Group is subject to credit and performance risk from third parties under service and supply contracts.

The Group is dependent on other entities to, among other things, deliver goods and services on time. The Group enters into contracts with vendors to supply equipment, materials and other goods and services for the development, construction and operation of the Group's projects as well as for other business operations. If vendors do not perform their obligations, or if they fail to deliver any components that have a manufacturing defect or do not comply with the specified quality standards and technical specifications, the Group may have to enter into new contracts with other vendors at a higher cost or may suffer schedule disruptions. If the Group's third party providers are not able to perform their obligations to provide EPC and O&M services, including due to bankruptcy, winding up or any injunction, the Group may incur additional costs in finding a replacement service provider or experience significant delays. See "*Business—Project Development Process—Equipment Suppliers and Services*".

The Group's O&M contractors may be unable to service turbines or solar modules over the project lifecycle, or may fail to maintain the required site infrastructure or adequate resources at project sites. These could degrade such facilities. If the Group's O&M contractors fail to perform as required under the Group's O&M agreements, the Group's affected projects may experience decreased performance, reduced useful life or shut downs, any of which may adversely affect the Group's operational performance, financial condition and results of operations.

Furthermore, contractors and suppliers hired by the Group are generally subject to liquidated damages or fines for failure to achieve timely completion or performance shortfalls. Liability of contractors and suppliers under the Group's EPC and O&M agreements, including liquidated damages or fines, is generally limited to a specified amount or a percentage of the contract price or the annual fees payable. As a consequence, the Group may not be able to recover the full amount of losses that it may suffer due to any failure on the part of a contractor or supplier. Any disruption in the Group's business relationships with the Group's third party contractors may also result in delays or disruption of their services to us, which may adversely affect the Group's results of operations. The Group's relationship with the Group's third party suppliers and vendors may deteriorate or lead to disagreements or litigation which could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, there may be times when the demand for turbines and their related components, or for solar modules, exceed supply. As a result, turbine or solar module suppliers may have difficulty meeting the demand, leading to significant supply backlogs, increased prices, higher up-front payments and deposits and delivery delays. If such market conditions prevail, this may result in higher than expected prices, less favourable payment terms or insufficient available supplies to develop the Group's projects. Delays in the delivery of ordered turbines and components or of ordered solar modules could delay the completion of the Group's under-construction and under-active development projects.

Warranties from suppliers of turbines and solar panels, which protect the Group against non-performance, are subject to caps and may be limited by the ability of the vendor to satisfy its obligations under the warranty or guarantee. In addition, the warranties have time limits and, if the Group is not ready for turbine or solar panel installation at the time the Group receives a turbine or a solar panel that warranty protection can be lost.

When the Group purchases turbines, the Group's contracts with the vendors typically include the provision of comprehensive O&M service for a period of 20 years and with a guaranteed availability factor to ensure consistent performance for the entire duration of the agreement. However, there can be no assurance that the vendor will be able to fulfil these contractual obligations. In addition, as these warranties generally expire within a fixed period after the turbine delivery date or the date the turbine is commissioned, the Group may lose a portion of the benefit of a warranty if the Group takes delivery of a turbine before the Group is able to deploy it. Also, under such warranties, the warranty payments by the vendor are typically subject to an aggregate maximum cap that is a portion of the total purchase price of the turbines. Losses in excess of these caps would be the Group's responsibility. If the Group seeks warranty or guarantee protection and the vendor is unable or unwilling to perform its obligations under the warranty or guarantee or otherwise, or if the term of the warranty or guarantee has expired or if the payment under the warranties are not adequate, the Group may be required to make significant maintenance expenditures, which could have a material adverse effect on the Group's business, cash flows, financial condition and results of operations.

In the Group's solar energy projects, the solar panels, inverters, modules and other system components are generally covered by manufacturers' warranties, which are typically for 2 years in the case of inverters, 12 years in the case of product warranties and 25 years in the case of a performance guarantee to ensure consistent performance. If any such component fails to operate as required, the Group may be able to make a claim against the applicable warranty to repair or replace the faulty component. However, the warranties may not be sufficient to cover all of the Group's expense and losses. In addition, these suppliers could cease operations and no longer honour the warranties, which would leave the Group to cover the expense and losses associated with the faulty component. The Group's business, cash flows, financial condition and results of operations could be materially and adversely affected if the Group cannot recover the expense and losses associated with the faulty component from these warranty providers.

Additionally, even though such contracts contains availability guarantees and liquidated damages provisions, there may be exceptions and limitations to such contractual protection and the Group may not be compensated for its loss. These could lead to a degradation of the projects or a degradation of the profitability of such energy projects. If suppliers and contractors fail to perform as expected or fail to develop adequate schedules or strategies, there could be a material adverse effect on the Group's business, cash flow, financial condition and results of operations.

The Group's limited operating history may not serve as an adequate basis to judge the Group's future prospects, results of operations and cash flows

The Group's relatively limited operating history may not be an adequate basis for evaluating the Group's business prospects and financial performance, and makes it difficult to predict the future results of the Group's operations. Period-to-period comparisons of the Group's operating results and the Group's results of operations for any period should not be relied upon as an indication of the Group's performance for any future period. In particular, the Group's results of operations, financial condition, cash flows and future success depend, to a significant extent, on the Group's ability to complete the current development projects on time and on schedule, and, to a lesser extent, on its ability to continue to identify suitable sites, acquire land for renewable energy projects, obtain required regulatory approvals, arrange financing from various sources, construct projects in a cost-effective and timely manner, expand the project pipeline and manage and operate projects that the Group develops. If the Group is unable to do so, it may not be able to expand the Group's business at a profit or at all, maintain the Group's competitive position, satisfy the Group's contractual obligations, or sustain growth and profitability.

Technical problems may reduce energy production below the Group's expectations.

The Group's generation assets, including transmission lines and facilities that the Group constructs or owns to connect to the electricity grid, may not continue to perform as they have in the past or as expected and there is a risk of equipment failure due to wear and tear, latent defects, design error or operator error, early obsolescence or force majeure events, among other things, which may lead to unexpected maintenance needs, unplanned outages or other operational issues and have a material adverse effect on the Group's projects, business, financial condition and results of operations.

In addition, spare parts for wind turbines and key pieces of electrical equipment may be hard to acquire, or may have significant sourcing lead time, especially since wind turbines are a less mature technology. Sources for some significant spare parts and other equipment are located outside of Ukraine. In the case of the Group's solar projects, solar modules also degrade over time due to several external factors such as UV exposure and weather cycles, which could result in reduced lifespan of the modules. If the Group was to experience a shortage of, or inability to acquire, critical spare parts or replacement solar modules, the Group could incur significant delays in returning facilities to full operation. In addition, inconsistencies in the quality of the solar panels, inverters, modules and other system components for the Group's solar power projects may affect the system efficiency of such projects.

Further, any mechanical failure or shutdown of equipment sourced from third parties could result in undamaged equipment that is dependent on or interacts with damaged sections of the Group's facilities, including any transmission facilities, which may also need to be shut down. Such events could materially and adversely impact the project's generating capacity. If any shutdowns continue for extended periods, this may give rise to contractual penalties or liabilities, loss of customers and damage to the Group's reputation. Although the Group is entitled to be compensated by manufacturers for certain equipment failures and defects in certain cases, these arrangements may not fully compensate the Group for the damage and loss suffered as a result thereof.

Additionally, the Group's facilities may require periodic upgrading and improvement. Changes in technology may require the Group to make additional capital expenditures to upgrade the facilities. The development and implementation of such technology entails technical and business risks and significant costs of employee implementation.

Conditions surrounding the Group's wind turbine generators and solar panels may interfere with the operational performance of the Group's wind and solar energy projects.

The operational performance of the Group's wind energy projects depends on wind speeds and other climatic and physical conditions at the relevant site. Objects such as buildings or other wind turbine generators near the Group's wind energy projects may reduce the Group's wind resources due to the disruption of wind flows, known as "wake effects". Typically, only land use rights for the land underlying a wind turbine generator tower are acquired in connection with the development of a wind energy project by the power producer. Furthermore, although not currently relevant to the Group's constructed wind energy projects, holders of the land use rights related to land near the Group's wind energy project sites could lease or transfer their land use rights to other developers who may construct wind turbine generators or other structures that would have negative wake effects. Such developments may reduce the operational performance of the Group's wind energy projects, which could have a material adverse effect on the Group's business, cash flows, financial condition and results of operations.

Holders of the land use rights related to land near the Group's solar energy project sites could lease or transfer their land use rights to industries which may generate dust, which may result in reduced output from the solar energy project. Such developments may reduce the operational performance of the Group's solar energy projects, which could have a material adverse effect on the Group's business, cash flows, financial condition and results of operations.

The interests of the Group's shareholders may not be aligned with those of the Noteholders

The Group's principal shareholders have, directly or indirectly, the power to, among other things, affect the Group's legal and capital structure and day-to-day operations, as well as the ability to elect and change its management and to approve any other changes to its operations. For example, the Group's principal shareholders could cause the Group to incur additional indebtedness, to sell certain material assets or make dividend distributions, in each case, so long as the Notes so permit. The Group's principal shareholders could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgement, could enhance their equity investments although such transactions might involve risks to the holders of Notes.

The Group is ultimately owned by a single person, Mr. Rinat Akhmetov (the "**Ultimate Shareholder**"). See "*Shareholders*" for more information. While the Ultimate Shareholder may enter transactions that can benefit the Group, the interests of the Ultimate Shareholder could at times conflict with the interests of Noteholders. For example, the Ultimate Shareholder has interests in other non-renewable energy businesses including DTEK ENERGY B.V. and DTEK Oil & Gas B.V. and these companies focus on the production of coal, thermal power and gas, which may give rise to conflicts of interest with respect to the renewable energy production by the Group. Any decision by the Ultimate Shareholder to focus on and invest in its other non-renewable energy businesses instead of the Group and its renewable energy business, and other such conflicts of interest may affect the Group's business, results of operations and financial condition. The Group intends to use its proceeds from the issue of the Notes and future cash flows to repay certain shareholder debt (see "*Use of Proceeds*" for further details) which relates to capital expenditure incurred in the past and relates to existing projects. However, if the Group's financial performance in the future falls below expectations, the Group may not have sufficient funds to repay the Notes.

If the Group incurs an uninsured loss or a loss that significantly exceeds the limits of the Group's insurance policies, the resulting costs may adversely affect the Group's financial condition.

The Group's main assets include wind turbine generators and solar panels. Operating these assets involves risks and hazards that may adversely affect the Group's operations, including equipment failures, natural disasters, environmental hazards and industrial accidents. These and other hazards can cause or result in personal injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations. In addition, under some of the debt agreements, the relevant project company is required to assign the benefit of various insurance policies to the lenders, to name the lenders under such debt agreements as a beneficiary or a loss payee under some of its insurance policies. Therefore, under some conditions, even if insurance proceeds were to be payable under such policies, any such insurance proceeds may be paid directly to the relevant lenders instead of to the project. If an insurable loss has a material effect on a project's operations, the project's lenders may not be required to pay any insurance proceeds or to compensate the project for loss of profits or for liabilities resulting from business interruption, and this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Additionally, the Group only has insurance against the loss of revenue for the period of 12 months after an incident, therefore any ongoing loss of revenue after this period of time is not covered by insurance. Further, while the Group maintains insurance and obtains warranties from vendors and guarantees from contractors to meet certain performance levels, the proceeds of such insurance, warranties or guarantees may not be adequate to cover the Group's lost revenue, increased expenses or liquidated damages payments should the Group experiences equipment breakdown or non-performance by contractors or vendors.

The Group maintains an amount of insurance protection that the Group considers adequate but the Group cannot provide any assurance that the Group's insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which the Group may be subject. See "*Business—Description of the Group's constructed projects*" for more information on the Groups specific insurance policies. Further, such insurance policies may not continue to be available at economically acceptable premiums, or at all. Certain types of insurance the Group carries (for example for property damage and business interruption) only cover the Group if the business interruption arising as a result of such unavailability lasts for a certain minimum period. Frequent ordinary course unavailability is not typically covered, and as a consequence the Group may not receive compensation for short term generation losses. Furthermore, the Group's insurance coverage is subject to deductibles, caps, exclusions and other limitations. For example, although the Group's insurance coverage is very comprehensive, some policies exclude risks such as gross negligence, force majeure, terrorist attacks or sabotage, environmental risks such as fraud, nuclear incidents and war. Accordingly, any claims made under such insurance policies might not be successful or compensate the Group fully against all risks and losses that may arise, and the insurance coverage itself might not be sufficient to cover incurred losses.

The Group may become involved in costly and time-consuming litigation and other regulatory proceedings, which require significant attention from the Group's management.

The Group may, in the ordinary course of its business, become involved in litigation, administrative or arbitral proceedings. See "*Business—Legal Proceedings*" for specific details.

Apart from the proceedings in the aforementioned section, the Group is not involved in any material litigation, administrative or arbitral proceedings. Claims may be brought against or by the Group from time to time regarding, for example, defective or incomplete work, defective products, personal injuries or deaths, damage to or destruction of property, breach of warranty, late completion of work, delayed payments, intellectual property rights or regulatory compliance, and may subject the Group to litigation, arbitration and other legal proceedings, which may be expensive, lengthy, disruptive to normal business operations and require significant attention from the Group's management.

If the Group was found to be liable on any of the claims against it, the Group would incur losses against earnings to the extent a reserve had not been established for such coverage. Charges and write-downs associated with such legal proceedings could have a material adverse effect on the Group's financial condition, results of operations and cash flow. Moreover, legal proceedings, particularly those resulting in judgments or findings against us, may harm the Group's reputation and competitiveness in the market.

The loss of any of the Group's senior management or key employees and the Group's inability to attract and retain skilled people may adversely affect its ability to conduct business and implement its strategy.

The Group depends on its management team and the loss of any key executives could negatively impact the Group's business. The Group also depends on the Group's ability to retain and motivate key employees and attract qualified new employees. Because the renewable energy industry is relatively new in Ukraine, there is a scarcity of skilled personnel with experience in the industry. If the Group loses a member of the management team or a key employee, the Group may not be able to replace him or her. Integrating new executives into the Group's management team and training new employees with no prior experience in the renewable energy industry could prove disruptive to the Group's operations, require a disproportionate amount of resources and management attention and may ultimately prove unsuccessful. An inability to attract and retain sufficient technical and managerial personnel could limit the Group's ability to effectively manage the Group's constructed projects and complete the Group's under development projects on schedule and within budget, which may adversely affect the Group's business and strategy implementation.

The Group's operating success and ability to carry out growth initiatives depend in large part on the Group's ability to retain executives and to attract and retain additional qualified personnel who have industry experience with an operating company of the Group's size and complexity. In particular, the Group's engineering and on-the-ground operational personnel are critical to the development of new projects and the profitable operation of the Group's established projects. Each member of the Group's engineering and operations team was selected because he or she possessed specialized technical skills and experience with particular technologies. The Group is also routinely required to assess the business, financial, legal and tax impacts of complicated business transactions the Group enters into, whether in connection with operating projects or new projects the Group is developing or evaluating, the success of which is dependent on hiring and retaining personnel with sufficient expertise to allow the Group to accurately and timely complete the Group's analysis and reporting requirements. The inability to attract and retain qualified personnel or the difficulty of promptly finding qualified replacements could have a material adverse effect on the Group's business.

The Group's business is reliant on the Group's IT infrastructure and operations monitoring

The Group's business relies heavily on the Group's IT infrastructure and operations monitoring, which focus on plant availability and efficiency, operational oversight, health and safety and compliance with environmental laws and regulations. If the Group's IT infrastructure were to fail, such failure could lead to an inability to monitor the Group's plant activities, including operations data, which could have an adverse effect on the Group's operations, and the Group's compliance with health, safety and environmental requirements, which could lead to non-compliance with permit requirements, the imposition of fines or penalties, increased costs and potential losses. Any inability to monitor the Group's operations or increase in costs or losses could have an adverse effect on the Group's financial condition and results of operations. In addition, a protracted loss of information stored in the Group's IT systems could compromise the Group's ability to comply with the Group's statutory reporting requirements.

A cyber-attack could adversely affect the Group's business, financial condition and results of operation

Information security risks have generally increased in recent years due to the proliferation of new technologies and the increased sophistication and activities of cyber-attacks. The Group experienced a cyber-attack on 27 July 2017 which resulted in a disruption of its corporate mail accounts, IT services and computers, however the effect was not material as the Group's operational technology infrastructure was not affected. Because of the critical nature of the Group's infrastructure and the increased accessibility enabled through connection to the Internet, the Group continues to face a risk of cyber-attacks. For example, the performance of the Group's wind turbines is monitored remotely via the internet. In the event of such an attack, the Group could have the Group's business operations disrupted, property damaged and customer information stolen, experience substantial loss of revenues, response costs and other financial loss, and be subject to increased litigation and damage to the Group's reputation. A cyber-attack could adversely affect the Group's business, results of operations and financial condition.

The Group may be subject to penalties imposed by the Antimonopoly Committee of Ukraine

In the course of its business activities, the Group may perform certain sale and acquisition transactions and other concentrations which could require prior approval from the Antimonopoly Committee of Ukraine ("**AMC**"). In recent years, the AMC has sought to increase business transparency and improve the competitive environment in Ukraine through changes to the competition legislation and procedures for conducting investigations, and through challenges to various anticompetitive practices. Applicable antitrust legislation restricts companies and individuals from performing "concentration" (in Ukrainian: *Kontsentratsiia*), including, among others, certain mergers, acquisitions, joint ventures without the prior approval of the AMC where the financial thresholds stipulated by the relevant competition laws are met. Although the management of the Group believes that the Group is in compliance with the requirement for obtaining the AMC approvals for such transactions and the Group intends to comply with such requirement in the future, the failure to obtain required approvals could cause the Group (and all entities related to it through relations of control) to be subject to fines in the amount of up to 5 per cent of the Group's consolidated revenue in the year immediately preceding the year of imposition of the fine, for each failure to obtain such approvals. If an acquisition led to a particular market becoming monopolistic or competition being significantly restricted on such market or part thereof, the AMC may seek the invalidation of such transactions by the Ukrainian courts.

The submission of inaccurate or incomplete information as part of a filing to the AMC, or in the course of an investigation being conducted by the AMC, could also result in fines and the relevant approval being annulled.

The filing by the Group of inaccurate and incomplete information to the AMC in the past could result in the imposition of fines in an amount of up to 1 per cent of Group's consolidated revenue in the year immediately preceding the imposition of the fine. According to the current approach of the AMC, the amount of the fine is calculated based on the annual revenue of the relevant entity filing the inaccurate and incomplete information to the AMC. However, there can be no assurance that the AMC may fine an amount calculated based on the annual revenue of the DTEK Group or the Group instead, and the future actions of the Ukrainian state authorities, and the laws and regulations in respect of such matters are vague and subject to varying interpretations. Therefore, some penalties imposed by the AMC on the Group or members of the Group could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operations may be limited by antitrust law

The Group is one of the leading producers of electricity from renewable energy sources in Ukraine. Although the Group believes that its operations are in compliance with applicable antitrust law, there can be no certainty that the Group's activity will not result in the initiation of proceedings or investigations by the AMC. If any proceedings or investigations were to result in decisions against the Group, it could be prohibited from engaging in certain activities and/or financial penalties could be imposed on the Group. Such prohibitions or financial penalties could have an adverse effect on the Group's business, financial condition and results of operations. In addition, any potential acquisition by the Group, subject to financial thresholds stipulated by the relevant competition laws, requires the AMC's prior approval. In addition, any potential acquisition by the Group may be subject to closer scrutiny by the AMC. The AMC may conclude that, given the market share of the DTEK Group, certain potential acquisitions may lead to the monopolisation of or a substantial restriction of competition in a given market, and may prohibit the acquisition unless a sufficient structural and/or behavioural remedy is offered and accepted. Such a decision could adversely affect the Group's ability to expand through acquisitions.

Under Ukrainian antitrust law, an undertaking (including all entities connected to it by virtue of a control relationship) with more than 35 per cent of the relevant market share is deemed to enjoy a dominant market position, unless it can prove that a high degree of competition still exists in the relevant market. Ukrainian law also provides that a company with a market share of 35 per cent or less can be recognised as having a dominant market position if such company does not face sufficient competition in the product market due to, for example, low market shares of its competitors.

Dominant position status is not itself sanctioned. However, the law imposes additional restrictions on companies with a dominant position and the AMC reviews the activities of such companies with particular scrutiny. Under Ukrainian antitrust laws, actions that may amount to an abuse of a dominant position, include, among others, setting prices or other conditions for purchase or sale of goods (which could not have been set if there was significant competition in the market), applying different conditions to equivalent transactions without reasonable justification and limiting production. Under Ukrainian law, an abuse of a company's dominant position may result in a fine of up to 10 per cent of that company's consolidated revenue in the year immediately preceding the year of imposition of the fine. Although the Group believes that it complies with Ukrainian antitrust law and intends to continue to comply with such laws in the future, especially since the FiT regime regulates electricity prices, the Group cannot guarantee the further actions by Ukrainian state authorities. Accordingly, if the Group were to be deemed to have a dominant position on any relevant market and the AMC determines that its actions constitute an abuse of that dominant position, it could take such actions against the Group that could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to adequately protect the Group's intellectual property rights which could harm the Group's competitiveness

The Group's name and logo is vital to the Group's competitiveness and success and for the Group to attract and retain the its clients and business partners. The trademark of the Group's name is registered in Ukraine and the Group's internal legal team monitors the use of this trademark for any potential violations. Any improper use or infringement by any party could adversely affect the Group's business, financial condition and results of operations. The Group ensures there are clauses protecting its confidentiality requirements in every agreement it enters into and the Group typically enters into agreements with intellectual property protection. The Group cannot be certain that the measures the Group has taken will be sufficient to prevent any misappropriation of the Group's intellectual property.

Enforcement of any intellectual property rights could be time consuming and costly. The Group may not be able to establish the Group's rights to such intellectual property in the absence of relevant registrations and accordingly may not be able to take appropriate action or prevent the use of such name or logo by third parties. If the measures the Group takes do not adequately safeguard the Group's intellectual property rights, the Group could suffer losses due to competing offerings of services that exploit the Group's name and logo. The Group may also be subject to claims for breach of intellectual property by third parties if the Group is unable to secure adequate protection in relation to the Group's name and logo.

See also "*Business—Intellectual Property*" for more information.

The Group's operations can have an impact on local communities and may encounter significant opposition from different groups

The Group's operations can have an impact on local communities. Failure to manage relationships with local communities, governments and non-governmental organisations may harm the Group's reputation as well as the Group's ability to bring development projects into production. In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability may increase substantially over time. Negative public or community response to renewable energy projects in general or the Group's projects specifically can adversely affect the Group's ability to develop, construct and operate the Group's projects. This type of negative response can lead to legal, public relations and other challenges that impede the Group's ability to meet the Group's development and construction targets, achieve operation stage for a project on schedule, address the changing needs of the Group's projects over time and generate revenues. If the Group is unable to develop, construct and operate the production capacity that the Group expects from the its development projects within anticipated timeframes, it could have a material adverse effect on the Group's business, cash flows, financial condition and results of operations.

The Group faces significant competition from traditional and renewable energy companies

The Group faces significant competition in Ukraine and will also face foreign competition if the Group seeks to expand its operations outside of Ukraine. The Group's primary competitors are local and international developers and operators of renewable energy sources. The Group also competes with utilities generating power from conventional fossil fuels. The current FiT regime and government support has already attracted significant new investments and competition, including an influx of international investors. The Group's main sources of competition relate to securing appropriate sites for its projects, the choice of modern equipment, recruiting highly qualified staff with strong expertise in renewable energy projects and effective business processes as well as future competition under the Auctions Law if any of the Group's projects are subject to the bidding process.

The future competitive bidding for power procurement further increases competition among power generators. If the Group's projects are unable to obtain the pre-PPA and unable to benefit from the guaranteed off-take under the FiT regime, the Group cannot be certain that it will be able to compete effectively under the auction regime, and the Group's failure to compete effectively for future projects could result in an adverse effect on the Group's business, results of operations and cash flows.

Furthermore, the Group's competitors may have greater operational, financial, technical, management or other resources than the Group does and may be able to achieve better economies of scale and lower cost of capital, allowing them to bid in the same auction at more competitive rates. The Group's competitors may also have a more effective localized business presence or a greater willingness or ability to operate with little or no operating margins for sustained periods of time. The Group's market position depends on the Group's financing, development and operation capabilities, reputation and track record. Any increase in competition during the bidding process or reduction in the Group's competitive capabilities could have a significant adverse impact on the Group's market share and on the margins the Group generates from the Group's solar projects.

As the Group's competitors grow in scale, they may establish in-house engineering, procurement and construction, or EPC or O&M, capabilities. Moreover, suppliers or contractors may merge with the Group's competitors which may limit the Group's choices of suppliers or contractors and hence the flexibility of the Group's overall project execution capabilities. As the renewable energy industry grows and evolves, the Group will also face new competitors who are not currently in the market. There can be no assurance that the Group's current or potential competitors will not win bids for renewable projects or offer services comparable or superior to those that the Group offers at the same or lower prices or adapt to market demand more quickly than the Group does. Increased competition may result in price reductions, reduced profit margins and loss of market share.

Renewable energy projects face considerable risk relative to traditional power generation, including the risk that favourable regulatory regimes expire or are adversely modified. Furthermore, at the development or acquisition stage, because of the nascent nature of the wind and solar energy industries or the limited experience with the relevant technologies, the Group's ability to predict actual performance results may be hindered and the projects may not perform as predicted. As a result of these factors, renewable energy projects face considerable risk relative to traditional power generation, including the risk that favourable regulatory regimes expire or are adversely modified.

In addition, the Group faces competition from developers of other renewable energy facilities, including biomass, nuclear and hydropower. If these renewable sources become more financially viable, the Group's business, financial condition and results of operations could be adversely affected. Competition from such producers may increase if the technology used to generate electricity from these other renewable energy sources becomes more sophisticated, or if the Ukrainian government elects to further strengthen its support of such renewable energy sources relative to solar energy. As the Group also competes with utilities generating power from conventional fossil fuels, a reduction in the price of coal or diesel would make the development of solar energy less economically attractive and the Group would be at a competitive disadvantage.

The Group's ability to deliver electricity to the Group's various counterparties requires the availability of and access to interconnection facilities and transmission systems, and the Group is exposed to the extent and reliability of the Ukrainian power grid and its dispatch regime

The Group's ability to sell electricity is impacted by the availability of, and access to, relevant and adequate evacuation and transmission infrastructure required to deliver power to the Group's contractual delivery point and the arrangements and facilities for interconnecting the Group's generation projects to the transmission systems, which are owned and operated by third parties. The operational failure of existing interconnection facilities or transmission facilities or the lack of adequate capacity on such interconnection or transmission facilities or evacuation infrastructure may adversely affect the Group's ability to deliver electricity to the Guaranteed Buyer which may subject the Group to the Imbalances Settlement Cost under the PPA.

As a result of grid constraints, such as grid congestion and restrictions on transmission capacity of the grid, the transmission and dispatch of the full output of the Group's projects may be curtailed. The Group may have to stop producing electricity during the period when electricity cannot be transmitted, for instance, when the transmission grid fails to work. This may affect the Group's ability to supply the contracted amount of power to the off-taker which may result in imposition of the Imbalances Settlement Cost on the Group under the terms of the PPA. Furthermore, if construction of power projects in Ukraine outpaces transmission capacity of power grids, the Group may not be in a position to transmit, or have dispatched, all of the Group's potential electricity to the power grid and therefore may be dependent on the construction and upgrading of grid infrastructure by government or public entities for increased capacity.

If transmission infrastructure does not already exist, is inadequate or otherwise unavailable, the Group is responsible for establishing access through developing and constructing the required systems to establish the grid interconnection ourselves. In such cases, the Group will be exposed to additional costs and risks associated with developing transmission lines and other related infrastructure, including the ability to obtain rights of way from land owners for the construction of transmission grids, which may delay or increase the cost of the Group's projects. The Group may not be able to secure access to the available transmission and distribution networks at reasonable prices, in a timely manner or at all.

See "*Business—Grid Connection*" for more details on the Group's grid connection arrangement.

The growth of the Group's business depends on developing and securing rights to sites suitable for the development of the Group's projects

The Group's ability to realise the Group's business and growth plans is dependent on the Group's ability to develop and secure rights to sites suitable for its development projects.

Wind and solar energy project sites require certain geological conditions that are not available in all areas. Suitable sites are determined on the basis of cost, wind and solar resource levels, topography, grid connection infrastructure and other relevant factors. Further, wind and utility scale solar energy projects must be interconnected to the power grid in order to deliver electricity, which requires the Group to find suitable sites with adequate evacuation and transmission infrastructure. Utility scale solar energy projects also require sufficient contiguous land for development. The Group cannot guarantee that the Group will be able to procure contiguous parcels of land for the Group's utility scale solar energy projects on terms that are acceptable to the Group, or at all.

The locations used for evacuation and transmission facilities are not owned by the Group and are located on land owned by third parties and the Group enters into arrangements for rights of way to construct the facilities. From time to time, the Group has faced interruptions on account of such third party land owners who obstruct construction or operation of such facilities.

The land area that the Group utilises or intends to utilise for the Group's projects is on leasehold land, and the Group may be subject to conditions under the lease agreements through which the Group acquires rights to use such land. These conditions include restrictions on leasehold interest or rights to use the land, continual operating requirements, and other obligations which include obtaining requisite approvals, payment of necessary statutory charges and giving preference to local workers for construction and maintenance. Further, the value of the relevant land area is subject to review every 7-10 years and state or municipal lessors are entitled to unilaterally change the land lease price for the relevant land plot pro rata to its new value.

Any failure by the Group to secure suitable sites may materially impact the development of a project and may also result in non-compliance with related conditions under project agreements. If this occurs across a number of the Group's projects, the Group's business and prospects could be materially and adversely affected.

Risks Relating to the Projections of the Group

Projections and their underlying assumptions may prove to be inaccurate

These Listing Particulars contain certain assumptions and projections with respect to the revenue, generating capacity and the associated expenses of the Group's constructed projects with installed capacity of 950 MW as of the date of these Listing Particulars. The Independent Consultant ascertained the logic, assumptions and data used in the Company's financial models relating to the projections in light of the technical and operational parameters of each of the Group's constructed projects, assumed wind and solar resources, contractual arrangements, the O&M budgets, tariff details, and the completion date of each of the projects in the Group and the related assumptions contained therein. The Independent Consultant has also assumed that the contractual arrangements, including the PPAs, would not be terminated, prior to their termination date, and that there is no change in current regulations. In addition, the Independent Consultant did not conduct any due diligence of information provided in the technical reports, did not check any land records, land agreements, rent agreements or property taxes and instead relied upon management's representation in relation to these documents, agreements and expenses as well as in relation to other inputs and assumptions upon which the forecasts included in the Independent Consultant's Report are based. These management representations were not subject to any independent diligence process and there may be discrepancies between the information given in these management representations and the information given elsewhere in these Listing Particulars. After the issuance of the Notes, neither the Group nor the Independent Consultant will provide the holders of the Notes with revised projections, or any report or analysis of any differences between the projections contained therein and actual results later achieved, and the Group expressly disclaims any duty to update the projections under any circumstances.

As noted above, the Independent Consultant's Report contains financial projections, which are based in part on the Group's estimates of future financial performance and which do not reflect the proceeds from the Offering. The Group's estimates of the future financial performance of the projects are based on the technical reports that were prepared by independent technical consultants. For the purposes of preparing the projections and such estimates, certain assumptions were made with respect to technical and performance parameters of each of the Group's wind or solar resources, material contingencies and other matters that are not within the Group's, the Independent Consultant's or any other person's control and the outcome of which cannot be predicted, including operating performance, future capital expenditures, future O&M costs, future revenues, future changes in tariffs, the non-occurrence of force majeure or other similar events. Accordingly, the financial projections do not necessarily reflect future costs or cash flows and the total cash flow available after debt service projections may not be accurate. In addition, the underlying wind or solar technical reports reviewed and relied upon by the Independent Consultant for purposes of preparing certain projections may not accurately reflect the current wind or solar radiation pattern. To the extent there are material differences between the wind or solar radiation patterns at the time of the underlying technical report and current patterns, this could materially change the actual results of operations.

The assumptions used for the projections are inherently subject to significant uncertainties and actual results could differ materially from those projected. These assumptions might not be correct, and the projections and estimates might not reflect actual results of operations. Therefore, no representations are made or intended nor should any be inferred, with respect to the accuracy of the projections or estimates. Moreover, even the Group's constructed projects have a relatively short operating history. If actual results are materially less favourable than those shown or contained in the projections, or if the assumptions used in formulating the projections and estimates prove to be incorrect, then the Group's ability to make payments on the Notes may be materially impaired. Therefore, investors should not rely on the projections contained herein for the reasons mentioned above and otherwise. The Group's statutory auditors have not provided any assurance on the forecasts included in the Independent Consultant's Report nor have performed any service with respect to it. The full Independent Consultant's Report is included in Appendix A of these Listing Particulars.

Risks relating to Ukraine

Emerging markets including Ukraine are subject to greater risk than more developed markets

An investment in a country such as Ukraine, which achieved independence less than 30 years ago and whose economy is in transition, is subject to substantially greater risks than an investment in a country with a more developed economy and more mature political and legal systems. Although some progress has been made since independence in 1991 to reform Ukraine's economy and its political and judicial systems, to some extent Ukraine still lacks the necessary legal infrastructure and regulatory framework that are essential to support market institutions, the effective transition to a market economy and broad-based social and economic reforms. As a consequence, there are risks associated with investments in emerging markets and, specifically, Ukraine, that are not typically associated with investing in more mature markets. The availability of credit to entities operating within emerging markets is significantly influenced by levels of investor confidence in such markets as a whole. Consequently, any factors that impact market confidence (for example, a decrease in credit ratings or state or central bank intervention in one market) could affect the price or availability of funding for entities within such markets. These risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Ukraine, including elements of the information provided in these Listing Particulars. For more information, see "—*Official economic data and third party information may be unreliable*". Investors should also note that emerging economies such as Ukraine's are subject to rapid change and that the information set out in these Listing Particulars may become outdated relatively quickly.

Accordingly, investors should exercise particular care in evaluating the risks involved. Generally, investments in emerging markets, such as Ukraine, are only suitable for sophisticated investors who fully appreciate the significance of the risks involved and investors are urged to consult their own legal and financial advisors before making a decision with respect to these Listing Particulars.

Ukraine may continue to experience political instability or uncertainty and difficult relationship with Russia

In recent years, Ukraine has been experiencing continuous political transformations accompanied by gradual movement towards fully-fledged democracy. However, the establishment of strong democratic institutions is not complete. Historically, a lack of political consensus in the Parliament has made it difficult for the Government to secure the necessary support to implement policies intended to foster liberalisation, privatisation and financial stability. As a result of the rapid political developments in Ukraine in recent years, the procedures and rules governing the political process in Ukraine may be subject to change through the normal process involving political alliances or through constitutional amendments.

Following the deferral by the Cabinet of Ministers on 21 November 2013 of the signing of the Association Agreement with the EU, which had been scheduled for 28 November 2013, largely peaceful mass rallies took place in Kyiv and other cities in Ukraine to express strong public support for the political association and economic integration of Ukraine with the EU. Further mass rallies and violent protests commenced in Kyiv and a number of regions ("*oblasts*") across Ukraine following the violent dispersal of protesters by police in Kyiv on 30 November 2013. The mass rallies and violent protests intensified and spread following the adoption by Parliament on 16 January 2014 of a number of laws amending legislation in relation to: the regulation of Parliamentary activity; unauthorised public protests; blockading public or Government buildings; access to the internet; registration of internet-based media; immunity of the Members of Parliament; the status of judges; criminalisation of defamation; criminal responsibility for slandering Government officials; criminal trials in absentia; and public associations receiving foreign funding, as well as after the president of Russia and former president of Ukraine announced a package of economic support from Russia including through the purchases of Eurobonds issued by Ukraine.

On 22 February 2014, former President Yanukovych left Kyiv, and all 328 Members of Parliament present voted to remove Mr. Yanukovych from power, citing his abandoning office and withdrawal from his duties in an unconstitutional manner as grounds for his removal. Parliament set 25 May 2014 as the date for new Presidential elections. Oleksandr Turchynov was appointed as both the new Speaker of Parliament and interim President.

Russia's occupation of the Ukrainian administrative territories of the Autonomous Republic of Crimea and the City of Sevastopol commenced on 20 February 2014. For more information, see "*—The occupation of Crimea, civil disturbances, political instability and military action have negatively impacted and may continue to affect the Group's business, financial condition and results of operations*" below.

Presidential elections were held on 25 May 2014. Petro Poroshenko received 54.7 per cent of the votes on the first ballot and was elected the President of Ukraine.

In April 2019, Volodymyr Zelenskiy was elected as Ukraine's President. On 21 May 2019, immediately after taking office, President Zelenskiy signed a decree to dissolve the existing parliament and hold an early parliamentary election. The election was held on 21 July 2019, and resulted in President Zelenskiy's political party winning an outright majority in the parliament. Despite President Zelenskiy's early success in consolidating both legislative and executive political power in Ukraine, there can be no assurance that President Zelenskiy will successfully implement the necessary reforms to support a stable investment climate in Ukraine, maintain the country's relationship with the IMF and other global multilateral lenders, and facilitate economic growth in Ukraine.

Furthermore, Ukraine's relationship with Russia remains strained as a result of the occupation of Crimea and the conflict in Donbas. The United States the EU and Ukraine amongst other countries have imposed several rounds of increasingly stringent economic sanctions on Russia and individuals and Russia has retaliated with sanctions of its own against Ukrainian companies. There is currently no certainty as to how the relationship between Ukraine and Russia will develop in the future.

The continued political and geopolitical uncertainty could continue to undermine the economic development of Ukraine, which could result in a material adverse effect on the Group's business, financial condition and results of operations.

The occupation of Crimea, civil disturbances, political instability and military action have negatively impacted and may continue to affect the Group's business, financial condition and results of operations

On 16 March 2014, a disputed referendum was held in the Autonomous Republic of Crimea. It was reported that the majority voted to secede from Ukraine and join the Russian Federation as a federal subject. The Ukrainian Parliament has declared the Crimean referendum unconstitutional and its legitimacy and results have generally not been recognised internationally. All EU members, the United States and Canada have declared it to be illegitimate and 13 members of the UN Security Council voted in favour of a resolution declaring it invalid, although the resolution was vetoed by the Russian Federation. Nevertheless, on 27 March 2014, the UN General Assembly passed a resolution declaring the referendum invalid and affirming Ukraine's territorial integrity. On 10 April 2014, the Council of Europe also adopted a resolution condemning the separatist militants aggression and annexation of Crimea by the Russian Federation as being in violation of international law. On 21 March 2014, the Russian parliament passed legislation extending the effect of Russian laws and state authorities to the territory of the Autonomous Republic of Crimea. Ukraine considers the Autonomous Republic of Crimea to be, as at the date of these Listing Particulars, under temporary occupation by the Russian Federation. There is currently no indication when or whether this temporary occupation will end.

Further, the civil disturbances and political instability in Ukraine and the military conflict in some parts of the Donetsk and Luhansk regions of Ukraine have negatively impacted Ukraine's economy and the relations between the Russian Federation and Ukraine.

Following a period of continuous military conflict, an agreement calling for an immediate ceasefire was reached on 5 September 2014 between delegates from Ukraine, the Russian Federation and the Organisation for Security and Cooperation in Europe (the "**OSCE**"), as well as separatist representatives from the self-proclaimed "Donetskaya Narodnaya Respublika" and "Luhanskaya Narodnaya Respublika", However, sporadic heavy fighting continued and the conflict again escalated in January 2015 as fighting intensified over control of the Donetsk International Airport. Between 2014 and 2015, three separate agreements, which included the Minsk Protocol, the Minsk Memorandum and the Package of Measures for the Implementation of the Minsk Agreements, were entered into (together, the "**Minsk Agreements**") to further the peace process in the conflict area. However, as at the date of these Listing Particulars, the Minsk Agreements have not been implemented in full and the process continues to be protracted amid continued occasional military action and civil disturbances. Additionally, as at the date of these Listing Particulars, it is unclear as to how the Donbas Special Regime Law will be implemented.

The escalating geopolitical tensions and political instability described above have had an adverse effect on the Ukrainian financial markets, and there have been reports of increased capital outflows from Ukraine. The ability of Ukrainian companies and banks to obtain funding from the international capital and loan markets has also been hampered as a result of decreased demand from the international investor base. Any continuing or escalating military action in Eastern Ukraine could have a further material adverse effect on the Ukrainian economy and consequently, on the Group's business, financial condition and results of operations.

Any further unfavourable changes in Ukraine's relationship with Russia may adversely affect the Ukrainian economy and thus the Group's business

Ukraine's economy historically depended heavily on its trade flows with Russia and the rest of the CIS, largely because Ukraine imports a large proportion of its energy requirements, especially from Russia (or from countries that transport energy-related exports through Russia). In addition, a large share of Ukraine's services receipts comprised of transit charges for oil, gas and ammonia from Russia.

Ukraine, historically considered its relations with Russia to be of strategic importance. However, relations between Ukraine and Russia are strained due to:

- the armed military conflict in some parts of Donetsk and Luhansk regions of Ukraine between the Ukrainian army and separatist militants;
- recent political events including the annexation of the Crimean peninsula by the Russian Federation;
- ongoing disagreements over the prices and methods of payment for gas delivered by the Russian gas monopolist Gazprom to, or for transportation through, Ukraine;
- issues relating to the delineation of the Russia-Ukraine maritime border;
- Russian bans on imports of food products from Ukraine and anti-dumping investigations conducted by Russian authorities in relation to certain Ukrainian goods; and
- certain economic sanctions by Ukrainian authorities on Russian companies and persons.

For further information, see "—*Ukraine may continue to experience political instability or uncertainty and difficult relationship with Russia*" and "—*The occupation of Crimea, civil disturbances, political instability and military action have negatively impacted and may continue to affect the Group's business, financial condition and results of operations*".

Following the increased geopolitical tensions and military conflict between Russia and Ukraine, exports of Ukrainian goods to Russia decreased by 7.2 per cent in 2018 and by 12.4 per cent as of 28 February 2019, and total value of goods and services exported from Ukraine in 2018 increased by 9.7 per cent and as of 30 April 2019 further increased by 6.9 per cent, as compared to 2017 and the same period in 2018, respectively. The foregoing events may have a long-standing impact on trade and other aspects of Ukraine's bilateral relations with Russia and could lead to the imposition of trade and other punitive measures by Russia. These factors, in turn, could have a material adverse effect on the Ukrainian economy.

Further, Russia has, recently and in the past, threatened to cut off the supply of oil and gas to Ukraine in order to apply pressure on Ukraine to settle outstanding gas debts and maintain the low transit fees for Russian oil and gas through Ukrainian pipelines to European consumers. Following the tension between Ukraine and Russia Gazprom decided not to continue to implement the agreed discount on gas prices for Ukraine and suspended gas supplies to Ukraine and introduced an advance payment system and also filed a claim for US$4.5 billion concerning non-payment for gas by Naftogaz. In return, Naftogaz submitted a claim to the Arbitration Institute of the Stockholm Chamber of Commerce for the establishment of a fair price for gas supplied to Ukraine by Gazprom, reimbursement of all overpayments and retroactive revision of the transit contract and has prevailed in its claims in arbitration.

Since December 2015, Naftogaz has refrained from buying any Russian natural gas. As of the date of these Listing Particulars, legal proceedings have been ongoing between Naftogaz and Gazprom in relation to gas sales and transit contracts.

In addition, should Naftogaz and Gazprom not settle their dispute, such outcome could lead to a risk that gas supplies to Ukraine by Gazprom will be terminated and Ukrainian producers and consumers might be unable to source it elsewhere. Additionally, in October 2016, Russia and Turkey signed an agreement for the construction of the TurkStream, which is expected to launch in late 2019. In 2015, the Nord Stream 2 project was signed, which is expected to launch in the second half of 2020. For the year ended 31 December 2018, transit of natural gas through Ukraine amounted to 86.8 billion cubic metres – a decrease of 7.2 per cent compared to the year 2017. Ukraine is seeking to minimise any potential adverse effect of Nord Stream to Naftogaz and the Ukrainian economy in general, including through assurances on transport volumes. Such efforts may not be successful and any decreases in the volumes of gas transportation (due to the operation of Nord Stream, or the launch of TurkStream, Nord Stream 2 and other pipelines bypassing Ukraine), further increases the prices of natural gas supplied to Ukraine by Russia or of other developments which could adversely affect Naftogaz's future results of operations, reducing the revenue that the state budget receives from Naftogaz or increasing Naftogaz's need for support.

These and any further changes in Ukraine's relations with Russia, in particular any changes adversely affecting supplies of energy resources from Russia to Ukraine or Ukraine's revenues derived from transit charges for Russian oil and gas, may have negative effects on large parts of the Ukrainian economy, which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

The Ukrainian currency is subject to volatility and depreciation

As a result of the high dollarisation of the Ukrainian economy and the reliance of Ukrainian borrowers on external markets, Ukraine has become increasingly exposed to the risk of Hryvnia exchange rate fluctuations. As at 31 December 2013, immediately prior to the Euro-Maidan Revolution, the NBU official UAH/USD exchange rate was pegged at UAH 7.99 to one U.S. dollar. In February 2014, the NBU allowed the exchange rate to float, and as at 31 December 2014, the NBU official UAH/USD exchange rate was UAH 15.77 to one U.S. dollar. As at 31 December 2018 and 30 June 2019 the NBU official UAH/USD exchange rate was UAH 27.69 to one U.S. dollar and UAH 26.17 to one U.S. dollar respectively.

On 4 March 2015, the NBU increased its discount rate from 19.5 per cent to 30 per cent in an attempt to stabilise the currency. On 28 August 2015 the discount rate was subsequently reduced from 30 per cent to 27 per cent Subsequently, the NBU was gradually reducing the discount rate until it reached the minimum of 12.5 per cent with effect from 26 May 2017. Following that, until 27 October 2017, the NBU kept the discount rate unchanged at 12.5 per cent. With effect from 27 October 2017, the discount rate was increased to 13.5 per cent and since then reached 18 per cent with effect from 7 September 2018. Effective from 19 July 2019, the discount rate was reduced to 17 per cent, on 6 September 2019 it was further reduced to 16.5 per cent and with effect from 25 October 2019, it was further reduced to 15.5 per cent. The NBU has also started preparations to adopt inflation targeting, but overall its ability to stabilise the currency is dependent on many factors (including political stability and the crisis in Eastern Ukraine) which cannot be predicted with any degree of certainty.

Although the Group limits its exposure by largely holding its cash and cash equivalents in Austria, France, the Netherlands and Switzerland, the Group could be impacted by restrictions on transfer of foreign currency. Ukraine has never had an entirely free capital account and transfers of foreign currency have always been subject to restrictions. Recent restrictions included an electronic limit system, under which a Ukrainian resident can make foreign currency payments abroad up to an annual limit of €2 million (or its equivalent in any currency), unless any such payment falls under a statutory exemption. For more information, see "*Risk Factors—Risk Related to the Notes—The ability of the Guarantors to make payments pursuant to the Surety Agreements is limited by Ukrainian law*".

The Ukrainian currency may depreciate further in the future, given the weak economic condition, the continuing political instability, the absence of significant currency inflow from exports and foreign investment, limited foreign currency reserves, the need for borrowers to repay a substantial amount of external debt. Any further currency fluctuations could have a material adverse effect on the Group's business, financial condition and results of operations.

Ukraine's economy is vulnerable to fluctuations in the global economy and the effects of the recent civil disturbances, political instability and military action in Ukraine

The Ukrainian economy has been characterized by the following features, which may have a significant adverse effect on the investment climate in Ukraine and, in turn, may be a significant detriment to the Group's operations:

- high interest rates;
- global price volatilities in key export commodities;
- relatively weak banking system providing limited liquidity to Ukrainian enterprises;
- continued operations of loss-making enterprises due to the lack of effective bankruptcy proceedings;
- high rate of tax evasion;
- significant share of black and grey-market economy;
- continued capital flight;
- traditionally high government spending;
- high unemployment and underemployment; and
- increasing poverty rate in the Ukrainian population.

Ukraine's economy is vulnerable to market downturns and economic slowdowns elsewhere in the world.

As Ukraine is a major producer and exporter of metal and agricultural products, the Ukrainian economy is especially vulnerable to world commodity prices and the imposition of import duties by the United States, the EU, Russia or by other major export markets. In particular, a deterioration in global economic and financial conditions as well as a decrease in domestic demand has affected industrial output, which, according to the State Statistics Service, declined by 13 per cent in 2015. There was a slight industrial output increase of 2.8 per cent in 2016, an increase of 0.4 per cent in 2017 and an increase of 1.6 per cent In 2018. Ukraine's relatively strong reliance on exports of ferrous and non-ferrous metals and their products (24.8 per cent, 22.9 per cent, 23.4 per cent 24.6 per cent and 22.5 per cent of the total value of goods exported in the years ended 31 December 2015, 2016, 2017, 2018 and in five months ended 31 May 2019, respectively, according to the State Statistics Service) makes the country's export revenues and, by extension, its broader macroeconomic performance, vulnerable to declines or fluctuations in global metal demand or prices. Recent significant civil disturbances and political instability in Ukraine and the military action in some parts of the Donetsk and Lugansk regions of Ukraine have negatively affected Ukraine's economy and the relations between the Russian Federation and Ukraine. Following the increased geopolitical tensions between Russia and Ukraine, exports of Ukrainian goods to Russia decreased by 50.7 per cent in 2015, and further by 25.6 per cent in 2016. In 2017 brought a slight increase of 9.6 per cent as compared to the previous year. However, exports of Ukrainian goods to Russia further decreased by 7.2 per cent and 11.7 per cent, in 2018 and in five months ended 31 May 2019, respectively. The total value of goods exported from Ukraine decreased by 29.3 per cent, in 2015 and by 4.6 per cent in 2016, as compared to the previous years. Nevertheless, in 2017, 2018 and in five months ended 31 May 2019 the figure increased by 19 per cent, 9.4 per cent and 7.4 per cent, respectively. Any developments related to decrease of exports of Ukrainian goods may have negative effects on the economy of Ukraine, which in turn may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

According to the State Statistics Service, after GDP's dramatic drop by 9.8 per cent in 2015, it slowly grew by 2.4 per cent in 2016, by 2.5 per cent in 2017, by 3.3 per cent in 2018 and by 2.5 per cent in the first quarter of 2019. After dramatic decline to US$5.62 billion in February 2015 (the lowest point over the last fifteen years) Ukraine's international reserves started recovery reaching US$13.30 billion as of 31 December 2015, US$15.54 billion as of 31 December 2016, US$18.80 billion as of 31 December 2017, US$20.82 billion as of 31 December 2018 and US$20.64 billion as of 31 June 2019. According to the NBU, Ukraine's international reserves grew by 21 per cent over 2017, largely due to the receipt of funding from the International Monetary Fund in the approximate amount of US$1 billion, as well as purchase by the NBU of US$1.3 billion as a result of its currency interventions in the foreign exchange market of Ukraine.

The Ukrainian government incurred a state budget deficit of UAH 45.1 billion in 2015, UAH 70.3 billion in 2016, UAH 47.9 billion in 2017 and UAH 59.2 billion in 2018, respectively. In November 2018, the Parliament adopted state budget law for 2019 envisaging a budget deficit amounting to UAH 89.98 billion. The national debt in the state budget law for 2019 is limited to UAH 2.1 trillion.

Although the Ukrainian government has generally been committed to economic reform, the implementation of reform has been impeded by a lack of political consensus, remaining controversies over privatization (including privatization of land in the agricultural sector and privatization of large industrial enterprises), restructuring of the energy sector, and the removal of exemptions and privileges for certain state owned enterprises or for certain industry sectors.

Failure to achieve the political consensus necessary to support and implement such reforms and any resulting instability could adversely affect the country's macroeconomic indices and economic growth. Furthermore, future political instability in the executive or legislative branches could hamper efforts to implement necessary reforms. There can be no assurance that the political initiatives necessary to achieve these or any other reforms described elsewhere in these Listing Particulars will continue, will not be reversed or will achieve their intended aims. Rejection or reversal of reform policies favouring privatisation, industrial restructuring and administrative reform may have negative effect on the Ukrainian economy, which could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

A deterioration in Ukraine's relations with the EU might have negative effects on the Ukrainian economy and the Group's business

Ukraine's relationship with governments in the EU and with multinational institutions is of great importance to Ukraine. Their perception of the commitment to and nature of legislative and regulatory reform programmes in Ukraine, the improvement and continued independence of the judicial system and political developments in Ukraine could significantly impact those relations.

The EU accounted for 40.5 per cent, 42.6 per cent and 43.3 per cent of all exports in 2017, 2018 and as of 28 February 2019, respectively, according to the State Statistics Service, making it the largest external trade partner of Ukraine after Russia and Asian countries. In 2017, the total exports from Ukraine to EU increased by 29.9 per cent and the total exports from Ukraine to Russia increased by 9.6 per cent compared to the same period in 2016. In 2017, the increase in the total exports from Ukraine to the EU was attributable to increases in exports of ore, slags and cinder, ferrous metals, electrical machines and grains. In 2018, the total exports from Ukraine to EU increased by 15.0 per cent and to Russia decreased by 7.2 per cent as compared to 2017.

Following extensive negotiations on the free trade area held between Ukraine and the EU from 2008, the parties achieved progress in the harmonisation of, among others, the following areas: trade in goods (including in relation to instruments of trade protection, tariffs, technical barriers in trade, sanitary and customs issues), intellectual property, rules relating to the origin of goods, sustainable development and trade, trade in services, and public procurement.

The political section of the Association Agreement was signed on 21 March 2014, while the economic section, including the Deep and Comprehensive Free Trade Agreement (the "**DCFTA**"), was signed on 27 June 2014. The Association Agreement sets out detailed approximation schedules for the approximation of Ukrainian legislation to EU regulatory norms, including timetables for implementation. The DCFTA is intended to substantially integrate the EU and Ukraine markets, by dismantling import duties and banning other trade restrictions, albeit with specific limitations and transitional periods in certain areas, such as trade in agricultural products. It will also partially integrate public procurement markets. On 29 September 2014, following tri-lateral consultations between Ukraine, the European Union and Russia, the European Union set 1 January 2016 as the date for the provisional application of the DCFTA to take effect while continuing autonomous trade measures of the European Union to the benefit of Ukraine during this period, as part of a comprehensive peace process in Ukraine.

Should Ukraine fail to develop its relations with the EU, or should the development of such relationship be protracted or regress, this may have negative effect on the Ukrainian economy, which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

Inability to obtain financing from external sources could affect Ukraine's ability to meet financing expectations in its budget

Ukraine's internal debt market remains illiquid and underdeveloped as compared with markets in most western countries. In the wake of the emerging market crisis in the autumn of 1998 and until the second half of 2002, loans from multinational organisations such as the EBRD, the World Bank, the EU and the IMF comprised Ukraine's only significant sources of external financing.

On 11 March 2015, the IMF approved a four-year extended arrangement under the Extended Fund Facility for Ukraine (the "**2015 EFF**") which was further supplanted by a stand-by agreement (the "**SBA**") for a total of US$3.9 billion on 18 December 2018. Ukraine received the first tranche of the loan in the amount of US$5 billion on 13 March 2015, the second tranche in the amount of US$1.7 billion on 4 August 2015, the third tranche in the amount of US$1 billion on 14 September 2016 and the fourth tranche in the amount of US$1 billion in April 2017. Other than the first tranche, these funds were used to support gold and foreign exchange reserves. The SBA cancelled all funds that had not yet been provided to Ukraine under the 2015 EFF. On 20 December 2018, Ukraine received the first tranche of US$1.4 billion under the SBA.

Following the restructuring of Ukraine's outstanding eurobonds in November 2015, Ukraine's access to international debt markets remains constrained, and the Government relies to a significant extent on official or multilateral borrowings to finance part of the budget deficit, fund its payment obligations under domestic and international borrowings and maintain foreign exchange reserves. The future stability of the Ukrainian economy continues to be largely dependent upon economic reforms and the effectiveness of economic, financial and monetary measures as well as cooperation with international financial institutions to avoid defaulting on its sovereign debt.

Further external borrowings from multilateral organisations such as the IMF, the EBRD, the World Bank or the EU may be contingent upon Ukraine's satisfaction of certain requirements including:

- implementing strategic, institutional and structural reforms;
- managing the budget deficit in order to restore confidence in fiscal sector sustainability;
- effectively managing corruption and anti-money laundering requirements;
- enacting a conservative and prudent fiscal policy;
- improving the corporate governance of state-owned banks; and
- improving the sovereign debt credit ratings.

If Ukraine is unable to meet these requirements, multilateral organisations may withhold or suspend their funding. A failure by official creditors and multilateral organisations such as the EBRD, the World Bank or the IMF to grant adequate financing combined with any inability to access the international capital markets and syndicated loan markets may put pressure on Ukraine's budget and foreign exchange reserves and have a material adverse effect the Ukrainian economy and, as a result, on the Group's business, financial condition and results of operations. Further, Ukraine's ability to refinance its debt to these multilateral organisations or its other lenders could come under pressure once again if relations between Russia and Ukraine further deteriorate or access to the international markets remains restricted in the medium term, or where no additional external financing is secured.

If Ukraine is unable to meet the stringent criteria set out in the various support programmes provided by multilateral organisations such as the IMF, the World Bank and the EU, these multilateral organisations may withhold or suspend funding and may prevent Ukraine from raising the external funding on the international capital markets. In the current circumstances, inability to raise funds on the international capital markets, a failure by official creditors and multilateral organisations to grant adequate financing would put severe pressure on Ukraine's budget and foreign exchange reserves and have a material adverse effect on Ukraine's economy.

In addition, many companies in the Ukrainian private sector have significant levels of indebtedness, and as a result of low credit ratings and low levels of international reserves held by the sovereign, the private sector may experience difficulty accessing new financing. Although private-sector debt, unlike state debt, does not have a direct negative effect on the Government's foreign currency reserves or liquidity, high levels of indebtedness of, and limited availability of new credit to, the private sector may complicate economic recovery and pose a significant risk in an already challenging economic environment. Any further deterioration in the economic environment in Ukraine could have a material adverse effect on the Group's ability to obtain refinancing, and consequently have a material adverse effect on the Group's business, financial condition and results of operations.

Corruption and money laundering may have an adverse effect on the Ukrainian economy

External analysis has identified corruption and money laundering as problems in Ukraine. In accordance with Ukrainian anti-money laundering legislation, which came into force in Ukraine in June 2003, the NBU and other state authorities, as well as various entities performing financial transactions, are now required to monitor certain financial transactions more closely for evidence of money laundering. As a result of the implementation of this legislation, Ukraine was removed from the list of non-cooperative countries and territories by the Financial Action Task Force on Money Laundering ("**FATF**") in February 2004, and in January 2006 FATF suspended the formal monitoring of Ukraine.

On 14 October 2014, the Parliament adopted a number of laws aimed at prevention of corruption, improvement of corporate transparency and reforms of the State prosecutor's office, namely: (i) the Law of Ukraine "On Prevention of Corruption", (ii) The Law of Ukraine "On National Anti-Corruption Bureau of Ukraine", (iii) the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Regarding the Definition of Ultimate Beneficial Owners of Legal Entities and Public Persons", and (iv) the Law of Ukraine "On the Principles of State Anti-Corruption Policy in Ukraine (Anti-Corruption Strategy) for 2014-2017".

In order to perform the above laws, the National Anti-Corruption Bureau of Ukraine (the "**Anti-Corruption Bureau**") and the National Agency on Corruption Prevention (the "**Agency on Corruption Prevention**") were established. The Anti-Corruption Bureau has launched its activity on 16 April 2015. On the same day the Director of the Anti-Corruption Bureau was appointed by the President of Ukraine. On 14 August 2016, the Agency on Corruption Prevention has officially announced the commencement of its activity.

On 10 June 2016, the Agency on Corruption Prevention adopted the Resolution on launching the system of electronic declaring of property, income, expenditures and financial liabilities of the state and local government officials starting from 1 September 2016.

On 11 June 2018, the law "On the High Anti-Corruption Court" and, on 28 June 2018, the law "On Establishment of the High Anti-Corruption Court" came into effect, which resulted in the establishment of the High Anti-Corruption Court of Ukraine which began operating on 5 September 2019.

On 26 February 2019, the CCU declared unconstitutional Article 368-2 of the Criminal Code of Ukraine relating to illicit enrichment. Several draft laws to reinstate illicit enrichment as an offence under the Criminal Code of Ukraine have subsequently been submitted to Parliament, including draft legislation submitted by former President Poroshenko on 28 February 2019, President Zelenskiy on 3 June 2019 and 29 August 2019, as well as a number of drafts submitted by various members of Parliament. Thereafter, the draft law submitted by former President Poroshenko was withdrawn. On 6 July 2019 Parliament also refused to include the draft law presented by President Zelenskiy into Parliament's agenda, deciding instead to review the draft presented by members of Parliament.

There can be no assurance that the laws will be effectively applied and implemented by the relevant supervising authorities in Ukraine. However, any future allegations of corruption in Ukraine or evidence of money laundering could have a negative effect on the ability of Ukraine to attract foreign investments and thus have a negative effect on the economy of Ukraine which in turn may adversely affect the Group's business, financial condition and results of operations.

Uncertainties relating to Ukraine's judicial system could have an adverse effect on its economy

The independence of the judicial system and its immunity from economic and political influences in Ukraine remains questionable. Although the CCU is the only body authorised to exercise constitutional jurisdiction and has mostly proven impartial in its judgements, the system of constitutional jurisdiction itself remains too complicated to ensure smooth and effective removal of discrepancies between the Constitution of Ukraine on the one hand and various laws of Ukraine on the other hand.

Recent judicial reform has deprived the CCU of its power to give official and obligatory interpretation of the laws of Ukraine (except for the Constitution of Ukraine). At the same time, access to the constitutional jurisdiction was granted to all persons, who consider that the law applied in a final decision in their case contradicts the Constitution of Ukraine.

Further, enforcement of court orders and judgements can, in practice, be difficult in Ukraine. Enforcement procedures are often very time-consuming and may fail for a variety of reasons, including the defendant lacking sufficient funds, the complexity of auction procedures for the sale of the defendant's property or the defendant undergoing bankruptcy proceedings. In addition, bailiffs in Ukraine have limited authority to enforce court orders and judgements quickly and efficiently. Bailiffs are bound by the method of enforcement envisaged by the relevant court order or judgement and may not independently change such method even if it proves to be inefficient or unrealisable. Furthermore, notwithstanding the successful execution of a court order or a judgement, a higher court may reverse the court order or judgement and require that the relevant funds or property be restored to the defendant.

The uncertainties described above also extend to certain rights, including investor rights. In Ukraine, there is no established history of investor rights protection.

All of these factors make judicial decisions in Ukraine difficult to predict and effective redress uncertain. In addition, court claims are often used in the furtherance of political aims. The Group may be subject to such claims and may not be able to receive a fair hearing. Finally, court orders are not always enforced or followed by law enforcement institutions. The uncertainties relating to the judicial system could have a negative effect on the Ukrainian economy and thus on the Group's business, financial condition and results of operations. For more information, see "*—Risks relating to the Ukrainian banking sector could impair the Group's business, restrict the Group's ability to use cash held in Ukrainian banks or lead to a total loss of funds held in Ukraine*".

Ukraine's physical infrastructure is in a poor condition and could deteriorate further, which may lead to disruptions in the Group's business or an increase in its costs

Ukraine's physical infrastructure, including its power generation and transmission and communication systems and building stock, largely dates back to Soviet times and has not been adequately funded and maintained over the past decade. Road conditions throughout Ukraine are relatively poor in comparison with more developed countries. The Ukrainian government has been implementing plans to develop the nation's rail and electricity systems, which may result in increased charges and tariffs whilst failing to generate the anticipated capital investment needed to repair, maintain and improve these systems. The deterioration of Ukraine's physical infrastructure has an adverse effect on the national economy, disrupts the transportation of goods and supplies, adds costs to doing business in Ukraine and can interrupt business operations. Any further deterioration in Ukraine's physical infrastructure could have a materially adverse effect on the Group's business, financial condition and results of operations.

The Ukrainian banking system is vulnerable to stress due to fragmentation, undercapitalisation and a potential increase in non-performing loans, all of which could have a material adverse effect on the Ukrainian economy

The global financial crisis starting in 2007 led to the collapse or bailout of some Ukrainian banks and to significant liquidity constraints for others. The floating of the Hryvnia since February 2014 has put additional strain on the Ukrainian banking system, as the high dollarisation of the Ukrainian financial system and its customers have not only exposed Ukrainian banks to additional foreign exchange risks but has also contributed to a worsening of asset quality. Ukrainian banks have also been negatively impacted by the Ukrainian population's loss of confidence in the Hryvnia since it was floated in 2014. There have been subsequent increases in the purchase of U.S. dollars by Ukrainian citizens in order to avoid complete exposure to the fluctuation of Hryvnia rates. According to the NBU, the proportion of loans represented by doubtful and bad loans was 28.0 per cent, 30.5 per cent, 56.0 per cent and 52.8 per cent as at 31 December 2016, 2017 and 2018, respectively, and 50.8 per cent as of 1 July 2019. As a result, the Ukrainian banking system as a whole is undercapitalised and suffers from high levels of non-performing loans.

Other factors which have exacerbated the weak performance of the Ukrainian banking sector since 2014 include:

- significant outflows of deposits;
- the impact on the banking sector of the loss of income and branches in Crimea following the illegal occupation and annexation of that territory; and
- the effect on the sector's revenues and business of the ongoing conflict in certain parts of the Donetsk and Luhansk regions.

Further, Ukrainian banks have relied extensively on liquidity facilities and other support from the NBU and have been shielded from the full impact of the floating exchange rate through currency control restrictions and other technical regulations of the financial sector imposed by the NBU.

Since 2014, the NBU has taken steps to promote the consolidation and strengthening of the Ukrainian banking sector, and to this end has required and/or facilitated the temporary administration, liquidation and/or restructuring of a number of Ukrainian banks. Several major banks operating in Ukraine, such as VAB Bank, Nadra Bank, Delta Bank and others, were first subject to temporary administration and then declared insolvent and liquidated during the years 2014-2017. PrivatBank, the largest bank in Ukraine by value of assets, was nationalised in 2016, following its insolvency. Since then, several claims to the NBU and PrivatBank in relation to the latter's nationalisation have been tried at courts of various levels. However, as of the date of these Listing Particulars, no judgment that could serve as a basis to change the state ownership of PrivatBank has entered into force. Subsequent to the nationalisation of PrivatBank, the Ministry of Finance of Ukraine has recapitalised the bank through the injection in aggregate of over UAH 155.3 billion of fresh capital. There can be no assurance that further capital injections will not be required in order to ensure the continued commercial viability of Ukrainian banks. Should additional capital contributions be required from the government, it will further deplete Ukraine's fiscal resources and potentially lead to a widening of the public deficit. A further increase in the share of non-performing loans in banks' loan portfolios, or a failure to decrease this share, could place additional strain on the Ukrainian banking system, and may lead to more banks being declared insolvent and being liquidated or nationalised by the government.

The fragile condition of the Ukrainian banking system has been the main factor in restricting the availability of domestic credit. Domestic banks are in many cases unwilling or unable to lend to domestic businesses in need of renewed or increased funding and a continued shortage of credit will have a negative effect on Ukraine's GDP growth. Furthermore, increased domestic borrowing by the government is likely to reduce the availability of domestic credit for Ukrainian businesses, exacerbating the negative impact on GDP levels.

Several European banks have terminated their activities in Ukraine in recent years, largely due to the perceived high risk of doing business in Ukraine, high credit risk, a high ratio of non-performing loans and exchange rate risk. The share of Russian banks in the Ukrainian market is also decreasing largely due to the political situation between the two countries.

Further insolvencies of Ukrainian banks, increased liquidity constraints, growth in non-performing loans, the need for the government to inject more capital into the banking system and the failure to adopt and implement a system of banking regulation that achieves an increased degree of soundness and stability in the nation's banks could affect the Ukrainian economy and could have a material adverse effect on Group's business, results of operations and financial condition.

Ukraine's tax system is underdeveloped and subject to frequent change, which creates an uncertain environment for investment and business activity

The Ukrainian tax system is undeveloped and subject to frequent changes, which create an uncertain environment for investment and business activity. Historically, Ukraine has had a number of laws related to various taxes imposed by both central and regional governmental authorities. These taxes include value added tax, corporate income tax (profits tax), personal income tax, customs duties and payroll (social) taxes. The tax legislation in Ukraine and its regulations are not always clearly written and, thus, are subject to inconsistent interpretations by tax authorities and other government bodies, providing many opportunities for inappropriate and corrupt practices by officials. These factors negatively impact the predictability of Ukraine's taxation system and therefore have an adverse effect on business activity, reducing the attractiveness of the national economy for foreign investors. The tax reform adopted by the Parliament on 28 December 2014 generally improved business climate but failed to achieve certain key goals: broadening the tax base by bringing a substantial portion of the shadow economy into the reporting economy and reform of the tax authorities. On 24 December 2015, Parliament adopted a number of changes to the tax system in Ukraine with effect from 1 January 2016, including introduction of a flat 18 per cent personal income tax rate applicable to most types of income, change of basic reporting period for corporate income tax payers from a year to a quarter, abolition of monthly advance payments of corporate income tax with certain transition rules and improvement of procedure for budget refund of VAT. On 21 December 2016 the Parliament adopted the law "On amendments to the Tax Code of Ukraine Regarding Improvement of Investment Climate in Ukraine", The law introduced a wide range of changes mostly related to the tax administration. Any significant changes in the Ukrainian tax system in future, as well as change in positions of tax authorities with regard to interpretative issues could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, on 10 April 2019, the Parliamentary Tax and Customs Policy Committee supported the draft law regarding amendments to the Tax Code of Ukraine concerning introduction of the dividend distribution based corporate income tax. If adopted, this would potentially result in significant losses of budget revenues and hence lead to significant budget deficits and an overall reduction in national spending. Consequently, this could adversely affect Ukraine's economy. Moreover, no assurance can be given as to whether the introduction of the dividend distribution based corporate income tax would be deemed compliant with the IMF's 2018 SBA or any successor programme. However, the Parliament has not adopted this draft law on dividend distribution based tax yet. The implementation of such tax is under discussions in the Parliament and among professionals.

Non-Ukrainian subsidiaries may be subject to Ukrainian withholding tax if they do not qualify as the beneficial owners of income received from Ukraine under the Tax Code

Under the Tax Code, a non-resident person shall be eligible for relief from Ukrainian withholding tax on Ukrainian source income received under an applicable double tax treaty to the extent it is the beneficial (actual) owner of such income, as defined therein. Under the Tax Code, the "beneficial (actual) recipient (owner) of income" (the "beneficial owner") means "the entity (person) that is entitled to obtain the relevant income" excluding "the entity (person) acting as an agent, nominal bearer (owner), or solely as an intermediary with regard to such income".

The concept of 'beneficial ownership' introduced by the Tax Code is relatively new in Ukraine. The practice of Ukrainian tax authorities and courts regarding the concept of 'beneficial ownership' is unclear and inconsistent and, thus, there is no uniform interpretation or application of this concept in Ukraine. Except as set out above, the Tax Code does not set out any further guidance as to when the recipient of Ukrainian source income will be recognized as the 'beneficial owner' of such income. In practice, this issue is likely to be determined primarily on the basis of an analysis of documents available to the Ukrainian entity acting as a tax agent when paying taxable income to subsidiaries established outside Ukraine.

Currently practice of application of the term "beneficial owner" by tax authorities is developing and covers only particular areas or types of transactions. There is no definitive guidance as to how the term should be applied in other situation than those already reviewed by the judicial and tax authorities except for the general message that economic substance and all aspects of the case should be considered. Therefore, unless the Ukrainian tax authorities or Ukrainian court practice confirm otherwise, there is a risk that the beneficial ownership rules of the Tax Code could apply for the purposes of challenging the tax relief under the double tax treaty.

Management believes that non-Ukrainian subsidiaries qualify as the beneficial owners of payments that they receive from Ukrainian subsidiaries under the Tax Code. However, there is a risk that the Ukrainian tax authorities could attempt to challenge such entities' status as beneficial (actual) owners of dividend, interest and other income received from sources in Ukraine. In that case, non-Ukrainian subsidiaries would be liable for Ukrainian withholding tax at the standard 15 per cent rate. There is also a risk that penalties could be imposed by the tax authorities on the relevant Ukrainian payer (including Ukrainian subsidiaries) for the failure to withhold the tax from the Ukrainian source income paid. The imposition of any such taxes or penalties could have a material adverse effect on the business, financial condition, results of operations and prospects.

Large-scale economic sanctions by Ukraine, the EU and the United States against Russia over its actions in Ukraine and reciprocal sanctions by Russia against Ukraine, the EU and the United States may have a material adverse effect on the Group's business

In late 2013 and the first half of 2014, deteriorating economic conditions and general social unrest caused Ukraine to be subject to a wide scale crisis provoking armed confrontations in the Eastern Ukraine and ultimately involving the Russian Federation. In response to the situation in Ukraine, the United States and the EU imposed sanctions on various individuals and entities in Ukraine and Russia, in addition to sectoral measures against certain sectors of the Russian economy. Comprehensive sanctions measures were also imposed on "the Crimea region of Ukraine".

U.S. Sanctions

As a result of the ongoing situation with respect to Ukraine, the United States issued Executive Orders 13660, 13661, 13662 and 13685 (the "**Executive Orders**"). These Executive Orders contemplate (i) imposition of blocking sanctions targeting persons contributing to the situation in Ukraine, including Russian government officials and persons, some of whom are Ukrainian or located in Crimea, (ii) blocking sanctions and travel restrictions on persons determined to be officials of the Russian Government or owned or controlled by or acting on behalf of the Russian Government (including senior officials), or operating in Russia's arms or related material sector, as well as for those providing direct or indirect material support to a senior Russian Government official, (iii) imposition of sanctions against persons operating within specified sectors of the Russian economy, and (iv) prohibition of transactions between the United States or U.S. Persons and persons located within the "Crimea region of Ukraine," unless authorised by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**").

To date, OFAC has imposed these sectoral sanctions against the financial, defence and energy sectors of the Russian economy by designating certain entities operating within those sectors on the Sectoral Sanctions Identifications List ("**SSI List**"). The SSI List does not require blocking, but instead imposes restrictions on U.S. Persons as outlined in Directives 1 through 4 issued by OFAC upon the SSI listed entities. Additionally, Directive 4 restricts the provision, export or re-export, directly or indirectly, of goods, services (except for financial services), or technology related to exploration or production for deep-water, Arctic offshore, or shale projects that have the potential to produce oil in the Russian Federation, for entities designated on the SSI List under that Directive. The SSI list has been expanded in several rounds by the US, and additional sanctions on Russia may be imposed in the future

The United States has also imposed U.S. export restrictions with respect to Russia and Crimea and has also suspended the issuance of U.S. export credit and financing for economic development projects to Russia. As of April 2019, the United States Department of Treasury had imposed sanctions on 237 individuals and 169 entities and sectoral sanctions on 289 entities, in response to the situation in Ukraine.

EU Sanctions

With the aim of restricting Russian access to EU capital markets, the EU imposed a ban on the direct or indirect purchase, sale, provision of investment services for and assistance in the issuance of, or other dealings with, transferable securities and money market instruments with a maturity exceeding 90 days which were issued after 1 August 2014 by certain Russian financial institutions and their subsidiaries. The ban also covers non-EU parties whose proprietary rights are substantially owned by these entities or acting on their behalf or at their direction. Such EU sanctions were subsequently extended to cover transferable securities and money market instruments with a maturity exceeding 30 days issued after 12 September 2014.

The EU has also imposed restrictions on the sale, supply, transfer or export to (or for use in) Russia of certain technologies used in the oil and gas industry. Further, under EU sanctions, it is prohibited to provide, directly or indirectly, certain services relating to the exploration and production of deep water oil and offshore arctic oil or relating to shale oil projects in Russia. Each EU sanction regime also prohibits knowingly and intentionally participating in activities, the object or effect of which is to circumvent any of the specific prohibitions set out in the respective regime.

The EU formally extended the above described sectoral sanctions targeting Russia, so they are currently in effect until 31 January 2020. The general sanctions list covers 170 individuals and 44 entities.

On 20 December 2014, the EU extended its sanctions against Crimea and Sevastopol and imposed a broad ban on investment in, exports to and tourism in that region. On 18 June 2018, the EU officially prolonged these sanctions until 23 June 2019 and later extended such sanctions until 23 June 2020.

Ukraine Sanctions

On 14 August 2014, the Parliament adopted the Law of Ukraine "On Sanctions" (the "**Law on Sanctions**"), which provides for special economic and other restrictive measures (that is, sanctions) against foreign states, foreign legal entities and individuals involved in activities threatening the national security, sovereignty and territorial integrity of Ukraine and the rights and freedoms of its citizens. 'The sanctions include blocking of assets, restricting trade, restrictions on outflow of capital from Ukraine, prohibition on lease and privatisation of state assets, termination of trade agreements and joint projects and industrial programmes and others. The President, CMU, the NBU and the Security Service are entitled to propose the imposition of sanctions to the National Security and Defence Council of Ukraine (the "**Defence Council**"). Any decisions of the Defence Council on the imposition of sanctions must be approved by both the President and the Parliament in case of sectoral sanctions and by the President in case of personal sanctions.

On 16 September 2015, the President approved the Defence Council Decision dated 2 September 2015 on one year sanctions against 388 individuals, in particular, relating to visa restrictions, blocking of assets, temporary restrictions on using property and preventing capital outflow from Ukraine and on 105 legal entities relating to restrictions on certain Russian companies in respect of flights and transportations through territory of Ukraine, cancellation of licences to conduct business in Ukraine, blocking of assets, etc.

On 15 May 2017, the President approved the new Defence Council Decision dated 28 April 2017 which imposes new personal sanctions against 468 individuals and 1,228 entities, including prohibition of privatisation and investments activities, issuing of the licences by the NBU allowing transactions in the foreign currency, transit of goods and natural resources and others. On 14 May 2018, the President approved the latest Defence Council Decision dated 2 May 2018 which aimed to harmonise the U.S. and Ukrainian sanctions in relation Russia. In addition, it extended the sanctions adopted in May 2017 against 531 individuals and 113 entities until March 2019. On 19 March 2019, the President approved the latest Defence Council Decision dated 19 March 2019. Sanctions imposed by that Defence Council Decision apply to 848 individuals and 294 legal entities.

Russia Reciprocal Sanctions

Historically, Russia has been the largest bilateral trading partner of Ukraine. Since 1 January 2016, Russia introduced a food embargo on certain agricultural products, raw materials and food originating from Ukraine and cancelled the preferential trade regime envisaged by the agreement on free trade within the CIS on imports of Ukrainian goods. The continued deterioration of Ukraine's trade with Russia has had and may continue to have a material adverse effect on Ukraine's export industries and economy.

It is unclear how long the above sanctions will remain in place and whether new sanctions may be imposed. The imposition of sanctions may have a negative effect on the Ukrainian economy, and as a result, a material adverse effect on the Group's business, financial condition and results of operations.

Official economic data and third party information may be unreliable

Official statistics and other data published by Ukrainian State authorities (including the NBU and the State Statistics Service of Ukraine) may not be as complete or reliable as those of more developed countries. Official statistics and other data may also be based on different criteria than criteria used in more developed countries. Furthermore, standards of accuracy of statistical data may vary from time to time and depending on the agency used due to the application of different methodologies. The Group has not independently verified official statistics and other data, and any discussion of matters relating to Ukraine in these Listing Particulars is, therefore, subject to uncertainty due to questions regarding the completeness or reliability of such information. Specifically, investors should be aware that certain statistical information and other data contained in these Listing Particulars has been extracted from official governmental sources in Ukraine and was not prepared for the purpose of the preparation of these Listing Particulars. Further, such figures, including those relating to Ukraine's GDP, average rates of inflation and other official statistics cited in these Listing Particulars may be subject to some degree of uncertainty and may not be fully in accordance with international standards. In these Listing Particulars, data is presented as provided by the relevant governmental agency or institution to which the data is attributed, and no attempt has been made to reconcile such data to the data compiled by other ministries or by other organisations, such as the International Monetary Fund (the "**IMF**"). Since the first quarter of 2003, Ukraine has produced data in accordance with the IMF's Special Data Dissemination Standard. There can be no assurance, however, that this IMF standard has been fully implemented or correctly applied. The existence of a sizeable unofficial or shadow economy may also affect the accuracy and reliability of statistical information. Prospective investors should be aware that none of these statistics has been independently verified. The Group accepts responsibility only for the correct extraction and reproduction of such information.

Risks related to the Notes

The Group's future leverage and debt service obligations could adversely affect its business and prevent the Issuer from fulfilling its obligations with respect to the Notes and the Company and the Guarantors with respect to the Guarantees

The Group cannot guarantee that it will be able to generate enough cash flow from operations to service its debt obligations, including under the Notes. After the issuance of the Notes, the Group may become more leveraged than its current level.

The degree to which the Group will be leveraged following the issuance of the Notes could have important consequences to the Noteholders, including, but not limited to:

- making it more difficult for the Group to satisfy its obligations with respect to the Notes and its other debt and liabilities;

- making the Group vulnerable to, and reducing its flexibility to respond to, adverse economic and/or industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures or other general corporate purposes;
- limiting the Group's flexibility in planning for, or reacting to, changes in its business and the competitive environment and industry in which it operates;
- placing the Group at a competitive disadvantage as compared to its competitors that are not as highly leveraged; and
- limiting the Group's ability to borrow additional funds or raise equity capital in the future and increasing the cost of any such additional financings.

Any of these or other consequences or events could have a material adverse effect on the Group's ability to satisfy its debt obligations, including the Notes. The Group's ability to make payments on and refinance its indebtedness and to fund working capital, capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. Its ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond its control. The Group may not be able to generate sufficient cash flow from operations nor obtain enough capital to service its debt or fund planned capital expenditures.

The Group will require a significant amount of cash to service its debt and sustain its operations. The Group's ability to generate or raise sufficient cash depends on many factors beyond its control

The Group's ability to make principal or interest payments when due on its indebtedness including its obligations under the Notes, and to fund its ongoing operations, will depend on its future performance and ability to generate cash, which is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these "*Risk Factors*", many of which are beyond its control.

If the Group is unable to generate sufficient cash flows from operations and other capital resources to pay its debt obligations or meet other liquidity needs, it may be required to refinance or restructure its indebtedness. If the Group is unable to refinance or restructure all or a portion of its indebtedness or obtain such refinancing or restructuring on terms acceptable to it, the Group may be forced to, among others:

- reduce or delay its business activities, planned acquisitions and capital expenditures;
- sell assets;
- raise additional debt or equity financing; or
- restructure or refinance all or a portion of its debt, including the Notes, on or before maturity or on favourable terms for the Group.

If any of the above occurs, the holders of debt of the Group may be able to accelerate such debt and, to the extent such debt is secured, foreclose on its assets. The type, timing and terms of any future financing, restructuring, asset sales or other capital raising transactions will depend on the Group's cash needs and the prevailing conditions in the financial markets. There can be no assurance that the Group will be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In such an event, the Group may not have sufficient cash or sources of cash to repay all of its debt. In addition, the terms of the Notes may limit the Group's ability to pursue any of these measures.

The ability of the Ukrainian Guarantors to make payments pursuant to the Surety Agreements is limited by Ukrainian law

The NBU's applicable currency control regulations in effect as of the date of these Listing Particulars limit the ability of any Ukrainian company to make cross-border payments in a foreign currency under a suretyship in relation to a foreign obligor's obligations up to a maximum annual limit of €2 million (or its equivalent in any currency) (the "**Annual Limit**"). Such limitations would apply to any payments required to be made by one or more of the Ukrainian Guarantors under the Surety Agreements.

In order to procure a cross-border payment by a Ukrainian company of any amount exceeding the Annual Limit, with respect to its obligations under a suretyship, a claimant would need to obtain a valid and effective order by a Ukrainian court (whether it is adopted upon review of the merits of the dispute or enforcing a foreign arbitral award or foreign court judgment) which expressly requires that such Ukrainian company make such cross-border payment (the "**Ukrainian Court Order**"); however, there is no court practice in Ukraine yet to confirm this position.

Accordingly, should a payment obligation of any Ukrainian Guarantor arise under the Surety Agreements and such payment not be made because it would result in a breach of the Annual Limit, the Trustee on behalf of the Noteholders would need to obtain the Ukrainian Court Order. Upon the Ukrainian Court Order becoming effective, the relevant Ukrainian Guarantor would be required to honour its payment obligations under the Surety Agreements in full and should not be subject to the Annual Limit.

In addition, an attempted payment by a Ukrainian Guarantor pursuant to the Surety Agreements would fall within the NBU's list of high-risk financial transactions. Ukrainian banks are required by the NBU to carry out additional inspections on any of their customers conducting such high-risk financial transactions and may refuse to effect a currency exchange or payment on behalf of such a customer, including any proposed payment by a Ukrainian Guarantor under the Surety Agreements. Such refusal should not occur if the effective Ukrainian Court Order is given; however, there is no court practice in Ukraine yet to confirm this position.

Furthermore, the ability of the Ukrainian Guarantors to make cross-border payments under the Surety Agreements may be further limited by other Ukrainian currency control regulations. The Ukrainian currency control regime is subject to change, with the NBU exercising considerable autonomy in its interpretation of currency control regulations and practice. See "*—The Ukrainian currency is subject to volatility and depreciation*" above. There can be no assurance that further restrictions will not be imposed by the NBU in the future, which may adversely impact the ability of the Ukrainian Guarantors to discharge their obligations under the Surety Agreements.

The Issuer is a finance vehicle with minimal trading assets or trading income

The Issuer is a finance vehicle whose principal purpose is to raise funds for the Group. Accordingly, the Issuer has minimal trading assets and does not generate income. The Notes are guaranteed by the Guarantors and accordingly, if the Group's financial condition was to deteriorate, the Issuer and investors in Notes may suffer direct and materially adverse consequences.

The Group is subject to restrictive debt covenants that may limit its ability to finance future operations and capital needs and to pursue business opportunities and activities

The Notes will restrict, among other things, the Group's ability to incur additional debt, create certain liens, enter into transactions with affiliates, make certain restricted payments or restricted investments, sell certain assets, encumber restricted subsidiaries, merge or consolidate with other entities and engage in any business not related to renewable energy. All of these limitations will be subject to certain exceptions and qualifications. See Condition 5. Despite these exceptions and qualifications, the covenants to which the Group is subject could limit its ability to finance future operations and capital needs and its ability to pursue business opportunities and activities that may be in its interest.

In addition, the Group's ability to comply with these covenants and restrictions may be affected by events beyond its control. These include prevailing economic, financial and industry conditions.

The Group may incur more debt, which could adversely affect the Group's business and prevent the Issuer and the Guarantors from fulfilling their obligations with respect to the Notes and the Guarantees

The terms of the Conditions will permit the Group to incur additional debt including debt incurred as part of the Tiligul development project in the amount of up to €500 million, subordinated shareholder loans, refinancing indebtedness, inter-group indebtedness, hedging and other indebtedness. See Condition 5.

If one or more of the Ukrainian Guarantors is declared bankrupt, Ukrainian law may limit the claims of Noteholders against the Guarantor in such bankruptcy

Ukrainian bankruptcy law may prohibit the Ukrainian Guarantors from making payments pursuant to the Surety Agreements. Ukrainian bankruptcy law differs from the bankruptcy laws of the United Kingdom and the United States and is subject to varying interpretations. Currently, there is insufficient precedent to be able to predict how claims of the Noteholders would be resolved in the event of the bankruptcy of one or more of the Ukrainian Guarantors. In the event of the bankruptcy of a Ukrainian Guarantor, the Noteholders' claims under the Surety Agreements would be treated as claims of unsecured creditors, and would be effectively subordinated to, among others, the following obligations:

- obligations secured on such Guarantor's assets;
- severance pay, employment-related obligations and payment of wages to that Guarantor's employees;
- claims arising under insurance agreements;
- expenditures associated with the conduct of the bankruptcy proceedings and work of the liquidation commission;
- obligations arising as a result of causing harm to life or health of individuals, as well as mandatory pension and social security contributions;
- obligations in respect of payment of taxes and other mandatory charges (including claims of the respective governmental authorities managing the state reserve fund); and
- expenditures associated with the prevention of environmental damage, property damage and harm to the health of citizens.

In the event of the bankruptcy of one or more of the Ukrainian Guarantors, the PPA will not be affected but Ukrainian bankruptcy law may materially adversely affect their ability to make payments to the Noteholders. In particular, if financial rehabilitation of a Guarantor is being carried out following commencement of its bankruptcy, a financial rehabilitation manager has the power to renounce the relevant Surety Agreement provided it has not been performed in full or in part, within three months of commencement of the financial rehabilitation proceedings on the following grounds: (i) if the receiver considers that the Ukrainian Guarantor would incur losses as a result of performance of the relevant Surety Agreement; (ii) the term of each relevant Surety Agreement is longer than one year; and (iii) if the receiver considers that such performance would hamper the restoration of the Ukrainian Guarantor's solvency. However, if a financial rehabilitation manager of a Ukrainian Guarantor exercises such power in respect of the relevant Surety Agreement, the Noteholders would be in a position to claim damages arising in connection with any renunciation of the relevant Surety Agreement in the course of the insolvency proceedings. Also, to the extent the insolvency proceedings were commenced against a Ukrainian Guarantor within three years since the date of the relevant Guarantee or any amendment thereof, the Guarantee or any amendment thereof may be challenged or revoked in the course of the insolvency in respect of the Ukrainian Guarantor if the court concludes, in particular, that: (a) the Guarantee was entered by the Ukrainian Guarantor without any relevant consideration provided by the beneficiary of the Guarantee; (b) the Guarantee led to the Guarantor's insolvency or to its inability, in full or in part, to discharge its payment obligations towards other creditors; (c) the Ukrainian Guarantor made a payment under the Guarantee on a day when the total claims of its creditors exceeded the value of its assets, (d) the Ukrainian Guarantor has executed a contract with a related party, or (e) the Ukrainian Guarantor has executed a gift contract. If the Surety Agreements are successfully challenged or revoked in the course of the insolvency proceedings of the Ukrainian Guarantor, the Noteholders will have to return to the liquidation estate of such Ukrainian Guarantor any assets received from the Ukrainian Guarantor or, if impossible, such Noteholders would have to reimburse the value of any such assets to the Ukrainian Guarantor.

The validity of the Surety Agreements could be challenged

Each of the Surety Agreements creates a suretyship (in Ukrainian, *poruka*) for the purposes of Ukrainian law. From the standpoint of Ukrainian law, a suretyship is an ancillary undertaking in relation to the underlying obligations of the Notes and the Trust Deed and, therefore, if those obligations are invalid, the suretyships under the Surety Agreements will also be invalid under Ukrainian law. Furthermore, if the underlying obligations are amended so as to increase the scope of liability of the provider of the suretyship, the prior consent of the provider of the suretyship must be obtained to ensure that any such increase in the scope of liability is covered by the suretyships under the Surety Agreements. For the avoidance of doubt, the obligations of the providers of suretyships under the Surety Agreements shall not constitute a guarantee obligation (in Ukrainian, *garantiya*) as that term is interpreted under Ukrainian law.

Under the Law of Ukraine "On Financial Services and the State Regulation of the Markets of Financial Services" dated 12 July 2001, suretyships are considered "financial services", which may only be rendered by a duly licensed bank or other financial institution or, as an exception, by a non-financial institution when expressly permitted by a law of Ukraine or the National Commission of Ukraine on the Regulation of the Markets of Financial Services (the "**Financial Services Commission**"). Although the Financial Services Commission's regulations permit non-financial institutions to issue suretyships, such permission is subject to compliance by the provider of a suretyship with anti-money laundering requirements and procedures. Ukrainian companies often conclude suretyship agreements, and neither the Financial Services Commission nor Ukrainian courts have as yet recognised such practice as invalid. As a result, to the extent that the provider of a suretyship is deemed to fail to comply with such requirements and procedures, it may be regarded as lacking capacity to enter into and/or to perform under the Surety Agreements. Although the Group is unaware of any established practice of the Ukrainian courts whereby suretyship agreements such as the Surety Agreements would be declared invalid specifically due to the provider of the suretyship failing to comply with any requirements or procedures of anti-money laundering legislation, the Group cannot guarantee that this would not occur.

The proportion of the Group's total assets and EBITDA accounted for by the Guarantors could decrease in the future and could become less than the proportion accounted for on the Issue Date

As at and for the six month period ended 30 June 2019, the Guarantors accounted for 26.6 per cent of the total assets of the Group and (1.16) per cent of the EBITDA. If the proportion of the Group's EBITDA and assets accounted for by the Guarantors decreases, the magnitude of the related risks described in this "*Risk Factors*" section could increase, and the foregoing factors could have an adverse effect on the ability of the Issuer to pay the amounts due in respect of the Notes or the Guarantors to pay the amounts due in respect of their Guarantees. See "*—The Group's future leverage and debt service obligations could adversely affect its business and prevent the Issuer from fulfilling its obligations with respect to the Notes and the Company and the Guarantors with respect to the Guarantees*."

Any Guarantee may be released or discharged without consent of the Noteholders

The Conditions provide that in certain circumstances any Guarantee may be released without the consent of the Noteholders; see Conditions 5 and 12. For example, a Guarantor will be automatically and unconditionally released and discharged from its Guarantee once it ceases to be a Restricted Subsidiary (as defined in the Conditions) following the sale, exchange, transfer or other disposition of capital stock of the Guarantor in accordance with the Conditions, if the Guarantor is designated an Unrestricted Subsidiary (as defined in the Conditions) in accordance with the Conditions, upon satisfaction of all obligations of the Notes, following certain mergers and similar transactions as permitted by the Conditions. After any such release, the Noteholders will no longer benefit from the relevant Guarantee.

The Guarantee provided by the Orlovsk Guarantor is subject to certain limitations

The obligation of ORLOVKA WEP LLC to guarantee the due and punctual payment of amounts becoming due and payable by the Issuer in respect of the Notes, the Trust Deed and the Agency Agreement, as documented in the Surety Agreement entered into by ORLOVKA WEP LLC, is limited to the value of 70 per cent of the assets of ORLOVKA WEP LLC plus 70 per cent from of ORLOVKA WEP LLC's net cash generated from operating activities, in each case, in each respective period according to the most recent audited financial statements of the Orlovsk Guarantor. There is therefore a risk that in an enforcement action of the Guarantee, Noteholders will fail to receive the due and punctual payment of all amounts due under the applicable agreements as a result of the limitations in the ORLOVKA WEP LLC Guarantee

The Additional Surety of Windpower may not become effective

In accordance with Condition 5.15 of the Conditions, the Company is required to cause WIND POWER LLC to become an Additional Surety on the date of the final repayment of the Windpower ECA Facilities, which final repayment is scheduled to occur on the Anticipated Repayment Date. With effect from the Issue Date, WIND POWER LLC will not be permitted to incur any new debt or to extend the maturity of the Windpower ECA Facilities. However, if WIND POWER LLC is unable to repay the Windpower ECA Facilities or if final repayment of the Windpower ECA Facilities is otherwise delayed, the WIND POWER LLC Additional Surety may not be granted and become effective on the Anticipated Repayment Date or at all during the term of the Notes.

The Notes will be structurally subordinated to the liabilities and preference shares (if any) of the Company's non guarantor subsidiaries

Generally, claims of creditors of the Company's non-guarantor subsidiaries, claims of preference shareholders (if any) of such non-guarantor subsidiaries and subordinated claims in regard to collateral pledged to other lenders, will have priority with respect to the assets and earnings of such non-guarantor subsidiaries over the claims of creditors of its parent entity, including claims by the Noteholders under the Guarantees. As of 30 June 2019, total non-guarantor subsidiary debt amounted to UAH 13,046 million and total pledged assets amounted to UAH 19,199 million. In the event of any foreclosure, dissolution, winding up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding of any of the Company's non-guarantor subsidiaries, holders of such non-guarantor subsidiaries' indebtedness, including holders of third party debt which such non-guarantor subsidiaries have guaranteed, and trade creditors of such non-guarantor subsidiaries, will generally be entitled to payment of their claims from the assets of those non guarantor subsidiaries before any assets are made available for distribution to those non-guarantor subsidiaries' parent entity. As such, the Notes and the Guarantees will each be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of the non-guarantor subsidiaries.

The gross-up obligation under the Conditions and the Surety Agreements may not be enforceable

Payments by any of the Guarantors (other than the Company) under the Surety Agreements to a non-resident legal entity may be subject to withholding tax at the rate of 15 per cent, except when such payments are not effectively connected with a permanent establishment of the non-resident entity situated in Ukraine. See "*Taxation—Ukraine—Payments under the Surety Agreements*". In the event of the imposition of such tax, the Surety Agreements oblige the Guarantors to pay additional amounts such that the recipient receives the amount due to it had no such withholding been required. Ukrainian law generally prohibits payment of tax for another person and contractual provisions requiring such payment and, in particular, gross-up provisions. In May 2012, the State Tax Service of Ukraine issued a letter expressing the position that clauses in agreements between Ukrainian residents and their foreign counterparties providing for the payment of an amount compensating a foreign counterparty for the withholding of tax in Ukraine contradict certain provisions of Ukrainian legislation that prohibit a Ukrainian resident from assuming a foreign counterparty's tax payment obligation. Therefore, there is a risk that such restriction would also apply to gross-up obligations of the Guarantors (other than the Company) under the Surety Agreements. As a result, the gross-up provisions in the Surety Agreements could be found null and void and, therefore, unenforceable against the Guarantors.

Payments under the Surety Agreements may be subject to withholding tax and an investor may not be able to obtain relief under a double tax treaty

In general, payments under the Surety Agreements (including payments in respect of interest, default interest, indemnities etc.) by the Guarantors (other than the Company) to a non-resident payee (such as the Trustee or any Noteholder) are subject to Ukrainian withholding tax at the rate of 15 per cent, subject to any reduction or full exemption pursuant to the terms of an applicable double tax treaty. Based on a fair interpretation of applicable Ukrainian tax legislation, such Ukrainian withholding tax should not apply to the payments under the Surety Agreements in respect of, and equal to, the nominal amount of the Notes.

The Noteholders may benefit from a reduced rate of, or exemption from, Ukrainian withholding tax if there is an effective double tax treaty between their residence jurisdiction and Ukraine and all conditions for application of such treaty relief are met. In particular, in order to benefit from the provision of such double tax treaty, a Noteholder must (i) qualify as the beneficial owner of the relevant payment and (ii) provide the Guarantors with a tax residency certificate issued by the competent authorities of the state of its residency before the relevant payment is made by the Guarantors under the Surety Agreements. If the relevant Noteholder fails to qualify as the beneficial owner of the relevant payment or to provide the Guarantors with the applicable residency certificate, any benefits of the double tax treaty will not be available and the relevant payment to such Noteholder may be subject to withholding tax in Ukraine. See also "*Taxation—Ukraine—Payments under the Surety Agreements*".

The Issuer may not be able to finance a redemption at the option of the Noteholders upon a change of control

Upon the occurrence of certain events constituting a change of control as set out in the Conditions, the Issuer would be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101 per cent of the principal amount thereof on the date of purchase plus accrued and unpaid interest to, but excluding, the date of purchase, if any. If a change of control were to occur, the Group cannot be assured that it would have sufficient funds available at such time, or that it would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the Notes or the Group's other existing contractual obligations would allow the Group to make such required repurchases. A change of control may result in an obligation to mandatorily prepay certain other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such other indebtedness, even if the change of control itself does not. The ability of the Issuer to receive cash from its subsidiaries to allow them to pay cash to the Noteholders following the occurrence of a change of control, may be limited by the Issuer's and the Group's then existing financial resources as well as currency control regulations; see "*The ability of the Guarantors to make payments pursuant to the Surety Agreements is limited by Ukrainian law*". Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when the Group is prohibited under its other financing arrangements from providing funds to the Issuer for the purpose of repurchasing the Notes, the Group may seek the consent from the lenders under such other financing arrangements to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, the Group expects that it would require third party financing to make an offer to repurchase the Notes, upon a change of control. The Group cannot be assured that it would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Notes, which would, in turn, constitute a default under certain other indebtedness.

The change of control provision contained in the Notes may not necessarily afford the holders of Notes protection in the event of certain important corporate events, including a reorganisation, restructuring, merger or other similar transaction involving the Group that may adversely affect the holders of Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Notes. Except as described in the Conditions, the Notes will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganisation, restructuring, merger, recapitalisation or similar transaction.

The insolvency laws of The Netherlands and Ukraine may not be as favourable as the U.S. bankruptcy laws and may preclude the Noteholders from recovering payments due on the Notes

The Netherlands

The Issuer and the Company are incorporated under the laws of the Netherlands and have their statutory seat (*statutaire zetel*) in the Netherlands. Consequently, in the event of a bankruptcy or insolvency event with respect to the Issuer or the Company, primary proceedings would likely be initiated in the Netherlands.

Dutch insolvency laws differ significantly from insolvency proceedings in the U.S. and other jurisdictions, and may make it more difficult for holders of Notes to recover the amount they would normally expect to recover in a liquidation or bankruptcy proceeding in the U.S. or another jurisdiction.

There are two primary insolvency regimes under Dutch law applicable to legal entities. The first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganisation of a debtor's debts and enable the debtor to continue as a going concern; the second, bankruptcy (*faillissement*), is designed to liquidate and distribute the assets of a debtor to its creditors.

Upon request by the debtor, the court will grant a provisional suspension. A definitive suspension will generally be granted in a creditors' meeting called for that purpose, unless a qualified minority (more than one-quarter in amount of claims held by creditors present or represented at the creditors' meeting or one-third in number of creditors present or represented at such creditors' meeting) of the unsecured non-preferential creditors withholds its consent or if there is no prospect that the debtor will in the future be able to pay its debts as they fall due (in which case the debtor will generally be declared bankrupt). During a suspension of payments, unsecured and non-preferential creditors will be precluded from attempting to recover their claims from the assets of the debtor. A suspension of payments is subject to exceptions, the most important of which excludes secured creditors and preferential creditors (such as tax and social security authorities and employees) from the application of the suspension. This implies that during suspension of payments proceedings secured creditors may proceed against the assets that secure their claims to satisfy their claims, and preferential creditors are also not barred from seeking to recover their claims. However, the court may order a "cooling down period" (*afkoelingsperiode*) for a maximum period of four months, during which enforcement actions by secured or preferential creditors are barred. In a suspension of payments, a composition (*akkoord*) may be offered by the debtor to its creditors. Such a composition will be binding on all unsecured and non-preferential creditors, irrespective of whether they voted in favour or against it or whether they were represented at the creditors' meeting called for the purpose of voting on the composition plan, if (i) it is approved by more than 50 per cent in number of the general unsecured and non-preferential creditors present or represented at the creditors' meeting, representing at least 50 per cent in amount of the general unsecured and non-preferential claims admitted for voting purposes and (ii) it is subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could reduce the recovery of the Noteholders (for example as a result of a composition).

Under Dutch law, a debtor can be declared bankrupt when it is no longer able to pay its debts when due. The bankruptcy can be requested by a creditor of a claim that is due and payable but left unpaid when there is at least one other creditor. The debtor can also request the application of bankruptcy proceedings itself. Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the respective rank and priority of their claims. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that all creditors have an equal right to payment and that the proceeds of bankruptcy proceedings shall be distributed in proportion to the size of their claims. However, certain creditors (such as secured creditors and tax and social security authorities) may have special rights that take priority over the rights of other creditors. Consequently, Dutch insolvency laws could reduce potential recovery in Dutch bankruptcy proceedings. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, claims of the Noteholders that were not due and payable by their terms on the date of a bankruptcy of the Issuer or the Company will be accelerated and become due and payable as of that date. Each of these claims will have to be submitted to the trustee in bankruptcy (*curator*) to be verified. Under Dutch law, "**verification**", means that the trustee verifies the existence and the value of the claim and whether and to what extent it may be admitted in the bankruptcy proceedings. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Each claim will have to be submitted to the trustee in bankruptcy of the Issuer or the Company for verification. Creditors that wish to dispute the valuation of their claims by the relevant trustee in bankruptcy will need to commence a court proceeding. These verification procedures could result in the Noteholders receiving a right to recover less than the principal amount of their Notes. In addition, in a Dutch bankruptcy in practice usually no or little funds remain available for the payment of unsecured and non-preferential creditors. Finally, bankruptcy proceedings may also end by a composition much like a composition in suspension of payment proceedings. This may also reduce the recovery of the Noteholders.

Ukraine

There are two primary insolvency regimes under Ukrainian law. The first, pre-trial rehabilitation of the debtor, is intended to facilitate the reorganisation of a debtor's debts and enable the debtor to continue as a going concern. The second, judicial bankruptcy proceedings, provides for court-supervised financial rehabilitation proceedings in respect of the debtor or its liquidation, depending on the decision of the creditors' committee.

A debtor is entitled to initiate the debtor's pre-trial rehabilitation procedure.

A pre-trial rehabilitation may be commenced by the court if the following conditions are satisfied by a debtor:

- the consent of the debtor's shareholders has been obtained;
- the pre-trial rehabilitation plan has been approved by unsecured creditors, whose claims were included into the plan, holding more than 50% of the votes in each class of unsecured creditors; and
- the pre-trial rehabilitation plan has been approved by secured creditors, whose claims were included into the plan, holding more than two thirds of the votes in each class of secured creditors.

The general creditors' meeting is called upon written notice of the debtor sent to the creditors. The debtor must file with the court at the location of the debtor an application for approval of the debtor's pre-trial rehabilitation plan within five calendar days from the date of its approval by the creditors. During the pre-trial rehabilitation of the debtor, a creditor whose claims are included into the pre-trial rehabilitation plan cannot initiate bankruptcy proceedings in respect of the debtor unless it produces evidence that the debtor does not comply with its obligations under the plan. The court may impose the moratorium upon accepting the debtor's pre-trial rehabilitation plan for review, but will lift it upon either approving or rejecting the plan.

As of the date of these Listing Particulars, a bankruptcy petition may be presented to a Ukrainian commercial court at the place of location of the debtor by any creditor, including tax and certain other state agencies acting as creditors, as well as by the debtor itself. A creditor (an individual or a business entity) that holds an uncontested claim against the debtor that can demonstrate that there are signs of insolvency of the debtor (its inability to pay debts other than in the course of bankruptcy proceeding) may initiate bankruptcy proceedings against the debtor. There is no specific materiality threshold for the creditor's uncontested claim.

Once bankruptcy proceedings have been triggered by the court, any creditor may, within 30 days of the formal publication on the official website of the Ukrainian judiciary of the commencement of the bankruptcy proceedings against the debtor, submit a participation petition substantiating its claims against the debtor. Creditors whose claims arose prior to commencement of the bankruptcy proceedings and were submitted after the expiration of the 30-day period shall not have a right to have a decisive vote at the creditors' meeting and the creditors' committee. However, their claims will fall into the same order of priority as claims of creditors who filed them within the 30-day period.

A creditor whose claims are fully secured by collateral is deemed to be a secured creditor and also has advisory voting rights at the creditors' meeting and the creditors' committee.

The judicial bankruptcy proceedings in Ukraine may include the following stages:

- administration of assets;
- financial rehabilitation (during which the parties to bankruptcy proceedings may agree on the terms of debt restructuring); and
- liquidation proceedings.

In the course of the administration of assets, the Ukrainian commercial court shall appoint an insolvency manager (asset administrator). The court shall impose a moratorium on the discharge of the claims of the debtor's creditors that arose prior to the date of the commencement of the bankruptcy proceedings. In the course of administration of assets, the asset administrator shall identify the creditors; prepare the register of the creditors and the amounts claimed from the debtor for further approval by the court; and organise the general meeting of the debtor's creditors, which in turn shall appoint the creditors' committee (the "committee"). Once elected, the committee is entitled to approve all significant transactions and sale of any substantial assets of the debtor; to request the court to appoint an insolvency manager (asset administrator, financial rehabilitation manager and liquidator), or to apply for their replacement; and to decide on other practical issues of the bankruptcy proceedings. The creditors participating in the general meeting of creditors or in meetings of the committee are allocated a number of votes determined pro rata based on their respective claims, and they adopt their decisions by a majority. Administration of assets proceedings may last up to 170 calendar days.

Financial rehabilitation may be introduced by the court as the next stage of the bankruptcy proceedings for a period indicated in the financial rehabilitation plan. After ruling on the introduction of financial rehabilitation, the court shall appoint a financial rehabilitation manager, who shall replace debtor's management. The financial rehabilitation plan is developed by asset administrator at the preceding asset administration stage. The financial rehabilitation plan may include the corporate restructuring of the debtor, sale of its assets, recovery of the receivables, debt restructuring, restructuring of assets, write-off of indebtedness and other means of renewing the debtor's solvency. The financial rehabilitation plan may also provide for the "*replacement of assets*", a procedure according to which a part of the debtor's assets and obligations can be transferred to a newly established entity created by the debtor. The shares of such newly created entity can be entered into the debtor's books and further sold through auction. If the debtor does not fulfil the financial rehabilitation plan or fails to satisfy the claims of its current creditors, as well as if a period of the financial rehabilitation has expired and no changes to the plan were approved, the court shall recognise the debtor as bankrupt and commence the liquidation proceedings (i.e., the final stage of the bankruptcy proceedings).

The liquidation proceedings may also be instituted by the court upon request of the committee, immediately after the administration of assets stage, omitting the financial rehabilitation. Upon the commencement of liquidation proceedings, the court shall appoint a liquidator, who shall replace the debtor's management. In the course of liquidation proceedings, the liquidator must determine the liquidation value of the debtor's liquidation estate, sell the debtor's assets and pay off the debt to the creditors in the order of priority established by the law. Upon completion of the liquidation proceedings, the liquidator shall prepare a report, as well as a liquidation balance sheet of the debtor, and provide them to the court for consideration and approval. Based on the results of the liquidation proceedings, the court may approve the report and the liquidation balance sheet of the debtor, dissolve the debtor and terminate the bankruptcy proceedings. The term of liquidation proceedings cannot exceed 12 months from the day of commencement.

The insolvency and other laws of The Netherlands and Ukraine may not be as favourable to the interests of the Noteholders in their capacity as creditors as the laws of the United States or other jurisdictions with which such holders may be familiar.

Foreign judgments may not be enforceable against the Issuer or the Guarantors

The Netherlands

The Notes, the Surety Agreements and the Trust Deeds are governed by English law. Disputes arising under the Notes, the Surety Agreements and the Trust Deeds are subject to settlement by arbitration in accordance with the LCIA Arbitration Rules subject to a right in favour of the Trustee and the Noteholders to refer any dispute to a court of law in England or such other court of competent jurisdiction (if any). Since both The Netherlands and the United Kingdom are parties to the New York Convention, arbitral awards obtained in the United Kingdom in a dispute with respect to which the parties have validly agreed shall be settled by arbitration and duly obtained on the basis of the submission to arbitration by such parties may be enforced by the courts of The Netherlands pursuant to, and subject to, the terms of the New York Convention and subject to compliance with applicable Dutch procedural requirements and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

The Issuer and the Company are private companies with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* or B.V.) incorporated under the laws of The Netherlands. It may be difficult for investors to enforce against the Issuer or the Company judgments obtained in courts outside The Netherlands. Where there is no treaty on the recognition and enforcement of judgments between a country and The Netherlands, as is the case for Ukraine and the United States (other than for arbitral awards), a judgment rendered by a court of such country (a "**Foreign Court**") will not be enforced by a Dutch court. In order to obtain a judgment that is enforceable in The Netherlands, the claim must be re-litigated before a competent Dutch court. However, if a party in whose favour a final judgment is rendered by a Foreign Court brings a new suit in a competent Dutch court, such party may submit to such Dutch court the final judgment that has been rendered by the Foreign Court. If the Dutch court finds that the jurisdiction of the Foreign Court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed, the Dutch court will, in principle, uphold such final judgment and regard it as conclusive evidence, without substantive re-examination or re-litigation on the merits of the subject matter thereof, unless such judgment contravenes public policy in The Netherlands, or, for instance, the judgment by the court is not incompatible with a judgment rendered between the same parties by a Dutch or other court in a dispute that concerns the same subject and is based on the same cause. See "*Enforceability of Judgments*" for further details.

Ukraine

Courts in Ukraine may refuse to recognise and/or enforce any judgment obtained in a court established in a country other than Ukraine unless such enforcement is envisaged by an international treaty to which Ukraine is a party and only in accordance with the terms of such treaty. There is no such treaty in effect between Ukraine and the United Kingdom or the United States. Accordingly, the Noteholders and other parties to the relevant transaction documents may not be able to enforce their rights thereunder.

In the absence of such treaty, the courts of Ukraine may only recognise or enforce a Foreign Court judgment on the basis of the principle of reciprocity. Under Article 462 of the Civil Procedure Code, unless proven otherwise, reciprocity is deemed to exist in relations between Ukraine and the country where the judgment was rendered. The Civil Procedure Code does not provide for any clear rules on the application of the principle of reciprocity and there is no official interpretation or established court practice in respect of the relevant provisions of the Civil Procedure Code. Accordingly, there could be no assurance that Ukrainian courts would recognise or enforce a judgment rendered by the United States or the United Kingdom courts on the basis of the principle of reciprocity. Furthermore, the courts of Ukraine might refuse to recognise or enforce a Foreign Court judgment on the basis of the principle of reciprocity on the grounds provided in the Civil Procedure Code.

The Guarantee by the Company will be subject to certain limitations on validity and enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

The Guarantee given by the Company provides Noteholders with a direct claim against the Company in respect of the Issuer's obligations under the Bonds. Enforcement of the Guarantee against the Company is subject to certain generally available defences including those relating to corporate benefit, fraudulent conveyance or transfer, voidable preference, corporate purpose and capital maintenance and similar laws.

If a Dutch company grants a guarantee and that guarantee is not in that company's corporate interest, that guarantee may be voidable pursuant to section 2:7 Dutch Civil Code (*Burgerlijk Wetboek*) if the beneficiary knew or should have known that the guarantee was not in the Dutch company's corporate interest. In such case the guarantee could be voided by the Dutch company, its receiver and its administrator (*bewindvoerder*) and, as a consequence, would not be valid, binding and enforceable against the Dutch company. In determining whether the granting of such guarantee is in the interest of that Dutch company, the Dutch courts would consider the text of the objects clause included in the articles of association of the Dutch company and whether the Dutch company derives certain commercial benefits from the transaction in respect of which the guarantee was granted. In addition, if it is determined that there are no, or insufficient, commercial benefits from the transaction for the Dutch company that grants the guarantee, then such Dutch company (and any bankruptcy receiver) may contest the enforcement of the guarantee and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of indirect benefit derived by the Dutch company as a consequence of the interdependence of the Dutch company with the group of companies of which it forms part. In addition, it is relevant whether, as a consequence of the granting of the guarantee, the continuity of such Dutch company would foreseeably be endangered by the granting of such guarantee.

Even in situations where strong financial and commercial interdependence exists, it is still possible that the guarantee may be declared void if it appears that the granting of the guarantee cannot sufficiently serve the realisation of the relevant company's objects.

A guarantee granted by a Dutch entity may, under certain circumstances, also be nullified by any of its creditors (or a receiver in its bankruptcy), if (i) the guarantee was granted without an obligation to do so (*onverplicht*), (ii) the creditor concerned was prejudiced as a consequence of the guarantee and (iii) at the time the guarantee was granted both the legal entity and, unless the guarantee was granted for no consideration (*om niet*), the beneficiary of the guarantee knew or should have known that one or more of the entities' creditors (existing or future) would be prejudiced.

If a court were to find the Guarantee given by the Company void, unenforceable or otherwise ineffective as a result of local laws or defences, then holders of the Bonds would cease to have a claim against the Company under the Guarantee and would only be creditors of the Issuer and any remaining Sureties.

The Group could suffer adverse tax consequences related to tax initiatives of the Dutch government.

On 17 September 2019 the Dutch Ministry of Finance published a draft bill introducing a conditional withholding tax as per 1 January 2021 in respect of interest payments to affiliated entities residing in low tax jurisdictions or non-cooperative jurisdictions and in situations which are considered abusive. Entities will be considered "affiliated", if they hold directly or indirectly a controlling interest in the interest paying entity. The Netherlands has currently listed 16 low tax jurisdictions: Anguilla, the Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, the Isle of Man, Jersey, Kuwait, Qatar, Turkmenistan, the Turks and Caicos Islands, and the United Arab Emirates. These jurisdictions either have no corporation tax or have a corporation tax rate that is lower than 9 per cent. Countries that have been listed as being "non-cooperative are: American Samoa, Belize, Fiji, Guam, the Marshall Islands, Oman, Samoa, Trinidad and Tobago, the US Virgin Islands, and Vanuatu.

If the bill is enacted as currently drafted, the Issuer, and/or the Guarantors, may be required to pay Additional Amounts (as such term is defined under Condition 9 (*Taxation*)) on payments made under the Notes or Guarantees, in which case the Issuer may redeem the Notes pursuant to its option under Condition 7.4 (*Redemption for Changes in Taxes*).

Any sale, purchase or exchange of Notes may become subject to the Financial Transaction Tax (*"FTT***"*)***

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside the participating Member States.

Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

The Notes may not have an active trading market, which may have an adverse impact on the value of the Notes

An active trading market for the Notes may not develop. The Notes have not been registered under the Securities Act or any U.S. state securities laws and, unless so registered, may not be offered or sold except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes are expected to be listed on the Official List and admitted to trading on the Global Exchange Market of Euronext Dublin. However, there can be no assurance that a liquid market will develop for the Notes, that the Noteholders will be able to sell their Notes, or that such holders will be able to sell their Notes for a price that reflects their value. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. It is the Noteholders' obligation to ensure that their offers and sales or resales of the Notes within the United States and other countries comply with applicable securities laws. See "*Transfer Restrictions*".

The trading prices of emerging market debt are subject to substantial volatility

Historically, the markets for emerging market debt have been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. There can be no assurance that the market for the Notes will not be subject to similar disruptions. The price volatility may be in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which it operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the Group's credit rating and the political stability of Ukraine. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's operating results, financial condition or prospects or its credit rating.

The Financial Statements have been prepared on a consolidated basis and may be of limited use in assessing the financial position of the Guarantors

The Issuer has requested, and Euronext Dublin has granted, a derogation under Rule 3.3(3)(c) of the Euronext Dublin Global Exchange Market Listing and Admission to Trading Rules from the requirement for guarantors to include their individual financial statements in these Listing Particulars. The accounts of the Guarantors have been included in the consolidated Financial Statements, and have not been presented separately herein. However, as the Financial Statements include the consolidated accounts of both the Guarantors and the non-guarantor subsidiaries, such Financial Statements may be of limited use in assessing the financial position of the Guarantors. The non-guarantor subsidiaries represented 73.4 per cent and 64.89 per cent of the Group's consolidated total assets as at 31 December 2018 and 30 June 2019, respectively.

The Noteholders may not be able to recover in civil proceedings for U.S. securities law violations

The Issuer and the Guarantors and most of their respective subsidiaries are organised outside the United States, and the Group's business is conducted primarily outside the United States. The directors, managers and/or executive officers of the Issuer and the Guarantors are non-residents of the United States. In addition, as all or a substantial portion of the assets of the Issuer and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, the Noteholders may be unable to enforce judgments obtained in the U.S. courts against them. Moreover, actions of the Issuer and the Guarantors may not be subject to the provisions of the federal securities laws of the United States. The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters with The Netherlands or Ukraine. There is, therefore, doubt as to the enforceability in The Netherlands or Ukraine of U.S. securities laws in an action to enforce a U.S. judgment in such jurisdictions. In addition, the enforcement in The Netherlands or Ukraine of any judgment obtained in a U.S. court, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions.

There is also doubt that a court in The Netherlands or Ukraine would have the requisite power or authority to grant remedies sought in an original action brought in such jurisdictions on the basis of U.S. securities laws violations. For further information, see "*Enforceability of Judgments*".

As the Global Note Certificates are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantors

The Notes will be represented by the Global Note Certificates except in certain limited circumstances described therein. The Regulation S Global Note Certificate and the Rule 144A Global Note Certificate will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Note Certificates, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Note Certificates. While the relevant Notes are represented by the Global Note Certificates, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg, as applicable.

The Issuer and the Guarantors will discharge their payment obligations under the Notes by making payments to the Common Depositary for Euroclear and Clearstream, Luxembourg (as the case may be) for distribution to their accountholders. A holder of a beneficial interest in the Global Note Certificates must rely on the procedures of Euroclear and Clearstream, Luxembourg (as the case may be) to receive payments under the Notes. The Issuer and the Guarantors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificates.

Holders of beneficial interests in the Global Note Certificates will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg (as the case may be) to appoint appropriate proxies. The Issuer cannot guarantee that procedures implemented for the granting of such proxies will be sufficient to enable noteholders to vote on any requested actions or to take any other action on a timely basis.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in these Listing Particulars;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes may not be a suitable investment for all investors seeking exposure to sustainable assets

In connection with the Offering, pursuant to the recommendation in the voluntary process guidelines for issuing green bonds published by the International Capital Markets Association ("**ICMA**") (the "**Green Bond Principles**") that issuers use external review to confirm their alignment with key features of the Green Bond Principles, at the Issuer's request, Sustainalytics B.V. (with its offices at De entrée 35, 1101 BH, Amsterdam, the Netherlands, has issued a second party opinion based on the Group's Green Bond Framework (the "**Opinion**").

The Opinion is not incorporated into and does not form part of these Listing Particulars. There is currently no market consensus on what precise attributes are required for a particular project to be defined as ‘green’ or ‘sustainable’, and therefore no assurance can be provided to investors that the projects will meet all investor expectations regarding sustainability performance or continue to meet the Eligibility Criteria (as set out in the section entitled “*Use of Proceeds*”). Although the underlying Eligible Green Projects have been selected based on their general alignment with the green project categories recognised by the Green Bond Principles 2019 and will be developed in accordance with relevant guidelines and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operating of the projects. In addition, where any negative impacts are insufficiently mitigated, the Eligible Green Projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

The Issuer does not make any representation as to the suitability of the Opinion or the Notes to fulfil such environmental and sustainability criteria. Prospective investors should have regard to the factors described in the section entitled “*Use of Proceeds*” in these Listing Particulars. Each potential purchaser of Notes should determine for itself the relevance of the information contained in these Listing Particulars regarding the use of proceeds and its purchase of Notes should be based upon such investigation as it deems necessary.

The Opinion may not reflect the potential impact of all risks related to the structure, the market for sustainable bonds, the additional risks discussed above or any other factors that may affect the value of the Notes. The Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date that the Opinion was initially issued. In addition, although the Issuer has agreed to certain reporting requirements and the use of proceeds from the issue of the Notes to finance or refinance certain Eligible Green Projects in connection with the Opinion as described under the section entitled “*Use of Proceeds*”, it will not be an event of default under the Conditions of the Notes if the Issuer fails to comply with such obligations. A withdrawal of the Opinion or any failure by the Issuer to use the net proceeds from the Notes to fund Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

There is no current market consensus on what constitutes a ‘green’ or ‘sustainable’ project.

There is no current market consensus on what precise attributes are required for a particular project to be defined as ‘green’ or ‘sustainable’ and therefore the Eligible Green Projects may not meet the criteria and expectations of investors regarding environmental impact and sustainability performance. The Group may not meet the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in these Listing Particulars regarding the use of proceeds of the Notes.

In the event that any such Notes are listed or admitted to trading on any dedicated ‘green’, ‘environmental’ or ‘sustainable’ or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Restricted Group or any other person that such listing or admission satisfied, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Restricted Group or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes. While it is the intention of the Restricted Group to apply the proceeds of the Notes so specified for Eligible Green Projects in, or substantially in, the manner described in these Listing Particulars, there can be no assurance that the relevant projects the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Restricted Group.

Any such event or failure by the Restricted Group will not constitute an Event of Default under the Notes. Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Restricted Group is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors may face foreign exchange risks by investing in the Notes.

The Notes are denominated and payable in Euro. If investors measure investment returns by reference to another currency, an investment in the Notes entails foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro, as applicable, relative to such investor's reference currency. Such currency fluctuations could result from economic, political and other factors over which the Group has no control.

Depreciation of the dollar or euro, as applicable, against such investor's reference currency could cause a decrease in such investor's effective yield from the Notes below their stated coupon rates and could result in a loss to such investor when the return on the Notes is translated into such investor's reference currency. There may also be tax consequences for such investor as a result of any foreign exchange gains or losses resulting from investment in the Notes.

Credit ratings may not reflect all risks

The Company is currently rated "B (stable outlook)" by Fitch and "B- (stable outlook)" by S&P Global Ratings and the Notes are expected to be rated "B" by Fitch and "B-" by S&P. The foregoing credit ratings do not mean that the Notes are a suitable investment.

The credit ratings assigned to the Notes at any time may not reflect the potential impact of all risks related to structure, market, factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating organisation at any time. A credit rating reflects only the views of the assigning rating organisation. Investors must conduct their own assessments of the Group and its business, operations, assets and financial position, and are strongly cautioned not to place undue emphasis on any particular rating that has been assigned to the Company or the Notes.

Any negative change in Ukraine's or (if applicable) the Group's own credit rating could adversely affect the market price of the Notes

Ukraine's foreign currency long term debt is rated "B-" by S&P, "Caa1" by Moody's and "B" by Fitch. Any negative change in Ukraine's or (if applicable) the Group's credit rating or that of the Notes could materially adversely affect the market price of the Notes. A change in the credit rating of one or more other Ukrainian corporate borrowers or banks could also adversely affect the price of the Notes.

USE OF PROCEEDS

The Company will use the proceeds received from the issue and sale of the Notes for the following purposes:

- to repay and refinance approximately UAH 2,800 million (approximately €100 million equivalent) existing Bridge Financing relating to past capital expenditure of Eligible Green Projects (see "*Overview—Recent Developments*" for further information);

- to repay and refinance approximately €70 million existing deferred vendor financing and shareholder and affiliate loans, each relating to past capital expenditure of the Eligible Green Projects (specifically SOLAR FARM-3 LLC and ORLOVKA WEP LLC) (see "*Description of Indebtedness*" and "*Related Party Transactions*");

- to use approximately €17 million for the payment of costs relating to the issuance of the Notes and pre-funding of the Interest Reserve Account;

- to use up to €18 million to finance the capital expenditure and working capital of SOLAR FARM-3 LLC for Pokrovsk and ORLOVKA WEP LLC for Orlovsk; and

- to use the remaining proceeds to finance the ongoing and future expenditure of development Eligible Green Projects (see "*Business—Description of the Group's Development Projects*").

In these Listing Particulars, "**Eligible Green Projects**" means projects aimed at increasing the production, connection and distribution of renewable energy and related infrastructure and may include new projects in the Group's pipeline or existing projects in the Group's portfolio.

Allocations of funds for Eligible Green Projects will be certified by an independent auditor and reported by the Company on an annual basis (as described under "*Green Bond Framework – Reporting*" below).

Pending the allocation or reallocation, as the case may be, of the net proceeds, the Group will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents (money market instruments, bank accounts) and/or any other liquid marketable instruments, as per the Group's investment management policy.

Neither the Company nor any other member of the Group will, directly or indirectly, use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity:

- to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of UN, U.S., UK or EU sanctions that will result in a violation by any person of such sanctions;

- to fund or facilitate any activities of or business in any country or territory that is the subject or the target of UN, EU, U.S. or UK country-wide or territory-wide sanctions; or

- in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of UN, U.S., UK or EU sanctions,

if and to the extent that it is or would be unenforceable by or in respect of that person by reason of breach of (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (the "EU Blocking Regulation") (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom) or (ii) any similar blocking or anti-boycott law.

CAPITALISATION

The following table sets out the current and non-current borrowings, total equity and total capitalisation of the Group as at the date indicated and as adjusted for the issuance of the Notes as contemplated in these Listing Particulars. See, "*Summary—Recent Developments*". The following table should be read in conjunction with "*Selected Financial and Certain Other Information*", "*Operating and Financial Review*" and the Financial Statements and the related notes thereto which are included elsewhere in these Listing Particulars.

	As of 30 June 2019	
	(UAH in millions)	
	Actual	**Adjusted(4)**
	(unaudited)	
Current borrowings(1)	**5,070**	4,504
Non-current borrowings(2)	**8,985**	19,237
Share capital	0	0
Share premium	12,093	10,637
Other reserves	-	-
Revaluation reserve	2,619	2,619
Retained earnings / (Accumulated losses)	1,080	1,080
Total equity	**15,791**	**14,336**
Total capitalisation(3)	**24,776**	33,573

(1) Represents borrowings from related parties, bank borrowings, interest accrual to related parties and interest accrual to bank borrowings.

(2) Represents bank borrowings, non-bank borrowings and bonds issued to related parties. For additional information see, "*Description of Indebtedness*".

(3) Represents the sum of the total equity and the non-current borrowings.

(4) Adjusted for the receipt of the Orlovka Financing in the amount of €21 million (UAH 624 million equivalent), the Bridge Financing in the amount of UAH 2,800 million and the principal amount of the Notes in the amount of €325 million (UAH 9,662 million equivalent), and further adjusted for the repayment of approximately €70 million (UAH 2,057 million equivalent) of the Group's existing deferred vendor financing and shareholder and affiliate loans (where €20 million (UAH 601 million equivalent) is for the purposes of the repayment of existing deferred vendor financing and UAH 1,456 million (approximately €50 million equivalent) is for the purposes of the repayment of shareholder and affiliate loans that will additionally appear in the second half of 2019 from a partial reversal of the share premium that was reported in the Interim Financial Statements) and the repayment of UAH 2,800 million of the Bridge Financing, in each case, from the proceeds of the Notes as set out under the "*Use of proceeds*". The exchange rate as at 30 June 2019 of UAH 29.73 to €1.00 is used herein for conversion purposes.

As at the date of these Listing Particulars, there has been no material change in the total capitalisation of the Group since 30 June 2019, except as otherwise disclosed in these Listing Particulars. See, "*Summary—Recent Developments*".

GREEN BOND FRAMEWORK

The Group has developed its Green Bond Framework which follows the guidelines specified in the 2018 edition of the Green Bond Principles published by the Executive Committee of the Green Bond Principles with the support of the ICMA. The Green Bond Framework has been published on the Group's website at https://renewables.dtek.com/en/sustainable_development.

Use of Proceeds

An amount equal to the net proceeds of the issue of the Notes will be used to finance and/or refinance, in whole or in part, Eligible Green Projects as defined below.

"**Eligible Green Projects**" means projects aimed at increasing the production, connection and distribution of renewable energy and related infrastructure and may include new projects in the Group's pipeline or existing projects in the Group's portfolio. Examples of the Eligible Green Projects are set out in Appendix 1 of the Green Bond Framework on the Group's website.

Project Evaluation and Selection

The Group is involved only in renewable energy projects, and specifically solar and wind energy projects. All of the Group's projects are therefore Eligible Green Projects.

All projects are initiated from DTEK B.V.'s framework "Strategy 2030". The Group's business development and innovation departments ensures the selected projects follow the vision of Strategy 2030 with the goal to increase the installed capacities of the Group's projects by about 1.9 GW by 2022 by maximising the Group's project portfolio and implementing efficient project management and sustainable development at each stage of the project development process. All selected projects are researched and are subject to an environmental impact assessment report, as well as a strategic environmental assessment where required. Once the projects are on the latest stage of development, the decision on whether to proceed with the proposed project is determined by the Supervisory Board of the Group. Once the Supervisory Board accepts the project, a project team is appointed to develop the project.

Approved projects will then be evaluated by a cross-departmental team, which includes the treasury team, together with the development and innovation team for the relevant projects, and any other teams deemed relevant for the selected projects, and earmarked for financing from the proceeds from the Notes if the criteria is met under the Eligible Green Projects definitive specified above.

Management of Proceeds

The net proceeds from the Notes shall be used to refinance shareholders loans (which includes financial assistance in any form from affiliates) and/or bank bridge financing in an amount of about €102 million initially used for financing of existing or ongoing Eligible Green Projects.

An amount equal to the remaining net proceeds of the Notes will be credited to the Group's general account, and will be transferred to the operating subsidiary in charge of the Eligible Green Projects in the form of intercompany loans or equity capital or any other eligible form, with the purpose of financing the disbursements in connection with the Eligible Green Projects.

This process will be monitored until the full allocation of the net proceeds by the Group's Treasury team. The Group intends to fully allocate the proceeds within 24 months after the issuance date of the Notes.

All relevant information regarding the issuance of the Notes and Eligible Green Projects will be monitored and kept in the treasury system of the Group.

If for any reason any projects are no longer eligible to be an Eligible Green Project, the Group will use its best efforts to substitute such projects as soon as practicable once an appropriate substitution option has been identified.

Unallocated Proceeds

Pending the allocation or reallocation, as the case may be, of the net proceeds, the Group will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents (money market instruments, bank accounts) and/or any other liquid marketable instruments, as per the Group's investment management policy.

Reporting

The Group will report on the allocation of net proceeds and associated environmental impacts. The first report will be released not later than one year after the first issuance of the Notes and then annually until the full allocation of proceeds to Eligible Green Projects is complete. This report will be published on the Group's website as a separate Investor Letter.

The report will include:

- The list of Eligible Green Projects financed and/or refinanced, including a short description of each project;
- The aggregated amount of allocation of the net proceeds to the Eligible Green Projects at category level (wind, solar);
- The proportion of net proceeds used for financing versus refinancing;
- The balance of any unallocated proceeds invested in cash and/or cash equivalents (if any);
- The following KPIs for each Eligible Green Projects:
    - Installed power capacity (MW) (actual / estimated)
    - Annual renewable electricity generated (GWh) (actual / estimated)
    - Estimated CO2 avoided (tCO2eq)

Assurance

Second Party Opinion (pre-issuance)

The Second Party Opinion provider, Sustainalytics, has reviewed the Group's Green Bond Framework and assessed its alignment with ICMA's Green Bond Principles and market practices. The Second Party Opinion has been made available on the Group's website. The Green Bond Framework and the Second Party Opinion are not incorporated in, and do not form part of, these Listing Particulars, or is a recommendation to buy, sell or hold the Notes.

Annual Audit/Limited Assurance (post-issuance)

An independent auditor will review the allocation of the proceeds, the adherence to asset selection criteria, and the environmental metrics. The independent auditor will release a "Limited Assurance" that will be made available as part of the Group's Green Bond Annual Report.

OPERATING AND FINANCIAL REVIEW

The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain financial and other information in this "Operating and Financial Review" section has been converted from Hryvnia to Euro and certain forecast financial information has been converted from Euro to Hryvnia. For additional information on the exchange rates used, see "Exchange Rates". The Issuer's financial results are not included in the Financial Statements or any of the consolidated financial information of the Group set out in these Listing Particulars as the Issuer became a part of the Group in October 2019, following the transfer by DTEK Energy B.V. of 100 per cent of the share capital of the Issuer to the Company.

Overview of the Group

Established in 2008, the Group is the largest renewable energy producer in Ukraine by electricity generation installed capacity. According to the NEURC, as of 30 June 2019, the Group's installed capacity represented 47 per cent and 10 per cent of wind and solar energy installed capacity, respectively, in Ukraine, whereas the Group's nearest competitors represented 27 per cent and 10 per cent, respectively, of total wind and solar energy installed capacity in Ukraine, net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories. The Group has a proven track record of successful greenfield development and all of the Group's projects, with the exception of Tryfanovka, are of utility-scale, have operating equipment purchased from leading manufacturers and are located in areas with top-quartile wind resource or solar irradiation. In the year ended 31 December 2018, the Group had average availability factors of 97.7 per cent and 99.9 per cent for wind and solar projects, respectively, and average net capacity factors of 38 per cent and 15 per cent for wind and solar projects, respectively. As of 30 June 2019, the Group's installed capacity from constructed projects, as defined herein, amounted to 510 MW and as of the date of these Listing Particulars, installed capacity from constructed projects amounts to 950 MW. The Group's management expects that installed capacity from constructed projects will be 950 MW by 31 December 2019, 1,170 MW by 31 December 2020, 1,840 MW by 31 December 2021 and 1,905 MW by 31 December 2022 with the inclusion of its development projects. Additionally, the Group is the largest private investor in the wind and solar power energy sector in Ukraine and the Group's constructed projects reflect this investment. Since its establishment, the Group's total capital and operating expenditures have reached approximately €1.2 billion. The Group intends to continue to deploy further capital to invest in its current development project pipeline in order to increase its renewable energy installed capacity.

In the years ended 31 December 2016, 2017 and 2018, the Group had revenue of UAH 2,037 million, UAH 2,116 million and UAH 2,493 million, respectively (€72 million, €71 million and €78 million equivalent), profit for the period of UAH 676 million, UAH 403 million and UAH 1,302 million, respectively (€24 million, €13 million and €40 million equivalent) and EBITDA of UAH 1,773 million, UAH 1,788 million and UAH 2,036 million, respectively (€63 million, €60 million and €63 million equivalent). For the six months ended 30 June 2018 and 2019, the Group had revenue of UAH 1,250 million and UAH 2,072 million, respectively (€39 million and €68 million equivalent), profit for the period of UAH 154 million and UAH 1,467 million, respectively (€5 million and €48 million equivalent) and EBITDA of UAH 1,007 million and UAH 1,766 million, respectively (€31 million and €58 million equivalent).

The Independent Consultant's Report forecasts that in the years ended 31 December 2019, 2020, 2021 and 2022, the Group's constructed projects will generate 1,470 GWh, 2,439 GWh, 2,433 GWh and 2,428 GWh of electricity, respectively, UAH 5,164 million, UAH 9,276 million, UAH 9,839 million and UAH 10,399 million (€173.3 million, €285.4 million, €285.2 million and €285.7 million equivalent) of revenue, respectively, and UAH 4,196 million, UAH 8,164 million, UAH 8,704 million and UAH 9,184 million (€140.8 million, €251.2 million, €252.3 million and €252.3 million equivalent) of forecast EBITDA. The Independent Consultant's Report also forecasts that for the years ended 31 December 2019, 2020, 2021 and 2022, the forecast EBITDA margin for the Group's constructed projects will be 81 per cent, 88 per cent, 88 per cent and 88 per cent, respectively. See "—*Independent Consultant's Report*".

Portfolio of assets

As of the date of these Listing Particulars, the Group has (i) seven constructed projects in operation with a combined installed capacity of 950 MW, comprising four constructed wind energy projects with a total installed capacity of 500 MW (Botievo, Primorsk I, Primorsk II and Orlovsk) and three constructed solar energy projects with a total installed capacity of 450 MW (Nikopol, Pokrovsk and Tryfanovka) and (ii) four development projects with an expected combined installed capacity of 955 MW, comprising one wind energy project with a planned installed capacity of 565 MW (Tiligul) and three solar energy projects with a planned installed capacity of 390 MW (Pavlogradskaya, Troitskaya and Vasilkovskaya). For additional information on how the Group defines "constructed" and "development" projects, see "*Business—Description of the Group's constructed projects*", "*Business—Description of the Group's development projects*" and "*Definitions*". Taking into account the expected timing for the construction of its development projects, the Group expects that its total installed capacity from constructed projects will be 950 MW, 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2019, 2020, 2021 and 2022, respectively. For further details, see "*Business—Description of the Group's constructed projects*" and "*Business—Description of the Group's development projects*".

The following table presents key data for each of the Group's constructed projects:

Project *(wind / solar)*	**Botievo[(1)] (wind)**	**Tryfanovka (solar)**	**Primorsk I (wind)**	**Nikopol (solar)**	**Primorsk II[(3)] (wind)**	**Pokrovsk[(2)] (solar)**	**Orlovsk[(2)] (wind)**
Capacity / output	200 MW / 655 GWh	10 MW / 12 GWh	100 MW / 339 GWh	AC 200 MW / 291 GWh	100 MW / 366 GWh	AC 240 MW / 405 GWh	100 MW / 370 GWh
Net capacity factor	38%	14%	39%	17%	42%	19%	44%
FiT rate	€113 / MWh	€150 / MWh	€102 / MWh	€150 / MWh	€102 / MWh	€150 / MWh	€102 / MWh
Completion timing	1st stage: in operation: – September 2012; full capacity - February 2013 2nd stage: in operation: - December 2013; full capacity - March 2014	In operation: August 2017 Full capacity: August 2017	In operation: March 2019 Full capacity: July 2019	In operation: March 2019 Full capacity: March 2019	24 of 26 turbines in operation October 2019 Remaining 2 of 26 turbines expected in operation by early November 2019 Full capacity: November 2019 (expected)	In operation: October 2019 Full capacity: October 2019	In operation: October 2019 Full capacity: October 2019
Key equipment suppliers	Vestas, ABB	JA Solar, ABB	GE Renewable Energy	CMEC	GE Renewable Energy	Risen Solar Technology, K-Star	Vestas
Forecast EBITDA for the year ended 31 December:[(4)]							
2019	UAH 1,871 million (€62.8 million equivalent)	UAH 51 million (€1.7 million equivalent)	UAH 608 million (€20.4 million equivalent)	UAH 1,129 million (€37.9 million equivalent)	UAH 250 million (€8.4 million equivalent)	UAH 83 million (€2.8 million equivalent)	UAH 206 million (€6.9 million equivalent)
2020	UAH 1,992 million (€61.3 million equivalent)	UAH 52 million (€1.6 million equivalent)	UAH 936 million (€28.8 million equivalent)	UAH 1,268 million (€39.0 million equivalent)	UAH 1,056 million (€32.5 million equivalent)	UAH 1,807 million (€55.6 million equivalent)	UAH 1,053 million (€32.4 million equivalent)
2021	UAH 2,125 million (€61.6 million equivalent)	UAH 55 million (€1.6 million equivalent)	UAH 1,014 million (€29.4 million equivalent)	UAH 1,321 million (€38.3 million equivalent)	UAH 1,139 million (€32.8 million equivalent)	UAH 1,884 million (€54.6 million equivalent)	UAH 1,170 million (€33.9 million equivalent)
2022	UAH 2,257 million (€62.0 million equivalent)	UAH 58 million (€1.6 million equivalent)	UAH 1,070 million (€29.4 million equivalent)	UAH 1,383 million (€38.0 million equivalent)	UAH 1,198 million (€33.0 million equivalent)	UAH 1,980 million (€54.3 million equivalent)	UAH 1,241 million (€34.1 million equivalent)
Total project costs[(5)]	UAH 10,346 million (€340 million equivalent)	UAH 304 million (€10 million equivalent)	UAH 4,504 million (€148 million equivalent)	UAH 6,421 million (€211 million equivalent)	UAH 4,473 million (€147 million equivalent)	UAH 5,508 million (€181 million equivalent)	UAH 3,530 million (€116 million equivalent)

(1) Botievo reached full capacity in two stages: (92 MW) was commissioned in February 2013 and the second stage (108 MW) was commissioned in March 2014.

(2) The Orlovsk Guarantor and the Pokrovsk Guarantor are each Guarantors and will, together with other members of the Group, be subject to certain covenants under the Trust Deed, including financial covenants. See "*Overview of the Offering*" and "*Terms and Conditions*".

(3) With respect to Primorsk II, if the wind turbines still under construction are delayed to after 31 December 2019, the currently anticipated FiT rate will be reduced by 10 per cent in 2020 (see also "*Business—Description of the pre-PPA*" and "*Regulation—Recent regulatory developments—Decrease of FiT for RES Projects*").

(4) Forecasts presented in the Independent Consultant's Report are presented in Euro. Forecasts presented in the Independent Consultant's Report are presented in Euro. For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*". For additional information on forecast EBITDA, see "*Independent Consultant's Report Summary*".

(5) Total project costs consist of capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) incurred during the construction of the project. For informational purposes and for the reader's convenience, total project costs have been converted to Euro at an exchange rate of: for the six months ended 30 June 2019, UAH 30.43 to €1.00. See "*Exchange Rates*."

The following table presents key data for each of the Group's development projects. The information in the below table was not part of the Independent Consultant's review for the purposes of the Independent Consultant's Report.

Project (wind / solar)	**Vasilkovskaya (solar)**	**Pavlogradskaya (solar)**	**Troitskaya (solar)**	**Tiligul (wind)**
Expected capacity / output	AC 115 MW / 197 GWh	AC 105 MW / 157 GWh	AC 170 MW / 284 GWh	565 MW / 1,906 GWh
Expected net capacity factor	19.6%	17.7%	19.1%	38.5%
Expected FiT rate(1)	€113 / MWh	€113 / MWh	€109 / MWh	€90 / MWh
Target in operation date	Target: Q4 2020	Target: Q4 2020	Target: Q4 2021	Target: Q4 2021 and Q1 2022
Expected total project costs(2)	€96 million	€80 million	€122 million	€891 million

(1) The above expected FiT rate per each development project is subject to: (i) the entry by the Group into a pre-PPA for each such development project by 31 December 2019 and (ii) the commissioning of the solar and wind development projects within two and three years from signing of the relevant pre-PPAs, respectively.

(2) Expected total project costs represent expected capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) on the construction of the project.

The table below presents the Group's installed capacity as of 31 December 2018 and 30 June 2019 and the Group's management expectations of installed capacity as of 31 December 2019, 2020, 2021 and 2022. For further details, see "*Business—Description of the Group's Development Projects*".

	31 December	30 June	31 December			
Project	**2018**	**2019**	**2019**	**2020**	**2021**	**2022**
			(MW)			
Wind Projects.......................................	**200**	**300**	**500**	**500**	**1,000**	**1,065**
Botievo(1).....................................	200					
Primorsk I(1)		100				
Primorsk II(1)			100			
Orlovsk(1).....................................			100			
Tiligul phase 1(2)					500	
Tiligul phase 2(2)						65
Solar Projects.......................................	**10**	**210**	**450**	**670**	**840**	**840**
Tryfanovka(1)	10					
Nikopol(1)		200				
Pokrovsk(1)			240			
Vasilkovskaya(2)				115		
Pavlogradskaya(2)				105		
Troitskaya(2)					170	
Total..	**210**	**510**	**950**	**1,170**	**1,840**	**1,905**

(1) Botievo, Primorsk I, Primorsk II, Orlovsk, Tryfanovka, Nikopol and Pokrovsk are constructed projects. 24 of the 26 Primorsk II turbines are generating electricity under the FiT regime with the remaining two of 26 turbines expected to generate electricity under the FiT regime in November 2019.

(2) Tiligul, Vasilkovskaya, Pavlogradskaya and Troitskaya are development projects which have not been assessed by the Independent Consultant for the purposes of the Independent Consultant's Report.

Consolidated selected operating and financial data and anticipated growth of operations and financial performance

The following table presents the Group's key historical operational and financial indicators for the years ended or as at 31 December 2016, 2017 and 2018 and for the six months ended and as at 30 June 2018 and 2019. For further details, see "*Presentation of Financial and Other Information*".

	Year ended or as at 31 December			Six months ended or as at 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
Operational Indicators					
Installed capacity (MW)	200	210	210	210	510
Electricity output (GWh)	608	638	677	338	554
Net capacity factor (wind/solar) (%)...........................	35 / -	36 / 10	38 / 15	38/15	37/19
Availability factor (wind/solar) (%)............................	98 / -	97 / 99	98 / 100	97/100	98/98
Financial indicators (in Hryvnia millions, unless otherwise indicated)					
Revenue..	2,037	2,116	2,493	1,250	2,072
EBITDA	1,773	1,788	2,036	1,007	1,766
EBITDA margin (%)	87	84	82	81	85
Capex..	8	370	9,556	3,648	7,740
External debt...	5,099	5,360	10,510	4,507	12,103
Gross leverage	2.9x	3.0x	5.2x	2.3x	4.3x
Financial indicators (in € millions(1), unless otherwise indicated)					
Revenue..	72	71	78	39	68
EBITDA	63	60	63	31	58
EBITDA margin (%)	87	84	82	81	85
Capex..	0.2	12	297	112	254
External debt	179	160	331	147	407
Gross leverage	2.9x	3.0x	5.2x	2.3x	4.3x

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(1) The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain profit and loss financial and other information has been converted to Euro at an exchange rate of: (i) for the six months ended 30 June 2019, UAH 30.43 to €1.00, (ii) for the six months ended 30 June 2018, UAH 32.44 to €1.00, (iii) for the year ended 31 December 2018, UAH 32.15 to €1.00, (iv) for the year ended 31 December 2017, UAH 30.01 to €1.00 and (v) for the year ended 31 December 2016, UAH 28.28 to €1.00, each which represents the average exchange rates based on daily exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). Certain balance sheet financial and other information has been converted to Euro an exchange rate of: (i) as at 30 June 2019, UAH 29.73 to €1.00, (ii) as at 30 June 2018, UAH 30.57 to €1.00, (iii) as at 31 December 2018, UAH 31.71 to €1.00, (iv) as at 31 December 2017, UAH 33.50 to €1.00 and (v) as at 31 December 2016,

UAH 28.42 to €1.00, each representing the exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all. See "*Exchange Rates*".

The following table presents forecast operational and financial indicators for the Group's constructed projects as at and for the years ended 31 December 2019, 2020, 2021 and 2022 as presented in the Independent Consultant's Report and as translated to Hryvnia. For further details, see "*Presentation of Financial and Other Information*", "*Forward-Looking Statements*" and "*Independent Consultant's Report Summary*".

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
Operating metrics				
Capacity (MW)	950	950	950	950
Generation (MWh)	1,470.1	2,439.4	2,433.4	2,428.2
Net capacity factor:				
Wind	38%	40%	40%	40%
Solar	19%	18%	18%	17%
Availability factor:				
Wind	97%	97%	98%	98%
Solar	98%	98%	99%	99%
Financial forecasts (in Hryvnia millions[(1)], unless otherwise indicated)				
Revenues	5,164	9,276	9,839	10,399
Operating expenses:	(831)	(907)	(938)	(997)
Administrative expenses	(137)	(205)	(200)	(218)
Forecast EBITDA	4,196	8,164	8,704	9,184
Forecast EBITDA margin (%)	81%	88%	88%	88%
Financial forecasts (in € millions, unless otherwise indicated)				
Revenues	173.3	285.4	285.2	285.7
Operating expenses:	(27.9)	(27.9)	(27.2)	(27.4)
Administrative expenses	(4.6)	(6.3)	(5.8)	(6.0)
Forecast EBITDA	140.8	251.2	252.3	252.3
Forecast EBITDA margin (%)	81%	88%	88%	88%

(1) For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*".

Key Factors Affecting Results of Operations

Regulatory and tariff regime

The revenue that the Group is able to generate from the sale of electricity is significantly affected by the Ukrainian regulatory and tariff regime, which sets the prices and other parameters at which the Group and other renewable energy electricity generators sell their electricity.

Following its accession to the EU Energy Community Treaty on 1 February 2011, the Ukrainian government has taken various steps to support the domestic generation of renewable energy as part of a broader drive to increase Ukrainian energy independence and diversify the Ukrainian energy sector. To encourage development in the renewable energy space specifically, the Ukrainian government implemented the FiT regime in 2009. Under the FiT regime, 100 per cent of electricity generated by qualifying projects is purchased by the Guaranteed Buyer at the specified FiT and the Guaranteed Buyer onward sells purchased electricity in the day-ahead and intraday markets. Differences between the FiT and the market prices are covered by the state-owned Ukrenergo. The FiT regime will be in place until 2030 and provides a guarantee of 100 per cent offtake of all electricity produced by operations qualifying for the FiT regime with limited curtailment risk. The FiT regime applies to wind, solar, biogas, small hydropower, biomass and geothermal energy, with different tariffs applying based on the specific renewable technology.

Under the FiT regime, the tariff is fixed in Euro and paid in Hryvnia, while the Hryvnia amount is rebased every three months to adjust for any currency fluctuations. The baseline FiT has been set by NEURC at Hryvnia 0.5846/KWh, and this tariff is then multiplied by a pre-defined green coefficient. The pre-defined green coefficient is determined based upon the type of renewable energy, the commission date of the electricity generation unit and the installed capacity of the generation unit. In addition, the pre-defined green coefficient, benefits from a guaranteed minimum amount which is determined by NEURC on a quarterly basis. To calculate this guaranteed minimum amount, NEURC converts the 1 January 2009 Hryvnia FiT into Euro using the average exchange rate of the NBU for the last 30 days of the relevant date.

All of the Group's constructed projects qualify for the FiT regime. The Group expects that its currently contemplated development projects will also qualify for the FiT regime, though at a lower FiT than the FiT applicable to the Group's constructed projects. In addition to its current development projects, the Group may opportunistically add 100 to 150 MW of additional electricity generation installed capacity if this additional electricity generation installed capacity would qualify under the FIT regime. Beyond the 955 MW of currently contemplated development projects, the Group may also develop an additional 500 MW of electricity generation installed capacity contracted under auctioned PPAs, in which the FiT is set through an auction process, as well as another an additional 500 WM of electricity generational installed contracted under merchant PPAs with corporate and institutional consumers. Furthermore, the Group intends to maintain the flexibility to further acquire projects that qualify for the FiT regime under current PPAs over the next two years. However, NEURC could determine that all or certain of the Group's constructed projects, including in particular certain launch stages of Primorsk II, will either benefit from a FiT that is lower than what the Group currently expects or that they do not qualify for the FiT at all. For example, if the Group is not able to sign pre-PPA agreements for its currently contemplated development projects by 31 December 2019 or if it is not able to complete construction on those facilities within two years of signing the pre-PPA for solar facilities and three years of signing the pre-PPA for wind facilities, the FiT could be reduced or the project could fail to qualify for the FiT at all. Electricity generated by projects that do not qualify for the FiT will be sold via auction on the day ahead market. Selling electricity under the auction mechanism, which provides for signing long-term PPAs with trades made on the day ahead market, would have a material impact on the prices the Group receives for electricity as prices would be determined via auction, which would likely result in a lower price than that provided by the FiT applicable to the Group's constructed projects. For further discussion of the auctions regime, see "*Regulation*". For further discussion of the Group's constructed and development projects, see "*Overview—Portfolio of assets*", "*Business—Description of Group's constructed projects*" and "*Business—Description of Group's development projects*".

The table below presents the FiT (i) applicable as of the date of these Listing Particulars to constructed projects and (ii) expected to be applicable to development projects that the Group expects to be constructed by 31 December 2022. The Group's development projects below were not included as part of the Independent Consultant's Report.

Constructed projects (wind / solar)		**Development projects (expected commissioned by 31 December 2022) (wind / solar)**	
	FiT (MWh)		*FiT (MWh)*
Botievo (wind).........	€113	Vasilkovskaya (solar)......	€113
Tryfanovka (solar)...	€150	Pavlogradskaya (solar)	€113
Primorsk I (wind)	€102	Troitskaya (solar)	€109
Pokrovsk (solar)	€150	Tiligul (wind)	€90
Orlovsk (wind)	€102		
Primorsk II (wind)...	€102		
Nikopol (solar)	€150		

While government support for the renewable energy industry has had and may continue to have a positive impact on the sector—including through the harmonization of Ukrainian law with the EU's legal and regulatory framework for the energy sector as well as through increased diversity within the country's energy sector as a whole and increased Ukrainian energy independence—and may also support increased electricity generation by the Group, future liberalization of the Ukrainian energy market or increased competition amongst renewable energy producers may also result in lower prices for projects not qualifying for the FiT regime.

Total installed capacity, availability and capacity factor

The Group's ability to generate and sell electricity is impacted by its total electricity generation installed capacity as well as the availability and performance, or net capacity factor, associated with each installed asset.

Installed capacity

For the years ended 31 December 2016, 2017 and 2018, the Group had a total electricity generation installed capacity of 200 MW, 210 MW and 210 MW, respectively. As of 30 June 2019, the Group's installed capacity from constructed projects, as defined herein, amounted to 510 MW and as of the date of these Listing Particulars, installed capacity from constructed projects amounted to 950 MW. The Group's management expects that installed capacity from constructed projects will be 950 MW by 31 December 2019, 1,170 MW by 31 December 2020, 1,840 MW by 31 December 2021 and 1,905 MW by 31 December 2022. For further details, see "*Overview—Portfolio of assets*" and "*Business—Description of the Group's constructed projects*". The Group's total electricity generation installed capacity impacts its results of operations by capping the total electricity that the Group can generate, assuming 100 per cent availability and full performance of each operational asset, and therefore caps the total electricity that can be sold and the associated revenues generated.

Availability

"Availability" in relation to the Group's wind and solar projects means the amount of time in a given period in which a project is actually generating electricity divided by the total amount of time in that period. Availability is impacted by factors such as, among other things, the availability of internal and external grids, environmental downtime, scheduled and unscheduled maintenance etc. For the years ended 31 December 2016, 2017 and 2018, the Group had wind and solar operational project availability of 97.6 per cent (wind) and no operational solar projects, 97.4 per cent (wind) and 99.3 per cent (solar) and 97.7 per cent and 99.9 per cent (solar), respectively. For the six months ended 30 June 2018 and 2019, the Group had a wind and solar operational project availability of 97.4 per cent (wind) and 99.9 per cent (solar) and 97.9 per cent (wind) and 98.1 per cent (solar), respectively. Wind and solar project power project is particularly impacted by the wind speed or solar irradiation, respectively, of the locations in which the projects are located. Each of the Group's constructed projects are located in areas with top-quartile wind resource or solar irradiation which all the Group's solar and wind projects to generate electricity consistently.

Capacity factor

Capacity factor is the electricity generated over a specified period of time divided by the maximum possible electricity that could have been generated over the same specified period of time if the asset had been operating continuously. For the years ended 31 December 2016, 2017 and 2018, the Group had a wind and solar operational project capacity factor of 35 per cent (wind) and no operational solar projects, 36 per cent (wind) and 10 per cent (solar) and 38 per cent and 15 per cent (solar), respectively. For the six months ended 30 June 2018 and 2019, the Group had a wind and solar operational project capacity factor of 38 per cent (wind) and 15 per cent (solar) and 37 per cent (wind) and 19 per cent (solar). Capacity factor may be impacted by wind and solar resource availability as well as, among other things, scheduled and unscheduled maintenance requirements, quality of equipment and software and the quality of surveillance, control and monitoring systems. The Group maintains fully wrapped O&M agreements with market leading service providers as well as a proven in-house project operations development, management and administration team. If the Group's capacity factor were to decrease for a period, the Group would experience a correlating decrease in revenue and profit for the period.

Investment and capital expenditure

The Group has experienced rapid recent growth in electricity generation installed capacity. The Group has increased electricity generation installed capacity by 143 per cent, from 210 MW on 31 December 2018 to 950 MW as at the date of these Listing Particulars. The Group further expects an additional 955 MW of electricity generation installed capacity by 31 December 2022. This rapid growth has required considerable investment and expenditure by the Group. As of the date of these Listing Particulars, the Group has spent a total of €1.2 billion in connection with projects that are constructed or will be constructed by 31 December 2019. The Group's investments in increased electricity generation installed capacity have been primarily funded through Euro-denominated borrowings, which impact the Group's net debt, ratio of debt to equity leverage and free cash flow. The nature of the investment cycle in solar and wind energy projects is such that the majority of capital expenditure outlay is required early in the investment cycle in connection with the construction of the solar and wind plants and the purchase and installation of associated equipment, whereas the return on investment in the form of revenue generated through the sale of electricity does not impact the income statement until, on average, two years after the initial investment has been made and the project is constructed.

As of 30 June 2019, the Group has invested UAH 34 million in its development pipeline projects, excluding those projects that are expected to be constructed by 31 December 2019, for which the majority of Group investment has already been made. The Group expects to invest a further UAH 544 million in the six months ended 31 December 2019 and UAH 16,554 million and UAH 15,265 million, respectively, in its development projects in the years ended 31 December 2020 and 2021. Expected capital expenditures in development projects do not fall within the scope of the Independent Consultant's Report (the scope of which covers the Group's 950 MW of constructed projects).

Exchange rate fluctuations

The Group is exposed to movements in currency exchange rates, particularly to changes in exchange rates between the Euro and Hryvnia given that, while the Group's reporting and functional currency is the Hryvnia, the majority of the Group's borrowings are denominated in Euro. However, the Group is only exposed to movements in currency exchange rates in relation to earnings under the FiT regime, for which all constructed projects currently qualify, for 90 days as, while the FiT regime is denominated in Euro but paid in Hryvnia, the Euro to Hryvnia exchange rate is revaluated every three months to account for any fluctuations. Additionally, as NEURC recalculates the Hryvnia equivalent of FiT on a quarterly basis and the Group repays most of its indebtedness on either a monthly and quarterly basis (with one loan that is repaid on a semi-annual basis), exchange rate risk associated with payments on outstanding indebtedness is also partially mitigated by the quarterly recalculation.

The Group's foreign exchange losses less gains on financing and investing activities include foreign exchange translation differences recognized on assets and liabilities related to financing or investing activities, or resulting from translations of borrowings. In the years ended 31 December 2016, 2017 and 2018, foreign exchange losses less gains on financing and investing activities amounted to UAH 375 million, UAH 544 million and UAH 27 million, respectively. In the six months ended 30 June 2018 foreign exchange losses less gains on financing and investing activities have amounted to UAH 295 million and in the six months ended 30 June 2019 foreign exchange gains less losses on financing and investing activities have amounted to UAH 282 million. The Group converts Hryvnia to Euro when foreign currency payments are required, for example in order to make interest payments on existing indebtedness, by converting Hryvnia to Euro using an external bank. For additional discussion on currency restrictions, see "*Risk Factors—The Ukrainian currency is subject to volatility and depreciation*". Certain financial data included in these Listing Particulars has been converted from Hryvnia to Euro or from Euro to Hryvnia for the reader's convenience. See, "*Exchange Rates*" for the specific exchange rates used as at and for the applicable dates and periods. The applicable exchange rates have fluctuated since the reference date for the convenience translations included in these Listing Particulars. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all.

Increase of operating and general administrative expenses

In connection with the rapid increase of the Group's electricity generation installed capacity since 1 January 2017, the Group has also experienced a related increase in operating and general administrative expenses, connected both to the management and administration of the construction and infrastructure aspects of the increased electricity generation installed capacity as well as an increase in staff and full time employees required in order to build and strengthen the Group's in-house team. The Group's total employees have increased from 50 on 1 January 2016 to 207 as at the date of these Listing Particulars. The Group's in-house team conducts daily operations and general management and administration of constructed projects, including health, safety and environmental and regulatory compliance, OEM contract management, supervision and enforcement and site management, monitoring and analytics. The in-house team also performs general management and administration of development projects, including prospective site allocation, resources assessment, land lease, engineering works, permitting, supply and procurement and project contracts execution, involving specialized consulting companies where relevant. In the past 25 months, the Group's in-house team has developed 740 MW on time and on budget, including the Pokrovsk AC 240 MW solar project, which was developed by the in-house team without a general EPC contractor.

Principal components of results of operations

Revenue

Revenue is generated by sales of electricity to the Guaranteed Buyer. Revenues from sales of electricity are recognised at the point of transfer of risks and rewards associated with ownership to immediate customers. Revenues are measured at the fair value of the consideration received or receivable and are shown net of value added tax and other discounts.

Cost of sales

Cost of sales is primarily comprised of purchase price, transportation and commissioning costs relating to supply and construction agreements (allocated each month in the form of depreciation charges on property, plant and equipment and amortisation of intangible assets), staff costs (including payroll taxes), production overheads, equipment maintenance and repairs, raw materials consumed in production, transportation services, utilities and other costs.

Other operating income

Other operating income comprises gains resulting from transactions which are non-core to electricity generation activities, including gains on the sale of inventory and insurance reimbursements.

General and administrative expenses

General and administrative expenses primarily comprise staff costs (including payroll taxes), professional fees (including for auditors, legal advisors and consultants), leases and office costs, bank charges, transportation expenses, depreciation of property, plant and equipment and amortisation of intangible assets taxes, other than income tax and other costs.

Other operating expenses

Other operating expenses primarily comprise expenses on land tax accrued on facilities that are not operating yet, charitable donations and sponsorships and non-recoverable VAT. Charitable donations and sponsorships comprise voluntary and discretionary charity and donations to civil and educational development according to the Group corporate social responsibility programme in local communities, where subsidiaries' assets are located.

Net foreign exchange gains less losses on operating activities

Net foreign exchange gains less losses on operating activities comprise foreign exchange translation differences on accounts receivable, accounts payable, cash and cash equivalents and deposits placed.

Impairment of property, plant and equipment and intangibles assets

Impairment of non-financial assets that are not subject to depreciation are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell, or value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial items, other than goodwill, are subject to annual stocktaking and fair value assessment by an independent appraiser. If assets fair values are lower than its historical net book value, an impairment charge is recognised on these assets for the amount of difference between fair value and historical net book value.

Foreign exchange losses less gains on financing and investing activities

Foreign exchange losses less gains on financing and investing activities comprise foreign exchange translation differences recognized on monetary assets and liabilities (other than accounts receivable, accounts payable, cash and cash equivalents and deposits placed) or resulting from translation of long-term financial investments, loans and borrowings to the functional currency at exchange rate effective at the balance sheet date.

Finance income and costs

Finance income and costs comprise interest income and interest expense on loans and borrowings, income on origination of financial instruments, losses on early repayment of loans and unwinding of discount on financial instruments. Borrowing costs that relate to assets that take a substantial period of time to construct (qualifying asset) are capitalized as part of the cost of the asset. Borrowings that were obtained to finance construction of qualifying assets after commissioning of these qualifying assets are treated as general borrowings. Expenses on general borrowings are capitalised in the amount of qualifying assets, which are not financed by special purpose borrowings multiplied by weighted average interest rate on general borrowings. Unwinding of discount on financial instruments relates to transaction costs paid to acquire financial instruments and indebtedness, including commissions and premiums, which are initially included in the net book value of indebtedness. The Group unwinds these commissions and premiums, which are capitalised using the effective interest rate method, over the period in which the debt is used and, as a result, the unwinding of transaction costs increases the finance costs of the Group. All other interest and costs are expensed using the effective interest rate method. Interest income is recognized as it accrues, taking into account the effective yield on the interest.

Net impairment losses of financial assets

Net impairment losses of financial assets comprise, on a forward-looking basis, the estimated credit losses for debt instruments of the Group measured at fair value through other comprehensive income and at amortised cost as well as exposures arising from loan commitments. Net impairment losses on financial assets are recognised at each reporting date.

Income tax expense

Income tax comprises current tax and deferred tax and is recognised in the income statement unless it relates to transactions that are recognised, in the same or a different period, directly in equity. Current tax is the amount expected to be paid to or recovered from taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses. Deferred income tax is provided using the balance sheet liability method for tax loss carry forward and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. In the years ended 31 December 2016, 2017, 2018 and 2019, the corporate income tax in Ukraine was 18 per cent. In the years ended 31 December 2018, the tax rate for the Dutch companies of the Group was 25 per cent. A reduced tax rate of 20 per cent (2018) and 19 per cent (2019) applies to profits up to €200,000.

Certain entities of the DTEK Group which are incorporated in the Netherlands, including the Company and, for the purposes of VAT only, the Issuer are part of a fiscal unity for tax settlement purposes. See "*Risk Factors – Risks relating to the Group's business – The Company and the Issuer are part of a fiscal unity*" for more information.

Total comprehensive income for the period

Total comprehensive income for the period is profit for the period less items that will not be reclassified to profit or loss, comprising revaluation of property, plant and equipment and income tax recorded on revaluation of property, plant and equipment. On an annual basis, the Group carries out an assessment of whether carrying amounts of items of plant, property and equipment differ materially from amounts which would be determined using fair value at the end of the period. As most of the property, plant and equipment of the Group is of a specialized nature, its fair value is determined primarily using depreciated replacement cost.

Results of Operations

The tables below present the results of operations for the Group for the years ended 31 December 2016, 2017 and 2018 and for the six months ended 30 June 2018 and 2019. The Issuer's financial results are not included in the consolidated financial information of the Group set out in, or incorporated by reference in, these Listing Particulars as the Issuer has only become a part of the Group on 1 October 2019, following the transfer by DTEK ENERGY B.V. of 100 per cent of the share capital of the Issuer to the Company. In view of the limited scope of the Issuer's operations prior to the issue of the Notes, the Issuer's financial results are not relevant to a consideration of financial position or results of operations of the Group. Going forward, the Issuer's financial results will be included in the consolidated financial statements of the Group.

Consolidated income statement for the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019

	Year ended 31 December			**As at 30 June**	
	2016	**2017**	**2018**	**2018**	**2019**
			(*in millions of Hryvnia*)		
Revenue	2,037	2,116	2,493	1,250	2,072
Cost of sales	(596)	(622)	(731)	(367)	(533)
Gross profit	**1,441**	**1,494**	**1,761**	**883**	**1,539**
Other operating income	1	8	7	3	1
General and administrative expenses	(69)	(94)	(160)	(75)	(151)
Other operating expenses	(5)	(10)	(39)	(16)	(39)
Net foreign exchange gains less losses on operating activities	8	62	(9)	10	(46)
Impairment of property, plant and equipment and intangibles assets	–	(17)	–	–	–

	Year ended 31 December			As at 30 June	
	2016	2017	2018	2018	2019
	(*in millions of Hryvnia*)				
Operating profit	**1,376**	**1,443**	**1,559**	**805**	**1,303**
Foreign exchange losses less gains on financing and investing activities	(375)	(544)	(27)	(295)	282
Finance income	316	122	1,109	285	212
Finance costs	(497)	(539)	(850)	(494)	(126)
Net impairment losses of financial assets	–	–	(72)	50	118
Profit before income tax	**821**	**482**	**1,721**	**352**	**1,789**
Income tax expense	(144)	(79)	(418)	(198)	(323)
Profit for the period	**676**	**403**	**1,302**	**154**	**1,467**
Profit is attributable to:					
Equity holders of the parent	676	403	1,301	153	1,466
Non-controlling interest	0	0	2	1	1

Consolidated statement of comprehensive income for the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	(*in millions of Hryvnia*)				
Profit for the period	676	403	1,302	154	1,467
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Property, plant and equipment:					
Revaluation of property plant and equipment	168	600	(29)	–	–
Income tax recorded on revaluation of property plant and equipment	(30)	(108)	5	–	–
Total comprehensive income for the period	**814**	**895**	**1,279**	**154**	**1,467**
Total comprehensive income attributable to:					
Equity holders of the Company	813	894	1,277	153	1,466
Non-controlling interest	0	1	1	1	1

Results of operations for the six month period ended 30 June 2019 compared to the six month period ended 30 June 2018

Revenue

Revenue increased by UAH 822 million or 66 per cent to UAH 2,072 million for the six month period ended 30 June 2019 as compared to UAH 1,250 million for the six month period ended 30 June 2018. This increase was primarily driven by increased electricity generation after the commissioning of Nikopol solar power plant (installed capacity of 200 MW) and Primorsk wind energy plant (installed capacity of 100 MW) in February and March 2019, respectively, supported by high availability and net capacity factors of existing facilities.

Cost of sales

Cost of sales increased by UAH 166 million or 45 per cent over to UAH 533 million for the six month period ended 30 June 2019 as compared to UAH 367 million for the six month period ended 30 June 2018. This increase was due to higher costs associated with increased electricity generation capacity and increased sales of electricity to the Guaranteed Buyer.

Other operating income

Other operating income was not significant both for the six month period ended 30 June 2019 and for the six month period ended 30 June 2018.

General and administrative expenses

General and administrative expenses increased by UAH 76 million or 101 per cent over to UAH 151 million for the six month period ended 30 June 2019 as compared to UAH 75 million for the six month period ended 30 June 2018. This increase was driven by increased staff costs associated with the increase of administrative staff, higher remuneration for the staff, and increased costs associated with consulting services.

Other operating expenses

Other operating expenses increased by UAH 23 million or 144 per cent to UAH 39 million for the six month period ended 30 June 2019 as compared to UAH 16 million for the six month period ended 30 June 2018. This increase was driven by higher land tax charges connected with leasing out more land for further development of solar and wind projects.

Net foreign exchange gains less losses on operating activities

Net foreign exchange losses less gains on operating activities increased by UAH 56 million or 560 per cent to UAH 46 million for the six month period ended 30 June 2019 as compared to net foreign exchange gains less losses on operating activities UAH 10 million for the six month period ended 30 June 2018. This change was driven by an increase in Euro denominated monetary assets during the six months ended 30 June 2019 (following the revaluation of the Hryvnia when translated to Euro).

Operating profit

Operating profit increased by UAH 498 million or 62 per cent to UAH 1,303 million for the six month period ended 30 June 2019 as compared to UAH 805 million for the six month period ended 30 June 2018. This increase was primarily driven by commissioning new production facilities and was partially offset by an increase in cost of sales and general and administrative expenses associated with the expansion.

Foreign exchange losses less gains on financing and investing activities

Foreign exchange gains less losses on financing and investing activities increased by UAH 577 million or 196 per cent to UAH 282 million for the six month period ended 30 June 2019 as compared to negative UAH 295 million for the six month period ended 30 June 2018. This increase was driven by Euro denominated liabilities being higher than assets due to the revaluation of the Hryvnia in the six months ended 30 June 2019.

Finance income

Finance income decreased by UAH 73 million or 26 per cent to UAH 212 million for the six month period ended 30 June 2019 as compared to UAH 285 million for the six month period ended 30 June 2018. This decrease was driven by a decrease in loans made during the six month period ended 30 June 2019.

Finance costs

Finance costs decreased by UAH 368 million or 74 per cent to UAH 126 million for the six month period ended 30 June 2019 as compared to UAH 494 million for the six month period ended 30 June 2018. This decrease was primarily driven by a related party loan in the amount of UAH 295 million, which was recognised during the six months ended 30 June 2018. In addition, interest expense during the six months ended 30 June 2019 were capitalised as general borrowing costs.

Net reverse of impairment losses on *financial assets*

Net reverse of impairment losses on financial assets increased by UAH 68 million or 136 per cent to UAH 118 million for the six month period ended 30 June 2019 as compared to UAH 50 million for the six month period ended 30 June 2018. This increase was driven by a decrease in loans and a decrease in expected credit loss rates used to calculate impairment charges during the six months ended 30 June 2019.

Income tax expense

Income tax expense increased by UAH 125 million or 63 per cent to UAH 323 million for the six month period ended 30 June 2019 as compared to UAH 198 million for the six month period ended 30 June 2018. This increase was driven by increased profit before tax due to commissioning new production facilities, lower finance costs and foreign exchange losses during the six months ended 30 June 2019. The increase was also driven by lower gains on financing and investing activities over the period, which directly impact income tax charges as they are included in the calculation of income tax charges.

Profit for the period

Profit for the period increased by UAH 1,313 million or 853 per cent to UAH 1,467 million for the six month period ended 30 June 2019 as compared to UAH 154 million for the six month period ended 30 June 2018.

Total comprehensive income for the period

Total comprehensive income for the six month period ended 30 June 2019 and for the six month period ended 30 June 2018 is equal to profit for the period.

Results of operations for the year ended 31 December 2018 compared to the year ended 31 December 2017

Revenue

Revenue increased by UAH 377 million or 18 per cent to UAH 2,493 million in the year ended 31 December 2018 as compared to UAH 2,116 million in the year ended 31 December 2017. This increase was partially driven by an increase in electricity output to 677 GWh in the year ended 31 December 2018 as compared to 638 GWh in the year ended 31 December 2017. The increase was also partially driven by the commissioning of the first solar facility, the Tryfanovka solar facility, in August 2017 (installed capacity of 10 MW), higher availability and net capacity factors at the Botievo wind facility and an increase in the effective tariff following a slight devaluation of Hryvnia when translated to the Euro in the year ended 31 December 2018.

Cost of sales

Cost of sales increased by UAH 109 million or 18 per cent to UAH 731 million in the year ended 31 December 2018 as compared to UAH 622 million in the year ended 31 December 2017. This increase was driven by higher costs associated with the commission of the Tryfanovka solar facility in August 2017, which increased maintenance and repair costs as compared to the prior period. The commission led to an increase in electricity output to 677 GWh in the year ended 31 December 2018 as compared to 638 GWh in the year ended 31 December 2017. In addition, an increase in fair value of property, plant and equipment in the year ended 31 December 2018 led to the accrual of higher depreciation charges.

Other operating income

Other operating income was not significant in the years ended 31 December 2018 and 31 December 2017.

General and administrative expenses

General and administrative expenses increased by UAH 66 million or 70 per cent to UAH 160 million in the year ended 31 December 2018 as compared to UAH 94 million in the year ended 31 December 2017. This increase was driven by a 161 per cent increase in staff costs, including payroll taxes, to UAH 99 million in the year ended 31 December 2018 as compared to UAH 38 million in the year ended 31 December 2017, chiefly associated with an increase in administrative personnel to 77 as at 31 December as compared to 40 as at 31 December 2017. This increase in the number of administrative personnel was connected to the expansion plans of the Group. The increase in staff costs was also driven by higher remuneration paid to existing employees.

Other operating expenses

Other operating expenses increased by UAH 29 million or 290 per cent to UAH 39 million in the year ended 31 December 2018 as compared to UAH 10 million in the year ended 31 December 2017. This increase was driven by the development of new solar farms, namely Nikopol and Pokrovsk, as well as land tax charges accrued.

Net foreign exchange losses less gains on operating activities

Net foreign exchange losses less gains on operating activities increased by UAH 71 million or 115 per cent to amount of negative UAH 9 million in the year ended 31 December 2018 as compared to UAH 62 million in the year ended 31 December 2017. This decrease was driven by higher operating activities and liabilities denominated in Euro during the year ended 31 December 2018.

Impairment of property, plant and equipment and intangible assets

During the year ended 31 December 2017, certain wind monitoring assets were individually impaired following the Group management's decision that these locations will not be developed any further. Consequently, in the year ended 31 December 2017, impairment charges over property, plant and equipment and intangible assets were recognised in the amount of UAH 17 million which were not recognised in the year ended 31 December 2018.

Operating profit

Operating profit increased by UAH 116 million or 8 per cent to UAH 1,559 million in the year ended 31 December 2018 as compared to UAH 1,443 million in the year ended 31 December 2017. This increase was driven primarily by the devaluation of Hryvnia when translated to Euro.

Foreign exchange losses less gains on financing and investing activities

Foreign exchange losses less gains on financing and investing activities decreased by UAH 517 million or 95 per cent to UAH 27 million in the year ended 31 December 2018 as compared to UAH 544 million in the year ended 31 December 2017. This decrease was driven by a decrease in loans in the year ended 31 December 2018 and the revaluation of Hryvnia when translated to Euro, which balanced the exposure of the Group to exchange rate fluctuations.

Finance income

Finance income increased by UAH 987 million or 809 per cent to UAH 1,109 million in the year ended 31 December 2018 as compared to UAH 122 million in the year ended 31 December 2017. This increase was driven by a 608 per cent increase in interest income on loans provided to related parties to UAH 459 million in the year ended 31 December 2018 as compared to UAH 65 million in the year ended 31 December 2017, due to a temporary loan from the Parent as a share premium to related parties in December 2017. Furthermore, a gain on early repayment of loans provided to related parties of UAH 504 million was recognised in the year ended 31 December 2018. In addition, there was a 155 per cent increase in unwinding of discount on financial instruments provided to related parties to UAH 146 million in the year ended 31 December 2018 as compared to UAH 57 million in the year ended 31 December 2017, due to a greater amount of loans issued during the year ended 31 December 2018.

Finance costs

Finance costs increased by UAH 311 million or 58 per cent to UAH 850 million in the year ended 31 December 2018 as compared to UAH 539 million in the year ended 31 December 2017. This increase was driven by a 252 per cent increase in loss on origination of loans provided to related parties in the amount of UAH 563 million in the year ended 31 December 2018 as compared to UAH 160 million in the year ended 31 December 2017, due to new loans issued to related parties during the year ended 31 December 2018. This increase was partially offset by a 37 per cent decrease in unwinding of discount on financial instruments to UAH 82 million in the year ended 31 December 2018 as compared to UAH 131 million in the year ended 31 December 2017 and by a 38 per cent decrease in interest expense on bank borrowings to UAH 70 million in the year ended 31 December 2018 as compared to UAH 113 million in the year ended 31 December 2017. Unwinding of discount on financial instruments impacts financial income as the Group initially includes transaction costs, including commissions and premiums paid to acquire financial instruments such a loans, in the net book value of indebtedness. The Group then unwinds these commissions and premiums, which are capitalised using the effective interest rate method, over the period in which the debt is used and, as a result, the unwinding of transaction costs increases the finance costs of the Group. The decrease in unwinding of discount on financial instruments and interest expense on borrowings in the year ended 31 December 2018 was due to this capitalisation of part of the general borrowing costs into cost of construction in progress.

Net impairment losses of financial assets

The Group adopted IFRS 9 *Financial instruments* on 1 January 2018 and from that date charged expected credit losses on its financial assets at the date of adoption. During the year ended 31 December 2018, the Group charged additional UAH 72 million of expected credit loss provision.

Income tax expense

Income tax expense increased by UAH 339 million or 429 per cent to UAH 418 million in the year ended 31 December 2018 as compared to UAH 79 million in the year ended 31 December 2017. This increase was partially driven by an increase in current income tax charge in the year ended 31 December 2018 by UAH 97 million following an increase in profit before tax. This increase was also partially driven by an increase of deferred tax charge in the year ended 31 December 2018 of UAH 243 million following a partial utilisation of deferred tax assets on tax losses carried forward and increase in non-taxable foreign exchange gains on Dutch subsidiaries.

Profit for the period

Profit for the period increased by UAH 899 million or 223 per cent to UAH 1,302 million in the year ended 31 December 2018 as compared to UAH 403 million in the year ended 31 December 2017.

Items that will not be reclassified to profit or loss: Revaluation of property plant and equipment and income tax recorded on revaluation of property plant and equipment

The effect from revaluation of property, plant and equipment that will not be reclassified to profit or loss decreased by UAH 629 million or to a negative amount of UAH 29 million in the year ended 31 December 2018 as compared to UAH 600 million in the year ended 31 December 2017. This decrease was driven by the revaluation of the Botievo wind facility assets in 2018.

Under IFRS, while the revaluation of plant, property and equipment increases or decreases the value of plant, property and equipment, tax values associated with the plant, property and equipment remain unchanged. Therefore, upon a revaluation, the revaluation gain/loss and the associated deferred tax liability are recognized in Other comprehensive income. The value of the deferred tax liability under Ukrainian tax law is 18 per cent of the revaluation result.

Total comprehensive income for the period

Total comprehensive income for the period increased by UAH 384 million or 43 per cent to UAH 1,279 million in the year ended 31 December 2018 as compared to UAH 895 million in the year ended 31 December 2017.

Results of operations for the year ended 31 December 2017 compared to the year ended 31 December 2016

Revenue

Revenue increased by UAH 79 million or 4 per cent to UAH 2,116 million in the year ended 31 December 2017 as compared to UAH 2,037 million in the year ended 31 December 2016. This increase was partly driven by an increase in effective tariffs following the devaluation of Hryvnia when translated to Euro during the year ended 31 December 2017. This increase was also partly driven by an increase in installed capacity from 200 MW to 210 MW after the commissioning of Tryfanovka solar facility in August 2017.

Cost of sales

Cost of sales increased by UAH 26 million or 4 per cent to UAH 622 million in the year ended 31 December 2017 as compared to UAH 596 million in the year ended 31 December 2016. This increase was driven by a slight increase in repair and maintenance cost and production overheads.

Other operating income

Other operating income was not significant in monetary terms both in the year ended 31 December 2017 and in the year ended 31 December 2016 and is represented by results from one-off transactions, which are non-core to electricity generation.

General and administrative expenses

General and administrative expenses increased by UAH 25 million or 36 per cent to UAH 94 million in the year ended 31 December 2017 as compared to UAH 69 million in the year ended 31 December 2016. This increase was partially driven by increased staff costs following an increase in administrative personnel headcount during the year ended 31 December 2017. The increase in general and administrative expenses was also partially driven by an increase in consulting services.

Other operating expenses

Other operating expenses increased by UAH 5 million or 100 per cent to UAH 10 million in the year ended 31 December 2017 as compared to UAH 5 million in the year ended 31 December 2016. This increase was not significant in monetary terms and is represented by results from one-off transactions, which are non-core to electricity generation.

Net foreign exchange gains less losses on operating activities

Net foreign exchange gains less losses on operating activities increased by UAH 54 million or 675 per cent to UAH 62 million in the year ended 31 December 2017 as compared to UAH 8 million in the year ended 31 December 2016. This increase was driven by greater amounts of cash held in foreign currencies and therefore gains recorded on revaluation of these balances following the devaluation of Hryvnia when translated to Euro during year ended 31 December 2017.

Impairment of property, plant and equipment and intangible assets

During the year ended 31 December 2017, certain wind monitoring assets were individually impaired following Group management's decision that these locations would not be developed any further. Consequently in the year ended 31 December 2017, impairment charges over property, plant and equipment and intangible assets were recognised in the amount of UAH 17 million. No such events took place in the year ended 31 December 2016.

Operating profit

Operating profit increased by UAH 67 million or 5 per cent to UAH 1,443 million in the year ended 31 December 2017 as compared to UAH 1,376 million in the year ended 31 December 2016.

Foreign exchange losses less gains on financing and investing activities

Foreign exchange losses less gains on financing and investing activities increased by UAH 169 million or 45 per cent to UAH 544 million in the year ended 31 December 2017 as compared to UAH 375 million in the year ended 31 December 2016. This increase was primarily driven by the devaluation of the Hryvnia when translated to Euro during the year ended 31 December 2017 as well as a respective revaluation of debt denominated in Euro.

Finance income

Finance income decreased by UAH 194 million or 61 per cent to UAH 122 million in the year ended 31 December 2017 as compared to UAH 316 million in the year ended 31 December 2016. This decrease was primarily driven by a one-off transaction conducted during the year ended 31 December 2016, when the Group recognised UAH 230 million gain on early repayment of loans issued. No such transactions took place during the year ended 31 December 2017.

Finance costs

Finance costs increased by UAH 42 million or 8 per cent to UAH 539 million in the year ended 31 December 2017 as compared to UAH 497 million in the year ended 31 December 2016. This increase was driven by a one-off transaction conducted during the year ended 31 December 2017, which resulted in an increase in losses on loans provided to related parties by UAH 119 million in the year ended 31 December 2017 as compared to UAH 41 million in the year ended 31 December 2016. The increase was offset by UAH 77 million in one-off professional fees in connection to a refinancing in the year ended 31 December 2016.

Income tax expense

Income tax expense decreased by UAH 65 million or 45 per cent to UAH 79 million in the year ended 31 December 2017 as compared to UAH 144 million in the year ended 31 December 2016. This decrease was primarily driven by lower deferred tax expense in the year ended 31 December 2017. The significant deferred tax expense in the year ended 31 December 2016 was related to utilization of temporary difference, which was recognized in previous years on loans issued to related parties in order to temporarily earn interest on available cash. These loans were once recognized at fair value under IFRS accounting and at face value under tax accounting, which led to a temporary difference and was utilised during the year ended 31 December 2016 through deferred tax expense. This decrease in deferred tax expense was partially offset by an increase in a current tax charge recognised by a Dutch Profit for the period.

Profit for the period decreased by UAH 273 million or 40 per cent to UAH 403 million in the year ended 31 December 2017 as compared to UAH 676 million in the year ended 31 December 2016.

Items that will not be reclassified to profit or loss: Revaluation of property plant and equipment and income tax recorded on revaluation of property plant and equipment

Revaluation of property, plant and equipment that will not be reclassified to profit or loss increased by UAH 432 million or 257 per cent to UAH 600 million in the year ended 31 December 2017 as compared to UAH 168 million in the year ended 31 December 2016. This increase was driven by a higher revaluation of the Botievo wind facility assets in the year ended 31 December 2017.

Under IFRS, while the revaluation of plant, property and equipment increases or decreases the value of plant, property and equipment, tax values associated with the plant, property and equipment remain unchanged. Therefore, upon a revaluation, the revaluation gain/loss and the associated deferred tax liability are recognized in Other comprehensive income. The value of the deferred tax liability under Ukrainian tax law is 18 per cent of the revaluation result.

Total comprehensive income for the period

Total comprehensive income for the period increased by UAH 81 million or 10 per cent to UAH 895 million in the year ended 31 December 2017 as compared to UAH 814 million in the year ended 31 December 2016.

Liquidity and Capital Resources

Capital requirements, resources and liquidity

Capital requirements

Historically, the Group has relied on cash flow provided from operations and short-term and long-term debt to finance its working capital and capital requirements. The Group expects that such sources of funding will continue to be important in the future, but it may not be able to raise additional finance in the future to comply with financial covenants stipulated by the lenders. For further details, see "*Risk Factors—Risks related to the Notes— The Group will require a significant amount of cash to service its debt and sustain its operations. The Group's ability to generate or raise sufficient cash depends on many factors beyond its control*" *and* "*—Capital resources*". The Group's ability to service its current and future debt, to maintain current operations and to develop pipeline projects has been and will continue to be dependent upon its ability to generate cash from its operations. The Group's primary source of cash has been sales of electricity to the Guaranteed Buyer under the FiT regime. The Group primary uses of cash has been to finance costs associated with construction and development of projects, maintenance and repairs of constructed projects, production overheads and staff costs (including payroll taxes).

Capital resources

The Group has historically funded its capital expenditure requirements with cash generated from operations and debt incurred under existing credit facilities. The Group intends to finance future capital expenditures with a mix of cash flows from operations and financing activities, including financing raised in the international debt capital markets. The Group's ability to arrange financing generally and its cost of capital depends on numerous factors, including its general financial performance, general economic conditions, the availability of credit from banks and other financial institutions and in the capital markets and borrowing restrictions in instruments governing its existing indebtedness, including the Notes. For additional discussion, see "*Terms and Conditions of the Notes*" and "*Risk Factors—Risks related to the Notes— The Group will require a significant amount of cash to service its debt and sustain its operations. The Group's ability to generate or raise sufficient cash depends on many factors beyond its control*". Consequently, the Group may not be able to raise significant additional debt in the near future. Following the completion of the offering of the Notes, the Company's principal sources of funds will be provided by cash flow from operations. The Group believes that its expected cash flow from operations, together with any available borrowing from time to time, will be adequate to meet its anticipated working capital, general liquidity and debt service needs.

Liquidity

The cash and cash equivalents of the Group amounted to UAH 1,301 million as at 30 June 2019 compared to UAH 1,395 million as at 30 June 2018. Cash flow from operations before changes in working capital amounted to UAH 1,685 million as at 30 June 2019 compared to UAH 1,010 million as at 30 June 2018. Cash and cash equivalents denominated in UAH were UAH 1,205 million and denominated in Euro were UAH 96 million as at 30 June 2019 compared to cash and cash equivalents denominated in UAH of UAH 1,173 million and denominated in Euro of UAH 221 million as at 30 June 2018.

The Group's cash and cash equivalents amounted to UAH 1,158 million as at 31 December 2018 compared to UAH 711 million as at 31 December 2017. Cash flow from operations before changes in working capital amounted to UAH 1,970 million as at 31 December 2018 compared to UAH 1,823 million as at 31 December 2017. Cash and cash equivalents denominated in UAH were UAH 699 million and denominated in Euro were UAH 459 million as at 31 December 2018 compared to cash and cash equivalents denominated in UAH of UAH 34 million and denominated in Euro of UAH 677 million as at 31 December 2017.

The Group's cash and cash equivalents amounted to UAH 711 million as at 31 December 2017 compared to UAH 203 million as at 31 December 2016. Cash flow from operations before changes in working capital amounted to UAH 1,823 million as at 31 December 2017 compared to UAH 1,737 million as at 31 December 2016. Cash and cash equivalents denominated in UAH were UAH 34 million and denominated in Euro were UAH 677 million (as at 31 December 2017 compared to cash and cash equivalents denominated in UAH of UAH 66 million and denominated in Euro of UAH 136 million as at 31 December 2016.

Cash flow

The following tables present, in Hryvnia and Euro, a summary of the Group's consolidated cash flow for the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019.

	Year ended 31 December			**Six months ended 30 June**	
	2016	**2017**	**2018**	**2018**	**2019**
		(UAH millions)			
Net cash generated from operating activities	1,532	1,700	242	920	1,428
Net cash (used in) investing activities.......................	(250)	(7,521)	(2,513)	(2,043)	(6,196)
Net cash (used in) / generated in financing activities	(1,251)	6,322	2,715	1,810	4,907
Net change in cash and cash equivalents..............	30	501	444	688	139

Net cash generated from operating activities includes profit before income tax adjusted for depreciation and impairment of property, plant and equipment and amortization of intangible assets, allowance for inventory, foreign exchange losses less gains on financing and investing activities, unrealised foreign exchange gain, impairment loss on financial assets and net finance income/costs). Working capital comprises trade and other receivables, inventories and trade and other payables.

Net cash used in investing activities includes purchases of property, plant and equipment and intangible assets, placement of restricted cash, loans provided to related parties, repayment of loans provided to related parties, capitalized borrowing costs paid, returns of deposits and proceeds from the sale of property, plant and equipment and intangible assets.

Net cash used in / generated from financing activities includes share premium contributions from shareholders, dividends paid, proceeds from borrowings and repayments from borrowings.

Net cash generated from operating activities

Net cash generated from operating activities increased by UAH 508 million or 55 per cent to UAH 1,428 million for the six month period ended 30 June 2019 as compared to UAH 920 million for the six month period ended 30 June 2018. This increase was primarily driven by increased electricity generation following commissioning of the Nikopol solar power plant and Primorsk wind energy plant in February and March 2019, respectively.

Net cash generated from operating activities decreased by UAH 1,458 million or 86 per cent to UAH 242 million for the year ended 31 December 2018 as compared to UAH 1,700 million for the year ended 31 December 2017. This decrease was driven by an increase in working capital employed in trade and other receivables to UAH 1,565 million, namely due to the VAT payments for imported equipment made during the year ended 31 December 2018 (the balance of reimbursable VAT credit increased by UAH 1,365 million). Working Capital also increased due to an increase in trade receivables by UAH 143 million due to legislative changes in settlement computations adopted during the year ended 31 December 2018.

Net cash generated from operating activities increased by UAH 168 million or 11 per cent to UAH 1,700 million for the year ended 31 December 2017 as compared to UAH 1,532 million for the year ended 31 December 2016. This increase was driven by a decrease in settlements of interest made during the year ended 31 December 2017 compared to the year ended 31 December 2016, as a result of the Group's debt restructuring in the year ended 31 December 2016 and accrued interest settled at that time.

Net cash used in investing activities

Net cash used in investing activities increased by UAH 4,153 million or 203 per cent to UAH 6,196 million for the six month period ended 30 June 2019 as compared to UAH 2,043 million for the six month period ended 30 June 2018. This increase was driven by significant capital expenditures made in the Pokrovsk solar facility, Orlovsk wind facility and second stage of Primorsk wind facility. In the six month period ended 30 June 2019, these investments totalled UAH 6,398 million as compared to UAH 1,614 million of such investments made during the six month period ended 30 June 2018.

Net cash used in investing activities decreased by UAH 5,008 million or 67 per cent to UAH 2,513 million for the year ended 31 December 2018 as compared to UAH 7,521 million for the year ended 31 December 2017. This decrease was driven by a 64 per cent decrease in loans provided to related parties to UAH 2,646 million in the year ended 31 December 2018 as compared to UAH 7,301 million in the year ended 31 December 2017, which is reflective of the Group temporarily investing share premiums which were received at the end of 2017, and was partially offset by an increase in the repayment of loans provided to related parties to UAH 4,536 million in the year ended 31 December 2018 from UAH 2 million in the year ended 31 December 2017. Furthermore, during the year ended 31 December 2018, the Group used cash in the amount of UAH 4,202 million to fund construction of the first and second stages of the Primorsk wind facility, Nikopol solar facility and Orlovsk wind facility, as compared to UAH 378 million invested by the Group in the year ended 31 December 2017 to construct the Tryfanovka solar facility and make the first prepayments funding the construction of the first stage of the Primorsk wind facility.

Net cash used in investing activities increased by UAH 7,271 million or 2,908 per cent to UAH 7,521 million for the year ended 31 December 2017 as compared to UAH 250 million for the year ended 31 December 2016. This increase was primarily driven by an increase in loans provided to related parties in connection with the Group temporarily investing share premiums which it received at the end of 2017.

Net cash used in / generated from financing activities

Net cash generated from financing activities increased by UAH 3,097 million or 171 per cent to UAH 4,907 million for the six month period ended 30 June 2019 as compared to UAH 1,810 million for the six month period ended 30 June 2018. This increase was primarily driven by a contribution of share premium in the amount of UAH 3,003 million during the six months ended 30 June 2019 as compared to UAH 611 million in the six months ended 30 June 2018. In addition, during the six months ended 30 June 2019, the Group received UAH 637 million more from borrowings comparing to the six month period ended 30 June 2018.

Net cash generated from financing activities decreased by UAH 3,607 million or 57 per cent to UAH 2,715 million for the year ended 31 December 2018 as compared to UAH 6,322 million for the year ended 31 December 2017. This decrease was driven by a decrease in share premium contributions from the Group's shareholder to UAH 611 million in the year ended 31 December 2018 as compared to UAH 6,956 million in the year ended 31 December 2017.

Net cash generated from financing activities increased by UAH 7,573 million to UAH 6,322 million generated from financing activities for the year ended 31 December 2017 as compared to UAH 1,251 million used in financing activities for the year ended 31 December 2016. This increase was partially driven by a share premium contribution from the Group's shareholder to UAH 6,956 million in the year ended 31 December 2017. The increase was also partially driven by a higher repayment of additional borrowings in the year ended 31 December 2016 of UAH 1,701 million, as a result of a debt restructuring in the period, as compared to UAH 809 million in the year ended 31 December 2017.

Capital expenditures

The process by which the Group brings projects under development into the operational phase requires significant capital expenditures into fixed assets and the Group plans to continue to make capital expenditures to finalise projects that are currently being constructed and to develop and construct new facilities. The Group's total capital expenditures for the years ended 31 December 2016, 2017 and 2018 were UAH 8 million, UAH 370 million and UAH 9,556 million, respectively. The Group's total capital expenditures for the six months ended 30 June 2018 and 2019 were UAH 3,648 million and UAH 7,740 million, respectively. Going forward, capital expenditures will be subject to certain restrictions set out in the terms and conditions of the Notes. For further information, see "*—Capital resources,*" "*Risk Factors—Risks relating to the Group's business—The*

Group may not be able to finance the growth of its business, including the development and construction of the Group's development projects" and "*Terms and Conditions*".

The Group expects to fund future capital expenditures to develop, construct and maintain solar and wind plants with cash generated by operations, as well as drawing upon existing debt facilities and accessing the international debt capital markets. The Group expects total capital expenditures in projects in development for the six months ending 31 December 2019 to be UAH 544 million. In order to bring additional pipeline development projects online, the Group also intends to make UAH 16,554 million of capital expenditures in the year ended 31 December 2020 and UAH 15,265 million of capital expenditures in the year ended 31 December 2021. For further discussion of the Group's specific construction and development projects, see "*Overview—Portfolio of assets*", "*Business—Description of the Group's constructed projects*" and "*Business—Description of the Group's development projects*". Expected capital expenditure figures do not fall within the scope of the Independent Consultant's Report.

Contractual commitments and contingent liabilities

Tax legislation

Ukrainian tax and customs legislation is subject to varying interpretations and fiscal periods remain open to review by tax authorities for three calendar years preceding the year of review (and in some cases for longer periods, for example fiscal periods will be open to review for seven calendar years preceding the year of review for transfer pricing purposes). The Group also incurs income tax liability in other jurisdictions and the ultimate tax consequences of many of the Group's transactions are uncertain, in part due to uncertainty around timing. The Group continually assesses circumstances and transactions in which final tax sums differ from original estimates and such differences are recognised as income tax provisions in the period in which the differences become apparent. The Group believes that it continues to take appropriate measures to ensure compliance with all applicable tax legislation.

Capital expenditure commitments

As at 30 June 2019, the Group had capital expenditure commitments in respect of property, plant and equipment totalling UAH 2,451 million.

Purchase commitments

As at 30 June 2019, the Group did not have any contractual purchase commitments.

Environmental matters

Ukrainian environmental legislation and regulation continues to evolve and the Group periodically evaluates obligations under environmental regulations and, where identified and applicable, recognizes these obligations in the financial statements of the Group immediately. Potential liabilities resulting from changing environmental legislation cannot be estimated, but the Group's management believes that as of the date of these Listing Particulars there are no significant environmental damage liabilities.

Insurance

The Group's insurance policies cover risks associated with the loss or damage of 100 per cent of the Group's plant property and equipment and a loss of profit resulting from the work breakdown covering twelve months of revenue. As at 30 June 2019 amount of plant, property and equipment covered by existing insurance policies was UAH 15,260 million.

Lease of land

The Group leases the land on which its constructed projects and developing projects are located. The Group's annual land tax payments for the years ended 31 December 2016, 2017 and 2018 amounted to UAH 0.8 million, UAH 0.9 million and UAH 19.7 million, respectively. The Group anticipates total annual lease payments for the year ended 31 December 2019 to be UAH 58 million.

Summary of Borrowings as of 30 June 2019

As at 30 June 2019, bank borrowings totalling UAH 5,833 million (€196 million equivalent) were secured with property, plant and equipment, financial investments, trade and other receivables and cash and cash equivalents. As at 30 June 2019, non-bank borrowings totalling UAH 3,697 million (€124 million equivalent) were secured with property, plant and equipment and cash and cash equivalents.

The following table presents the maturity profile of the Group's indebtedness based on the carrying amount of borrowings and the maturities of tranches within revolving facilities (final maturities of revolving facilities not taken into account), including accrued interest as of 30 June 2019:

From the date of these Listing Particulars, borrowings due within	Total amount (UAH millions)	Total amount outstanding (€millions[(1)])
1 year	4,979	167
1 – 2 years	2,295	77
2 – 5 years	5,604	188
After 5 years	4,018	135
Total	**16,896**	**568**

(1) For informational purposes only, certain financial and other information has been converted to UAH at an exchange rate of €29.73 to UAH 1.00, which represents the average exchange rates for buy-sell transactions of Euro to UAH reported by the NBU on the banking day previous to 30 June 2019 (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. For additional information, see "*Exchange Rates*".

The table below presents the Group's profile of expected outstanding debt for each project from 2019 to 2024, sourced from the Group's current borrowing agreements and assuming a fully utilised and withdrawn credit line for Primorsk I and Primorsk II in the fourth quarter of 2019. The table below does not reflect the proceeds of the Notes.

EUR mn	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Tryfanovka	5.4	5.1	5.0	4.7	4.3	4.0	3.9	3.6	3.3	3.0	2.8	2.6	2.2	1.9	1.7	1.5	1.1	0.8	0.7	0.4	0.0	0.0
Botievo Stage 1	67.6	60.8	57.4	53.9	50.5	43.6	40.2	36.7	33.3	26.5	23.0	19.6	16.1	6.7	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Botievo Stage 2	36.4	31.1	28.4	25.8	23.1	17.8	15.1	12.4	9.8	4.5	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primorsk I	86.0	85.8	83.5	81.3	79.0	76.8	74.5	72.2	70.0	67.7	65.5	63.2	61.0	58.7	56.4	54.2	51.9	49.7	47.4	45.2	42.9	40.6
Primorsk II	42.2	90.0	87.8	85.5	83.3	81.0	78.8	76.5	74.3	72.0	69.8	67.5	65.3	63.0	60.8	58.5	56.3	54.0	51.8	49.5	47.3	45.0
Nikopol	134.1	134.1	126.6	126.6	119.2	119.2	111.7	111.7	104.3	104.3	96.8	96.8	89.4	89.4	81.9	81.9	74.5	74.5	67.0	67.0	59.6	59.6
Orvlosk	21.0	21.0	21.0	20.3	19.4	18.4	17.4	16.4	15.4	14.4	13.5	12.5	11.5	10.5	9.5	8.5	7.5	6.6	5.6	4.6	3.6	2.6

As of 30 June 2019, the Group's borrowings amounted to UAH 14,055 million (€473 million equivalent), of which UAH 9,530 million (€321 million equivalent) was secured by pledges over the Group property and UAH 4,525 million (€152 million equivalent) was unsecured.

See "*Description of Indebtedness*" for further details on the Group's borrowings.

Off-Balance sheet arrangements

As at 30 June 2019, the Group did not have any off-balance sheet arrangements other than as disclosed under *"Liquidity and capital resources – Capital expenditure commitments"* and *"Summary of Borrowings as of 30 June 2019"*.

Quantitative and qualitative disclosures about market risk

The Group's activities expose it to market risk, concentration credit risk, interest rate risk and currency risk.

Market risk

The Group faces exposure to market risk through open positions in foreign currencies and interest bearing assets and liabilities, both of which are exposed to general and specific market movements. The Group places limits on and monitors daily the value of risk that may be accepted; however, losses outside of these limits remain possible in the event of significant market movements.

Concentration credit risk

As at 30 June 2019, the Group had aggregated loans receivable from related party balances amounting to UAH 4,809 million. As at 30 June 2019, the Group's financial investments were held within two banks and cash and cash equivalents were primarily held within three banks. As at 30 June 2019, 99.7 per cent of the Group accounts receivables balance was represented by one counterparty. As at 30 June 2019, the Group's maximum exposure to credit risk was UAH 7,461 million, comprising the carrying value of trade and other receivables, financial investments, loans receivable and cash. As at 30 June 2019, the Group did not hold any collateral as security.

Interest rate risk

The Group income and operating cash flows are substantially independent of changes in market interest rates. The Group has significant interest bearing assets with related parties and borrowings at fixed rates expose it to fair value interest rate risk.

Currency risk

The Group operates within Ukraine and accordingly its exposure to foreign currency risk is mainly in respect of borrowings, loans receivable and cash balances and deposits denominated in Euro and US dollars. NEURC recalculates the UAH equivalent of FiT on a quarterly basis and the Group repays most of its indebtedness on either a monthly and quarterly basis (with one loan repaid on a semi-annual basis), which partially mitigates the currency risk associated with the Group's payments on outstanding indebtedness. Increasing domestic uncertainty, led to volatility in the currency exchange market and resulted in significant downward pressure on the Hryvnia relative to major foreign currencies. These fluctuations, if significant, may create pressure on the Group as the Group is obliged to revalue its foreign currency denominated monetary assets and liabilities as at the balance sheet dates following the requirements of IAS 21 Effects of Changes in Foreign Exchange Rates. The Group does not have significant exposure to other currencies except for the aforementioned points.

Liquidity risk

The Group's management believes that the Group is able and will continue to be able to meet its operating expenses and existing indebtedness obligations through revenue generated from operating activities as well as through drawings made upon existing credit facilities, raising new project-level debts outside of the Restricted Group, or opportunistically accessing the international capital markets. For further discussion, see "*—Liquidity and capital resources—Capital requirements, capital resources and liquidity*".

BUSINESS

The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain financial and other information in this "Business" section has been converted from Hryvnia to Euro and certain forecast financial information has been converted from Euro to Hryvnia. For additional information on the exchange rates used, see "Exchange Rates". The Issuer's financial results are not included in the Financial Statements or any of the consolidated financial information of the Group set out in these Listing Particulars as the Issuer became a part of the Group in October 2019, following the transfer by DTEK Energy B.V. of 100 per cent of the share capital of the Issuer to the Company.

Overview of the Group

Established in 2008, the Group is the largest renewable energy producer in Ukraine by electricity generation installed capacity. According to the NEURC, as of 30 June 2019, the Group's installed capacity represented 47 per cent and 10 per cent of wind and solar energy installed capacity, respectively, in Ukraine, whereas the Group's nearest competitors represented 27 per cent and 10 per cent, respectively, of total wind and solar energy installed capacity in Ukraine, net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories. The Group has a proven track record of successful greenfield development and all of the Group's projects, with the exception of Tryfanovka, are of utility-scale, have operating equipment purchased from leading manufacturers and are located in areas with top-quartile wind resource or solar irradiation. In the year ended 31 December 2018, the Group had average availability factors of 97.7 per cent and 99.9 per cent for wind and solar projects, respectively, and average net capacity factors of 38 per cent and 15 per cent for wind and solar projects, respectively. As of 30 June 2019, the Group's installed capacity from constructed projects, as defined herein, amounted to 510 MW and as of the date of these Listing Particulars, installed capacity from constructed projects amounts to 950 MW. The Group's management expects that installed capacity from constructed projects will be 950 MW by 31 December 2019, 1,170 MW by 31 December 2020, 1,840 MW by 31 December 2021 and 1,905 MW by 31 December 2022 with the inclusion of its development projects. Additionally, the Group is the largest private investor in the wind and solar power energy sector in Ukraine and the Group's constructed projects reflect this investment. Since its establishment, the Group's total capital and operating expenditures have reached approximately €1.2 billion. The Group intends to continue to deploy further capital to invest in its current development project pipeline in order to increase its renewable energy installed capacity.

In the years ended 31 December 2016, 2017 and 2018, the Group had revenue of UAH 2,037 million, UAH 2,116 million and UAH 2,493 million, respectively (€72 million, €71 million and €78 million equivalent), profit for the period of UAH 676 million, UAH 403 million and UAH 1,302 million, respectively (€24 million, €13 million and €40 million equivalent) and EBITDA of UAH 1,773 million, UAH 1,788 million and UAH 2,036 million, respectively (€63 million, €60 million and €63 million equivalent). For the six months ended 30 June 2018 and 2019, the Group had revenue of UAH 1,250 million and UAH 2,072 million, respectively (€39 million and €68 million equivalent), profit for the period of UAH 154 million and UAH 1,467 million, respectively (€5 million and €48 million equivalent) and EBITDA of UAH 1,007 million and UAH 1,766 million, respectively (€31 million and €58 million equivalent).

The Independent Consultant's Report forecasts that in the years ended 31 December 2019, 2020, 2021 and 2022, the Group's constructed projects will generate 1,470 GWh, 2,439 GWh, 2,433 GWh and 2,428 GWh of electricity, respectively, UAH 5,164 million, UAH 9,276 million, UAH 9,839 million and UAH 10,399 million (€173.3 million, €285.4 million, €285.2 million and €285.7 million equivalent) of revenue, respectively, and UAH 4,196 million, UAH 8,164 million, UAH 8,704 million and UAH 9,184 million (€140.8 million, €251.2 million, €252.3 million and €252.3 million equivalent) of forecast EBITDA. The Independent Consultant's Report also forecasts that for the years ended 31 December 2019, 2020, 2021 and 2022, the forecast EBITDA margin for the Group's constructed projects will be 81 per cent, 88 per cent, 88 per cent and 88 per cent, respectively. See "—*Independent Consultant's Report*".

Portfolio of assets

As of the date of these Listing Particulars, the Group has (i) seven constructed projects in operation with a combined installed capacity of 950 MW, comprising four constructed wind energy projects with a total installed capacity of 500 MW (Botievo, Primorsk I, Primorsk II and Orlovsk) and three constructed solar energy projects with a total installed capacity of 450 MW (Nikopol, Pokrovsk and Tryfanovka) and (ii) four development projects with an expected combined installed capacity of 955 MW, comprising one wind energy project with a planned installed capacity of 565 MW (Tiligul) and three solar energy projects with a planned installed capacity of 390 MW (Pavlogradskaya, Troitskaya and Vasilkovskaya). For additional information on how the Group defines "constructed" and "development" projects, see "*Business—Description of the Group's constructed projects*", "*Business—Description of the Group's development projects*" and "*Definitions*". Taking into account the expected timing for the construction of its development projects, the Group expects that its total installed capacity from constructed projects will be 950 MW, 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2019, 2020, 2021 and 2022, respectively. For further details, see "*Business—Description of the Group's constructed projects*" and "*Business—Description of the Group's development projects*".

The following table presents key data for each of the Group's constructed projects:

Project ***(wind / solar)***	**Botievo**[(1)] **(wind)**	**Tryfanovka (solar)**	**Primorsk I (wind)**	**Nikopol (solar)**	**Primorsk II**[(3)] **(wind)**	**Pokrovsk**[(2)] **(solar)**	**Orlovsk**[(2)] **(wind)**
Capacity / output	200 MW / 655 GWh	10 MW / 12 GWh	100 MW / 339 GWh	AC 200 MW / 291 GWh	100 MW / 366 GWh	AC 240 MW / 405 GWh	100 MW / 370 GWh
Net capacity factor	38%	14%	39%	17%	42%	19%	44%
FiT rate	€113 / MWh	€150 / MWh	€102 / MWh	€150 / MWh	€102 / MWh	€150 / MWh	€102 / MWh
Completion timing	1st stage: in operation: – September 2012; full capacity - February 2013 2nd stage: in operation: - December 2013; full capacity - March 2014	In operation: August 2017 Full capacity: August 2017	In operation: March 2019 Full capacity: July 2019	In operation: March 2019 Full capacity: March 2019	24 of 26 turbines in operation October 2019 Remaining 2 of 26 turbines expected in operation by early November 2019 Full capacity: November 2019 (expected)	In operation: October 2019 Full capacity: October 2019	In operation: October 2019 Full capacity: October 2019
Key equipment suppliers	Vestas, ABB	JA Solar, ABB	GE Renewable Energy	CMEC	GE Renewable Energy	Risen Solar Technology, K-Star	Vestas
Forecast EBITDA for the year ended 31 December:[(4)]							
2019	UAH 1,871 million (€62.8 million equivalent)	UAH 51 million (€1.7 million equivalent)	UAH 608 million (€20.4 million equivalent)	UAH 1,129 million (€37.9 million equivalent)	UAH 250 million (€8.4 million equivalent)	UAH 83 million (€2.8 million equivalent)	UAH 206 million (€6.9 million equivalent)
2020	UAH 1,992 million (€61.3 million equivalent)	UAH 52 million (€1.6 million equivalent)	UAH 936 million (€28.8 million equivalent)	UAH 1,268 million (€39.0 million equivalent)	UAH 1,056 million (€32.5 million equivalent)	UAH 1,807 million (€55.6 million equivalent)	UAH 1,053 million (€32.4 million equivalent)
2021	UAH 2,125 million (€61.6 million equivalent)	UAH 55 million (€1.6 million equivalent)	UAH 1,014 million (€29.4 million equivalent)	UAH 1,321 million (€38.3 million equivalent)	UAH 1,139 million (€32.8 million equivalent)	UAH 1,884 million (€54.6 million equivalent)	UAH 1,170 million (€33.9 million equivalent)
2022	UAH 2,257 million (€62.0 million equivalent)	UAH 58 million (€1.6 million equivalent)	UAH 1,070 million (€29.4 million equivalent)	UAH 1,383 million (€38.0 million equivalent)	UAH 1,198 million (€33.0 million equivalent)	UAH 1,980 million (€54.3 million equivalent)	UAH 1,241 million (€34.1 million equivalent)
Total project costs [(5)]	UAH 10,346 million (€340 million equivalent)	UAH 304 million (€10 million equivalent)	UAH 4,504 million (€148 million equivalent)	UAH 6,421 million (€211 million equivalent)	UAH 4,473 million (€147 million equivalent)	UAH 5,508 million (€181 million equivalent)	UAH 3,530 million (€116 million equivalent)

(1) Botievo reached full capacity in two stages: (92 MW) was commissioned in February 2013 and the second stage (108 MW) was commissioned in March 2014.

(2) The Orlovsk Guarantor and the Pokrovsk Guarantor are each Guarantors and will, together with other members of the Group, be subject to certain covenants under the Trust Deed, including financial covenants. See "*Overview of the Offering*" and "*Terms and Conditions*".

(3) With respect to Primorsk II, if the wind turbines still under construction are delayed to after 31 December 2019, the currently anticipated FiT rate will be reduced by 10 per cent in 2020 (see also "*Business—Description of the pre-PPA*" and "*Regulation—Recent regulatory developments—Decrease of FiT for RES Projects*").

(4) Forecasts presented in the Independent Consultant's Report are presented in Euro. Forecasts presented in the Independent Consultant's Report are presented in Euro. For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*". For additional information on forecast EBITDA, see "*Independent Consultant's Report Summary*".

(5) Total project costs consist of capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) incurred during the construction of the project. For informational purposes and for the reader's convenience, total project costs have been converted to Euro at an exchange rate of: for the six months ended 30 June 2019, UAH 30.43 to €1.00. See "*Exchange Rates*."

The following table presents key data for each of the Group's development projects. The information in the below table was not part of the Independent Consultant's review for the purposes of the Independent Consultant's Report.

Project (wind / solar)	**Vasilkovskaya (solar)**	**Pavlogradskaya (solar)**	**Troitskaya (solar)**	**Tiligul (wind)**
Expected capacity / output	AC 115 MW / 197 GWh	AC 105 MW / 157 GWh	AC 170 MW / 284 GWh	565 MW / 1,906 GWh
Expected net capacity factor	19.6%	17.7%	19.1%	38.5%
Expected FiT rate[(1)]	€113 / MWh	€113 / MWh	€109 / MWh	€90 / MWh
Target in operation date	Target: Q4 2020	Target: Q4 2020	Target: Q4 2021	Target: Q4 2021 and Q1 2022
Expected total project costs[(2)]	€96 million	€80 million	€122 million	€891 million

(1) The above expected FiT rate per each development project is subject to: (i) the entry by the Group into a pre-PPA for each such development project by 31 December 2019 and (ii) the commissioning of the solar and wind development projects within two and three years from signing of the relevant pre-PPAs, respectively.

(2) Expected total project costs represent expected capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) on the construction of the project.

The table below presents the Group's installed capacity as of 31 December 2018 and 30 June 2019 and the Group's management expectations of installed capacity as of 31 December 2019, 2020, 2021 and 2022. For further details, see "*Business—Description of the Group's Development Projects*".

	31 December	30 June	31 December			
Project	**2018**	**2019**	**2019**	**2020**	**2021**	**2022**
			(MW)			
Wind Projects	**200**	**300**	**500**	**500**	**1,000**	**1,065**
Botievo[(1)]	200					
Primorsk I[(1)]		100				
Primorsk II[(1)]			100			
Orlovsk[(1)]			100			
Tiligul phase 1[(2)]					500	
Tiligul phase 2[(2)]						65
Solar Projects	**10**	**210**	**450**	**670**	**840**	**840**
Tryfanovka[(1)]	10					
Nikopol[(1)]		200				
Pokrovsk[(1)]			240			
Vasilkovskaya[(2)]				115		
Pavlogradskaya[(2)]				105		
Troitskaya[(2)]					170	
Total	**210**	**510**	**950**	**1,170**	**1,840**	**1,905**

(1) Botievo, Primorsk I, Primorsk II, Orlovsk, Tryfanovka, Nikopol and Pokrovsk are constructed projects. 24 of the 26 Primorsk II turbines are generating electricity under the FiT regime with the remaining two of 26 turbines expected to generate electricity under the FiT regime in November 2019.

(2) Tiligul, Vasilkovskaya, Pavlogradskaya and Troitskaya are development projects which have not been assessed by the Independent Consultant for the purposes of the Independent Consultant's Report.

Consolidated selected operating and financial data and anticipated growth of operations and financial performance

The following table presents the Group's key historical operational and financial indicators for the years ended or as at 31 December 2016, 2017 and 2018 and for the six months ended and as at 30 June 2018 and 2019. For further details, see "*Presentation of Financial and Other Information*".

	Year ended or as at 31 December			Six months ended or as at 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
Operational Indicators					
Installed capacity (MW)	200	210	210	210	510
Electricity output (GWh)	608	638	677	338	554
Net capacity factor (wind/solar) (%)	35 / -	36 / 10	38 / 15	38/15	37/19
Availability factor (wind/solar) (%)	98 / -	97 / 99	98 / 100	97/100	98/98
Financial indicators (in Hryvnia millions, unless otherwise indicated)					
Revenue	2,037	2,116	2,493	1,250	2,072
EBITDA	1,773	1,788	2,036	1,007	1,766
EBITDA margin (%)	87	84	82	81	85
Capex	8	370	9,556	3,648	7,740
External debt	5,099	5,360	10,510	4,507	12,103
Gross leverage	2.9x	3.0x	5.2x	2.3x	4.3x
Financial indicators (in € millions[(1)], unless otherwise indicated)					
Revenue	72	71	78	39	68
EBITDA	63	60	63	31	58
EBITDA margin (%)	87	84	82	81	85
Capex	0.2	12	297	112	254
External debt	179	160	331	147	407
Gross leverage	2.9x	3.0x	5.2x	2.3x	4.3x

(1) The reporting currency of the Group is Hryvnia. For informational purposes and for the reader's convenience, certain profit and loss financial and other information has been converted to Euro at an exchange rate of: (i) for the six months ended 30 June 2019, UAH 30.43 to €1.00, (ii) for the six months ended 30 June 2018, UAH 32.44 to €1.00, (iii) for the year ended 31 December 2018, UAH 32.15 to €1.00, (iv) for the year ended 31 December 2017, UAH 30.01 to €1.00 and (v) for the year ended 31 December 2016, UAH 28.28 to €1.00, each which represents the average exchange rates based on daily exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). Certain balance sheet financial and other information has been converted to Euro an exchange rate of: (i) as at 30 June 2019, UAH 29.73 to €1.00, (ii) as at 30 June 2018, UAH 30.57 to €1.00, (iii) as at 31 December 2018, UAH 31.71 to €1.00, (iv) as at 31 December 2017, UAH 33.50 to €1.00 and (v) as at 31 December 2016,

UAH 28.42 to €1.00, each representing the exchange rates for buy-sell transactions of Hryvnia to Euro reported by the NBU on the previous banking day (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Hryvnia or Euro amounts referred to herein could have been converted into Euro or Hryvnia, as the case may be, at any particular exchange rate or at all. See "*Exchange Rates*".

The following table presents forecast operational and financial indicators for the Group's constructed projects as at and for the years ended 31 December 2019, 2020, 2021 and 2022 as presented in the Independent Consultant's Report and as translated to Hryvnia. For further details, see "*Presentation of Financial and Other Information*", "*Forward-Looking Statements*" and "*Independent Consultant's Report Summary*".

	Year ended 31 December			
	2019	**2020**	**2021**	**2022**
Operating metrics				
Capacity (MW)	950	950	950	950
Generation (MWh)	1,470.1	2,439.4	2,433.4	2,428.2
Net capacity factor:				
Wind	38%	40%	40%	40%
Solar	19%	18%	18%	17%
Availability factor:				
Wind	97%	97%	98%	98%
Solar	98%	98%	99%	99%
Financial forecasts (in Hryvnia millions[(1)], unless otherwise indicated)				
Revenues	5,164	9,276	9,839	10,399
Operating expenses:	(831)	(907)	(938)	(997)
Administrative expenses	(137)	(205)	(200)	(218)
Forecast EBITDA	4,196	8,164	8,704	9,184
Forecast EBITDA margin (%)	81%	88%	88%	88%
Financial forecasts (in € millions, unless otherwise indicated)				
Revenues	173.3	285.4	285.2	285.7
Operating expenses:	(27.9)	(27.9)	(27.2)	(27.4)
Administrative expenses	(4.6)	(6.3)	(5.8)	(6.0)
Forecast EBITDA	140.8	251.2	252.3	252.3
Forecast EBITDA margin (%)	81%	88%	88%	88%

(1) For informational purposes and for the reader's convenience, certain forecast financial information has been converted to Hryvnia at an exchange rate of (i) UAH 29.80 to €1.00 for the year ended 31 December 2019, (ii) UAH 32.50 to €1.00 for the year ended 31 December 2020, (iii) UAH 34.50 to €1.00 for the year ended 31 December 2021 and (iv) UAH 36.40 to €1.00 for the year ended 31 December 2022, each representing the Group's management forecast of the Euro to Hryvnia exchange rate for the relevant period based upon (i) the historic Euro to Hryvnia exchange rate for the previous period and NDF rates sourced from Bloomberg until year end, (ii) inflation forecasts in regard to U.S. Dollars and Hryvnia, (iii) forecast Euro to U.S. Dollar exchange rates sourced from IHS Global Insight, Bloomberg, The Economist Intelligence Unit, Oxford Economics and International Monetary Fund and (iv) historic Euro to U.S. Dollar exchange rate information. The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. No representation is made that the Euro amounts referred to herein could have been or could be converted into Hryvnia at any particular exchange rate or at all. See "*Exchange Rates*".

Competitive strengths

The Group believes it has a number of key competitive strengths that have contributed to its commercial success and that will be important to the implementation of its ongoing growth strategy.

Leading market position

The Group is the largest renewable energy producer in Ukraine, with an integrated renewable energy platform that accounted for nearly 25 per cent of electricity generated from wind and solar resources in Ukraine in the year ended 31 December 2018, according to NEURC. As of 30 June 2019, the Group's installed capacity represented 47 per cent and 10 per cent of wind and solar energy installed capacity, respectively, in Ukraine, whereas the Group's nearest competitors represented 27 per cent (WindKraft) and 10 per cent (CNBM), respectively, of total wind and solar energy installed capacity in Ukraine, net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories, according to NEURC. The Group has over six years of proven operating experience and is one of the longest standing renewable energy producers in Ukraine. Additionally, the Group has a proven development track record, with the Botievo wind farm notably being the first utility-scale renewable energy project in the country. All of the Group's projects, with the exception of Tryfanovka, are of utility-scale, have operating equipment purchased from leading manufacturers and are located in areas with top-quartile wind resource or solar irradiation. Having accounted for nearly 25 per cent of electricity generated from wind and solar resources in Ukraine in the year ended 31 December 2018, according to NEURC, the Group is also the country's largest renewable energy producer. The Group is focused on maintaining high availability and net capacity factors at its constructed projects to enable the Group to generate stable and predictable cash flows. In the year ended 31 December 2018, the Group had average availability factors of 97.7 per cent and 99.9 per cent for wind and solar projects, respectively, and average net capacity factors of 38 per cent and 15 per cent for wind and solar projects, respectively. The Group also has one of the largest in-house teams supporting both the Group's constructed and development projects in Ukraine.

Strong market fundamentals and attractive tariff regime

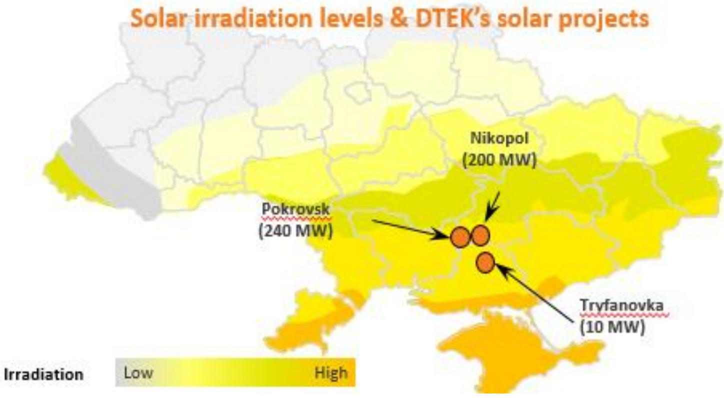
The Group operates in a strong and growing renewable energy industry, underpinned by a supportive regulatory environment. Under the EU Energy Community Treaty, to which Ukraine acceded on 1 February 2011, Ukraine has a contractual obligation to adopt the EU's legal and regulatory framework for the energy sector and to support the generation of renewable energy. As described in the Ukraine Energy Strategy for 2035, the Ukrainian government aims to have at least 25 TWh, or approximately 12.8 per cent of total electricity generated in Ukraine, generated by wind and solar energy sources by 2035 from 2.8 TWh, or approximately 1.8 per cent, in 2018. Ukraine's total wind and solar electricity generation installed capacity in the year ended 31 December 2018 amounted to 1.9 GW, representing only 3.9 per cent of the country's total electricity generation installed capacity and illustrating the room or growth in the renewable energy sector in connection with the Ukraine Energy Strategy for 2035. Additionally, the Ukrainian regulatory drive to align with the EU norms and requirements as described in the Ukraine Energy Strategy for 2035 is also supported by the government's geopolitical strategy to increase energy independence and reduce energy imports to below 33 per cent by 2035. These complementary goals have led to an overall supportive and conducive regulatory environment for the ongoing growth of the country's renewable energy sector.

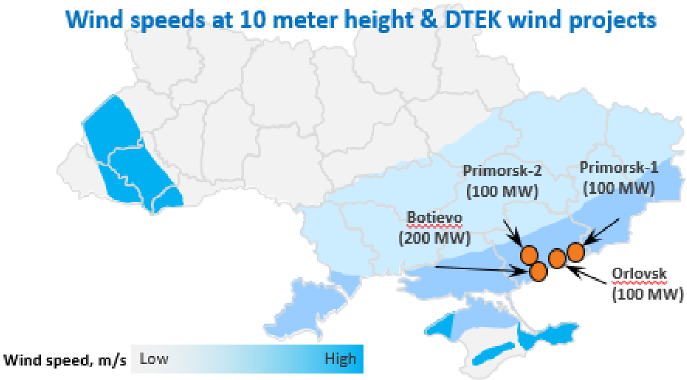
The government also supports the country's renewable energy sector through the provision of PPAs by NEURC under which the Guaranteed Buyer purchases all of the electricity produced by qualifying renewable energy projects under the FiT regime. The FiT regime was introduced in 2009 and will remain in effect until 31 December 2029. The FiT regime secures an offtake of all electricity produced by qualifying projects. Electricity that is produced by qualifying projects under the FiT regime is sold to the Guaranteed Buyer at the relevant FiT rate and the Guaranteed Buyer sells the electricity to consumers through the day-ahead domestic, intraday and balancing markets. Under the FiT regime, the FiT rate is fixed in Euro and paid in UAH, while the UAH amount is rebased every three months to adjust for currency fluctuations. All of the Group's constructed projects qualify for the FiT regime and the Group expects that each of its development projects will also qualify for the FiT regime based on anticipated completion time. For the additional information on current and expected FiT rates, see "*Operating and Financial Review—Overview of the Group—Portfolio of assets*". To receive the applicable expected FiT rates, the Group must enter into pre-PPAs for each of its development projects by 31 December 2019. The Group expects to enter into a pre-PPA for Vasilkovskaya and Pavlogradskaya in November 2019 and a pre-PPA for Troitskaya and Tiligul by 31 December 2019 (see "*Business—Power Purchase Agreements*").

High quality constructed project portfolio

Since its establishment, the Group has invested approximately €1.2 billion in its constructed and development projects, each of which located in areas with top-quartile wind resource or solar irradiation. The Group's constructed projects have a total installed capacity of 950 MW and the Group's management expects that with the commissioning of its development projects in the coming years the Group's overall installed capacity will increase to 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2020, 2021 and 2022, respectively. The high quality of the Group's constructed projects is illustrated by the Botievo wind farm, which was commissioned more than six years ago and was the first utility-scale project in Ukraine. In the six months ended 30 June 2019 and the year ended 31 December 2018, Botievo had an availability factor of 97.9 per cent and 97.7 per cent, respectively, and a net capacity factor of 37 per cent and 38 per cent, respectively. The Group sources equipment for its wind and solar projects from the industry's leading manufacturers and the Group's management believes that this ensures high reliability of its operations. In particular, the Group purchases major components such as turbines, solar modules, inverters, cables, trackers, transformers and supervisory control and data collection systems from such manufacturers as ABB, CMEC, China XO Group, GE Renewables, Risen, Seraphim Solar, Siemens, Trina Solar and Vestas. Furthermore, the Group's equipment manufacturers provide fully wrapped O&M agreements in which substantially all obligations and responsibilities for the service and maintenance of the operating equipment are allocated to the OEMs, and which typically provide availability and performance guarantees for the applicable equipment and projects. For further details, see "*Business—Equipment Suppliers and Service Providers*" and "*Business—Operation and Maintenance*".

Additionally, the Group's internal planning and investment controls ensure that Group's projects are located in regions with strong meteorological resources and in which the Group has strong internal knowledge. The Group's management believes that as a result of the Group's in-house site selection and operational capabilities, the Group's constructed and development projects benefit from advantageous geographical locations and strong and consistent meteorological resources. The images below illustrate average wind speed and solar irradiation levels at the Group's constructed wind and solar projects.





Botievo, Primorsk I and Primorsk II each have wind sources with an average wind speed of 8.0 m/s at a hub height of 100 metres and Orlovsk has a wind source with an average wind speed of 8.3 m/s at a hub height of 117 metres. Tryfanovka benefits from solar irradiation of 1,303 kWh/m² as reported by Solar resource data Solargis 2016 and Nikopol and Pokrovsk both benefit from solar irradiation of 1,310 kWh/m² as reported by Solar resource data Solargis 2018. For additional information, see "*Business—Description of the Group's constructed projects—Overview of the Group's constructed projects*."

Wind projects typically achieve a higher net capacity factor and produce more electricity across the six months of autumn and winter and solar projects typically achieve a higher net capacity factor and produce more electricity across the six months of spring and summer. Similarly, wind projects produce more electricity at night and solar projects during the day, making the Group's projects complementary in terms of providing the Group with more seasonally adjusted and predicable cash and will improve financial planning.

Significant and advanced development project pipeline and demonstrated excellence in bringing development projects online

In addition to the Group's constructed projects, the Group has a strong pipeline of utility-scale development projects, comprising one wind energy development project (Tiligul) and three solar energy development projects (Pavlogradskaya, Troitskaya and Vasilkovskaya). The Group's management expects that the commissioning of its development projects will increase the Group's combined electricity generation installed capacity to 1,170 MW, 1,840 MW and 1,905 MW by 31 December 2020, 2021 and 2022, respectively. The Group has significant experience and a demonstrated track record in bringing new projects online. The Group's first wind project, Botievo was commissioned more than six years ago and was the first utility-scale project in Ukraine and the Group has applied its experience from the successful commissioning of Botievo in the development of each of its subsequent constructed projects. The Group maintains strong and disciplined construction capabilities, as illustrated by the commissioning of the Primorsk I project in a 25 month period and of the Nikopol project in less than 18 months. For solar projects, the Group acted as general contractor for the Pokrovsk project and will seek to act as the master contractor for all of its solar energy plants going forward. The Group also maintains pricing and implementation discipline while advancing its development projects. Each of the Group's constructed projects have been built within budget and delivered ahead of schedule with the exception of Primorsk I, which was commissioned with only a slight delay despite encountered challenges including the delayed delivery by certain suppliers of components and equipment (see "*Risk Factors— The Group faces risks and uncertainties when developing wind and solar energy projects*"). Furthermore, the Group believes that its development pipeline projects benefit from low risk profiles as they largely mirror the Group's constructed projects, allowing the Group to draw upon accumulated experience and long-standing supplier relationships to increase efficiency and ensure smooth construction and implementation of each pipeline development project.

Long-term, stable cash generation

All of the Group's constructed projects qualify for the FiT regime and the Group's management expects each of the Group's development projects to qualify under the FiT regime as well, providing the Company with long-term stable cash flows and long-term revenue visibility. The PPAs applicable to the Group's constructed and development projects provide a guaranteed offtake commitment for all produced electricity until 29 December 2029 at a fixed tariff rate. FiT tariffs are denominated in Euro and adjusted on a quarterly basis to track the UAH/Euro exchange rate. Furthermore, the Group's management believes that its O&M agreements, which include performance and availability guarantees, allow it to plan stable maintenance operating expenses.

In the years ended 31 December 2016, 2017 and 2018, the Group had revenue of UAH 2,037 million, UAH 2,116 million and UAH 2,493 million, respectively (€72 million, €71 million and €78 million equivalent), EBITDA of UAH 1,773 million, UAH 1,788 million and UAH 2,036 million, respectively (€63 million, €60 million and €63 million equivalent), EBITDA margin of 87 per cent, 84 per cent and 82 per cent, respectively, and free cash flow of UAH 1,524 million, UAH 1,322 million and UAH (3,960) million, respectively (€54 million, €44 million and €(123) million equivalent). For the six months ended 30 June 2018 and 2019, the Group had revenue of UAH 1,250 million and UAH 2,072 million, respectively (€39 million and €68 million equivalent), EBITDA of UAH 1,007 million and UAH 1,766 million, respectively (€31 million and €58 million equivalent), EBITDA margin of 81 per cent and 85 per cent, respectively, and free cash flow of UAH (694) million and UAH (4,970) million, respectively (€(22) million and €(163) million equivalent).

The Independent Consultant's Report forecasts that in the years ended 31 December 2019, 2020, 2021 and 2022, the Group's constructed projects will generate 1,470 GWh, 2,439 GWh, 2,433 GWh and 2,428 GWh of electricity, respectively, UAH 5,164 million, UAH 9,263 million, UAH 9,839 million and UAH 10,399 million (€173.3 million, €285.4 million, €285.2 million and €285.7 million equivalent) of forecast revenue, respectively, and UAH 4,196 million, UAH 8,164 million, UAH 8,704 million and UAH 9,184 million (€140.8 million, €251.2 million, €252.3 million and €252.3 million equivalent) of forecast EBITDA. See "*—Independent Consultant's Report*". The Group intends to use its near- and mid-term operating cash flows to repay outstanding indebtedness and reduce its leverage ratio, pay dividends to shareholders and to support selective, opportunistic and disciplined electricity generation installed capacity expansion.

Experienced management team and strong in-house capabilities

The Group has an experienced senior management team with a proven track record of constructing, developing and operating renewable energy assets. Under the stewardship of the Group's senior management team, which has over 75 years of combined renewable energy experience, the Group's operating and financial performance has grown significantly. For further details, see "*Summary Historical Consolidated Financial Information*". The Group employs approximately 207 full-time professionals, which is expected to increase to 259 by 31 December 2019, and has a Ukrainian market leading renewable energy producer in-house team overseeing both constructed and development projects. The Group's in-house team oversees daily operations and general management and administration of the Group's constructed and development projects. For constructed projects, the in-house team conducts daily operations and general management and administration, including health, safety and environment management and regulatory compliance, O&M contracts management, supervision and enforcement, site management, performance, monitoring and analytics. For development projects, the in-house team also performs general management and administration of development projects, including prospective site allocation, resources assessment, land lease, engineering works, permitting, supply and procurement and project contracts execution. Notably, the Group's in-house team successfully developed the Pokrovsk solar project without a general EPC contractor. Going forward, the Group intends to act as the master contractor for solar energy plants, which the Group's management believes will give it more control over the process and costs associated with the development of these projects. The Group's in-house capabilities are further complemented by strong relationships with engineering and legal consultants as well as leading international counterparts, such as Vestas, GE Renewables, Siemens, Trina Solar, Seraphim Solar, ABB, CMEC, Risen, Windguard, Fichtner and Poyry. Equipment service and maintenance of Group assets is outsourced to either OEMs or specialized service companies, with coordination, supervision, execution control and acceptance of servicing and maintenance works managed by the Group's in-house team.

Strong corporate governance

The Group's management team is autonomous and independent from the management of the DTEK Group and reports to the Supervisory Board which includes one independent non-executive director. The Group benefits from a strong corporate governance framework, including (i) the Supervisory Board (ii) the Management Board and (iii) the Audit Committee. The Supervisory Board performs expert and control functions, including approving issues that require the expert opinion of independent directors and provides strategic guidance for the Group. The Management Board is responsible for managing day-to-day activities and implementing the strategy approved by the Supervisory Board. The Audit Committee is responsible for: (i) supervision of the internal control and risk management systems and external and internal audit activities, (ii) analysis and decision making regarding the reliability and accuracy of financial statements and other financial records, (iii) consideration of risk management, internal audit and compliance systems, (iv) recommendations to the Supervisory Board regarding the selection of external auditors and (v) assessment of the scope and quality of audit procedures and the independence and credibility of the external auditor. The quality of the Group's corporate governance contributes to the Group's sustainable development and investment appeal. It also gives additional assurances to shareholders, partners, customers and contributes to the strengthening of the internal control system.

Strategies

The key pillars of the Group's strategy are:

Maintain operational excellence

The Group intends to focus on maintaining its operational excellence, including by seeking to bring development projects online on time and on budget, continuing to source operating equipment from the industry's leading manufacturers, entering into favourable contractual arrangements with contractors and strengthening its on-site management teams. In the year ended 31 December 2018, the Group's constructed wind projects had an average availability factor of 97.7 per cent and an average net capacity factor of 38 per cent and the Group's constructed solar projects had an average availability factor of 99.9 per cent and an average net capacity factor of 15 per cent. The Group's constructed projects are brought into commission at full capacity and over the first year of operation, the Group focuses on fine-tuning and increasing the availability of generating systems as they are brought into use. These expected fine-tunings are reflected in expected availability and capacity factors for the years ended 31 December 2019, 2020, 2021 and 2022. For the year ended 31 December 2019, the Group's management expects constructed wind projects to have an average availability factor of 97 per cent and an average net capacity factor of 38 per cent and constructed solar projects to have an average availability factor of 98 per cent and an average net capacity factor of 19 per cent. For the year ended 31 December 2020, the Group's management expects constructed wind projects to have an average availability factor of 97 per cent and an average net capacity factor of 40 per cent and constructed solar projects to have an average availability factor of 98 per cent and an average net capacity factor of 18 per cent. For the year ended 31 December 2021, the Group's management expects constructed wind projects to have an average availability factor of 98 per cent and an average net capacity factor of 40 per cent and constructed solar projects to have an average availability factor of 99 per cent and an average net capacity factor of 18 per cent. For the year ended 31 December 2022, the Group's management expects constructed wind projects to have an average availability factor of 98 per cent and an average net capacity factor of 40 per cent and constructed solar projects to have an average availability factor of 99 per cent and an average net capacity factor of 17 per cent. See, also "*Competitive Strengths—High quality constructed project portfolio*".

Expand domestic capacity

The Group's management believes it has an important role to play in expanding Ukraine's renewable energy sector and is committed to supporting the country in the achievement of national energy independence targets. The Group intends to continue to grow its renewable energy business in Ukraine. As of 30 June 2019, the Group's installed capacity from constructed projects, as defined herein, amounted to 510 MW and as of the date of these Listing Particulars, installed capacity from constructed projects amounted to 950 MW. The Group's management expects that installed capacity from constructed projects will be 950 MW by 31 December 2019, 1,170 MW by 31 December 2020, 1,840 MW by 31 December 2021 and 1,905 MW by 31 December 2022.

In the near- and mid-term, the Group plans to focus on commissioning its existing wind and solar development projects and also, more generally, on maintaining its overall market leadership in the Ukraine solar and wind renewable energy industry. In commissioning development projects, the Group will seek to maintain the same pricing, construction and implementation discipline as it demonstrated in the development of its constructed projects. The Group will also deploy its in-house capabilities, including its specialized knowledge of the local market and it's contacts and relationships with regulators, suppliers and other partners in the renewable energy sector, to strategically identify, assess and launch additional development projects to further increase its electricity generation installed capacity.

Achieve industry leading operating and financial performance

In the mid-term, the Group will focus on maintaining its industry leading role in the Ukrainian renewable energy sector as well as improving its operational key performance indicators, including its electricity generation installed capacity, electricity output, net capacity and availability factors. The Group's goal is to become one of the top European renewable energy producers and the Group's management believes the Group can achieve this goal by continuing to focus on disciplined management of its operational projects and the opportunist selection and completion of pipeline development projects to continue to drive the upward trajectory of the Group's key financial indicators, including revenue, EBITDA and EBITDA margin.

Optimise capital structure and profitability

The Group will continue to actively manage its capital structure to ensure its strong financial position going forward, to secure the best possible credit rating and to optimise the Group's return on capital. In the near- and mid-term, the Group expects significant EBITDA growth, to maintain a high EBITDA margin and to benefit from stable cash flow generation as illustrated by the Independent Consultant's Report forecasts. See "*Overview—Independent Consultant's Report Summary*".

Continue to strengthen corporate culture

The Group intends to continue to invest in recruiting and developing the best talent in the renewable energy industry, to further develop its expertise and core competencies, in particular with regard to its in-house operational and development capabilities, and to reinforce its strong corporate governance framework. In addition, in connection with historic and expected growth in electricity generation installed capacity, the Group has experienced significant growth in full time employees over the previous eighteen months and continues to focus on integrating new employees, building a strong corporate culture and developing and capitalizing upon best practices related to the integration of new personnel.

The Group's History and Corporate Structure

The Company is a private limited liability company established in 2013 and is directly owned by DTEK B.V., and beneficially owned by Mr. Rinat Akhmetov, through various entities referred to as SCM. DTEK B.V. was established in 2014 in the Netherlands and is the largest investor in the Ukrainian energy sector as of 31 December 2018. DTEK B.V. is a private company with most of its assets in Ukraine and with six wholly-owned subsidiary companies (sub-holdings), all of which are incorporated in the Netherlands and which are coordinating the operations of their respective assets in Ukraine covering diversified energy sectors such as coal and natural gas, electricity trading, supply and distribution, and electricity generation at fossil fuel and renewable energy power plants. The Company is the holding entity of the renewables activities within the Group. The Group's principal activities consist of the production and sale of electricity generated at wind and solar power plants in Ukraine.

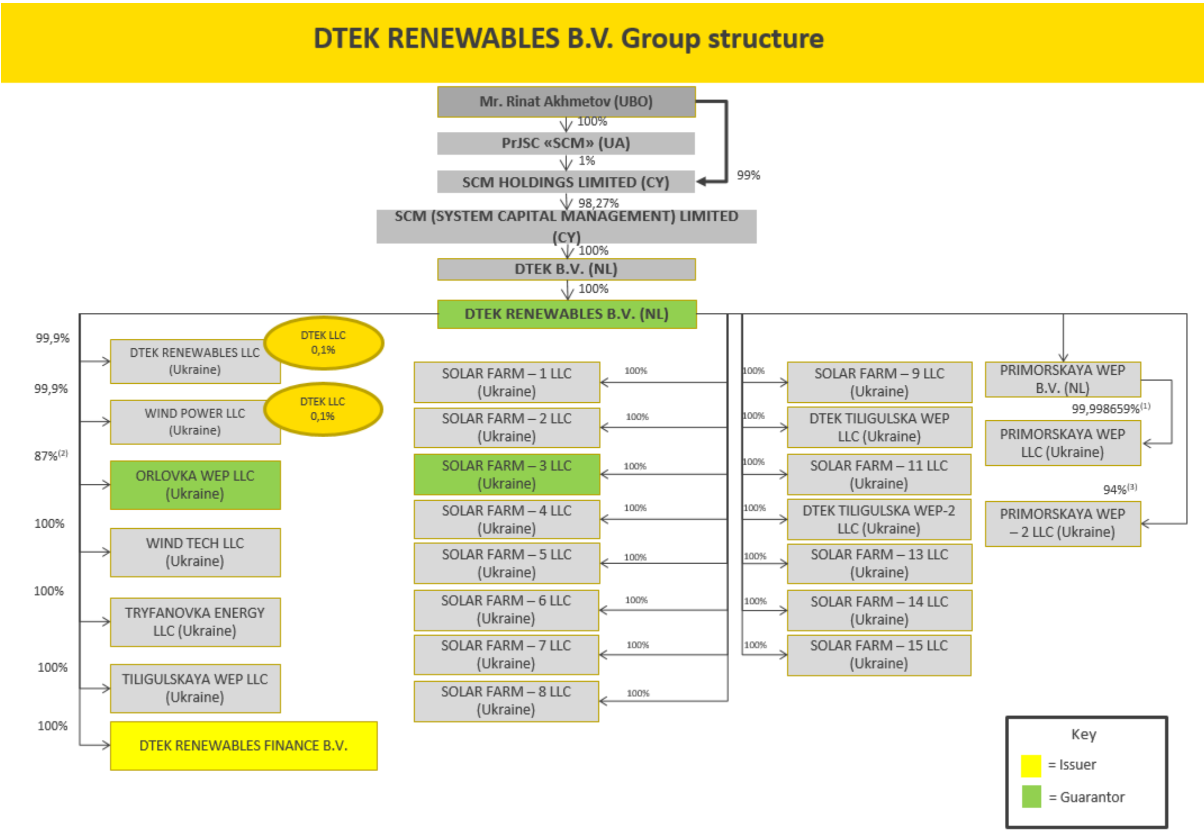
The Issuer (formerly DTEK FINANCE B.V.) was established in 2010 in the Netherlands as a wholly owned subsidiary of DTEK ENERGY B.V. On 1 October 2019, DTEK ENERGY B.V. sold the Issuer to the Company, as a result of which the Issuer has become a wholly owned subsidiary of the Company. Upon this transfer, the Issuer was renamed from DTEK FINANCE B.V. to DTEK RENEWABLES FINANCE B.V..

The following list summarises several significant events in the Group's history:

2011........................	The Group's first project, Botievo wind power plant, was approved by the Supervisory Board.
2013........................	DTEK RENEWABLES B.V. was established as a separate entity.

	Loan financing of the first phase of Botievo was named “Deal of the Year” 2012. Development of Primorsk I and II commenced.
2014	Botievo reached its full design capacity of 200 MW.
2015	Renewable energy assets were transferred from DTEK ENERGY B.V. to DTEK RENEWABLES B.V. as a result of corporate restructuring.
2016	Solar power was identified as a new renewable energy source for strategic development. The Group began development of its first solar power plant, Tryfanovka.
2017	Tryfanovka, the Group’s first solar power plant commenced, in operation.
2018	Construction of Primorsk II and Nikopol commenced.
	Development of Pokrovsk commenced.
2019	Primorsk I, Primorsk II, Nikopol, Orlovsk and Pokrovsk in operation.

The Group consists of the Issuer, the Company and the Company’s subsidiaries. The following diagram shows the corporate structure of the Group.



(1) The remainder of PRIMORSKAYA WEP B.V. (NL) shares belong to DTEK RENEWABLES LLC.
(2) PrJSC “SCM” controls 6 per cent of the corporate rights of ORLOVKA WEP LLC and Mr. Oleg Popov controls 7 per cent of the corporate rights of ORLOVKA WEP LLC.
(3) Mr. Oleg Popov controls 6 per cent of corporate rights of PRIMORSKAYA WEP-2 LLC (Ukraine).

The Group's Business Model

The Group develops and operates utility scale wind and solar energy projects in Ukraine as well as one smaller scale solar energy project in the Tryfanovka village of Ukraine, and sells electricity produced by these power plants to the Guaranteed Buyer, a state-owned entity functioning as the Ukrainian renewable energy market's guaranteed electricity customer (the "**off-taker**").

Wind Energy Power Plants

The Group's wind energy power plants consist of multiple wind turbines, transmission lines, electrical and civil infrastructure, substations and related facilities. Each wind turbine is made up of a tubular tower which supports the rotor, generally consisting of three blades, and the nacelle, which houses the generator and electrical and mechanical gear. The energy from wind will turn the propeller blades around the rotor, which then spins a generator to create electricity, thereby turning mechanical energy into electricity. The wind turbines are connected to the power grid through a transformer housed at the tower base or the nacelle. The electricity generated is raised to the grid voltage and then transferred through a substation before being dispatched into the transmission lines for distribution.

The Group currently has 65 wind turbines with an installed capacity of 3.075 MW each and 78 wind turbines with an installed capacity of 3.8 MW each.

Solar Energy Power Plants

The Group's solar energy power plants consist of photovoltaic panels, solar inverters, transmission lines, electrical and civil infrastructure, substations, and related facilities. When photons from sunlight hit the semiconductor material on the photovoltaic panels, electrons are generated which then flow through the material to produce a direct electrical current. The direct current ("**DC**") then needs to be converted to alternating current ("**AC**") using an inverter before it can be transferred through a substation before being dispatched into the transmission lines for distribution.

The Group's solar panels for its constructed solar projects consist of the following:

- 37,000 JA Solar JAP6-60-270/4BB panels with 270W capacity each for Tryfanovka;
- 372,960 Trina Solar TSM-330 PD14 panels with 330W capacity each and 372,960 Seraphim SRP-330-6PA panels with 330W capacity each for Nikopol; and
- 873,600 Risen RSM 72-6-370M panels with 370W capacity each for Pokrovsk.

Project Development Process

The typical duration for the development of the Group's wind power plants and solar power plants is approximately 12 to 27 months and 12 to 18 months, respectively. The major stages of project development are preliminary project assessment (including a wind measurement assessment and pre-development assessment), land procurement, a grid connection feasibility study, an environmental and social impact assessment ("**ESIA**"), a birds and bats monitoring campaign (for wind projects), design preparation, financing, construction permit approval, signing of the PPA, construction and operating and maintenance.

Project assessment

As part of the Group's preliminary assessment of potential sites, the Group conducts and reviews the following assessments with its in-house assessment teams at the earliest stage of the development process as part of its reconnaissance studies to identify any critical issues with the potential site:

- a power generation analysis to calculate the potential net capacity factor (P50) and power generation capabilities of the potential site;
- a grid capacity analysis to determine the potential availability of grid capacity;
- a preliminary environmental reconnaissance study to review the proximity of the potential site to the relevant natural resources;

- a preliminary aviation, military and navigation assessment to review the presence of any airports or radar stations within 50 kilometres from the potential site;
- preliminary economic studies to put together an initial financial model; and
- any other important issues which may need further investigation.

A further pre-development assessment is then conducted as follows, using external resources to determine if the potential site is feasible:

- a grid connection prefeasibility study to determine the potential grid connection, transmission infrastructure, access to the relevant substations and the relevant grid operator;
- a preliminary wind power assessment (see "Business—Project Development Process—Project assessment—Wind Resources" below);
- the development of a geographic information system; and
- a review of the feasibility of the potential site in terms of its environmental and social impact.

Wind Resources

Generally, the Group's wind resource assessment processes are driven by the collection and analysis of available data to estimate power generation potential. If the results of the initial assessments are positive, the Group obtains permits from the relevant local governments to install meteorological masts to obtain long-term site-specific wind data and make wind resource estimates. The Group engages third parties to install and maintain the meteorological masts and to conduct an annual wind measurement assessment by collecting and evaluating data received from the meteorological masts. As wind data can vary significantly even within a project site, a number of meteorological masts with sensors at multiple heights are typically installed at varying locations, or transferred from one site location to another to measure wind data over different periods of time. The Group also procures wind studies from reputable technical consultants such as Wind Guard to use the data collected on-site to predict long-term wind resource potential and estimate future energy production levels in a detailed report for the Group.

The report produced following the wind resource assessment above includes the following details:

- micrositing of wind projects, i.e. the placement of wind turbines at the coordinates determined to be the most efficient for energy production;
- energy production analysis in terms of gross and net energy estimates;
- understanding uncertainty in terms of inter-annual variability, conversion of wind speed uncertainties to energy uncertainties and project uncertainties; and
- making recommendations regarding the turbine technology, layout, hub-height and rotor diameter to be used.

Solar Resources

Generally, solar resources are significantly more uniform and predictable than wind resources. The databases and software available for assessing solar resource are substantially comprehensive, reflecting a higher degree of accuracy than analogous sources typically provide for wind resource. Accordingly, the Group has access to databases and software which are substantially adequate for all of the Group's solar resource assessment purposes.

Further factors that the Group considers in the assessment of a potential project are the availability and ownership of land, soil conditions, land and capital costs, payment cycles and ease of construction. The Group's assessment teams seek to correlate the wind and solar data collected on-site with long-term weather patterns using weather prediction models of the atmosphere at the proposed project site. Based on the above assessments, the Group's project development teams will present the feasibility report to the Group's technical evaluation and investment committees for approval. The committees will take into account the aforementioned factors when evaluating the feasibility of the project.

Land procurement

Once a project is identified and the assessments described above are complete and approved, the land allocation process is administered by the Group's in-house land team, working with third-party developers and engineering, procurement and construction ("**EPC**") contractors as required. Generally, the land title procurement process begins with land assessment and feasibility studies. The Group then commences the process to secure land titles or attain the relevant land rights for land needed to construct and operate the projects, including those associated with turbines or solar plants, transmission and interconnection lines and access roads and facilities. The Group receives assistance from land aggregators or intermediaries to help secure the rights to the land and facilitate the procurement process.

The land lease agreements for the Group's solar and wind projects have a term of 7 to 49 years. Most of the land lease agreements are executed with territorial offices of State Service of Ukraine for Geodesy, Cartography and Cadastre and regional state administrations, while some land lease agreements for Primorsk I are executed with the Primorsk city council.

The land lease agreements for the Group's solar and wind projects are generally similar and contain provisions common for land lease agreements in Ukraine. Land lease payments are based on the normative value of land, which is defined on a yearly basis by the government land authorities. The yearly land lease payment is defined as the rate as fixed in the applicable agreement (between 3 per cent and 12 per cent) of the land value. The rate can generally be amended only upon mutual agreement. These land lease payments are not taken into account in determining the Group's lease liability. These agreements can be terminated (i) upon the parties' mutual agreement, or (ii) if a court ruling requires it. While most of land lease agreements explicitly forbids unilateral termination, some land lease agreements provide the lessor with such right if there is a breach of the obligations in the land lease agreements or a delay in the lease payments for more than three months (particularly, land lease agreements for Pokrovsk, Nikopol and Primorsk I). Further, certain land lease agreements contain the following provisions:

- in case of invalidation of the lease agreements by the court, the rent payments already made by the lessee under such land lease agreements will not be compensated. This is seen in land lease agreements for Primorsk I which are signed with the Primorsk city council);

- if land lease agreements are terminated by the lessee and the lessor is unable to sign a new land lease agreement regarding the same land plots and on the same terms with the third party, the lessor will be entitled to claim compensation. Such compensation should be equal to the annual lease payments provided in the respective land lease agreement. This is seen in land lease agreements for Primorsk I which are signed with the Primorsk city council); and

- a fine for the lessee's delay in lease payment equal to the annual lease payments, which should be paid within 10 days from such delay. This is seen in land lease agreements for Orlovsk, Nikopol, Pokrovsk, Primorsk II, and few land lease agreements for Primorsk I).

Easement agreements for the wind projects are generally agreed with individuals, legal entities and local state authorities and can be typically terminated if the easements are not used for three consecutive years or from a court judgement. Furthermore, the Group obtains necessary permits from state authorities for the operation of land plots such as the permit for the use of land for non-agricultural purposes, forest clearances and environmental permits. The Group has consistently complied with the terms of its land lease agreements.

Grid connection

Since the availability of transmission infrastructure and access to a power grid or network are critical to a project's feasibility, the Group (acting on its own or through outsourcing to third party agencies), or the EPC contractor for a given project will determine transmission capacity using both public sources and its own data. Power from the Group's wind and solar farms is typically transmitted to the relevant electricity grid through high voltage transmission line systems from dedicated substations, which results in stable energy transmission and minimizes grid instability and losses.

In order to determine the possibility of a grid connection, the Group conducts a grid connection feasibility study to review different options for grid connection and to choose the most feasible option. Depending on the state of the transmission infrastructure, additional construction work might be required (for example, the construction of new power lines or the renovation of existing power lines and/or substations). The Group then applies to the grid operator requesting the grid connection. The relevant grid operator will consider the grid connection feasibility study and issue formal ‘Technical Requirements’ for the grid connection, which is an inherent part of the grid connection agreement and consists of the scope of work needed to be completed in order for the project to connect to the grid at the required voltage (including the construction of power lines and substations and the instalment of necessary equipment). Under the Electricity Market Law, the issued ‘Technical Requirements’ are effective for two years, in the case of solar power plants, and three years, in the case of wind power plants since the date of their issuance. However, for ‘Technical Requirements’ that were issued prior to 22 May 2019, they are effective until 22 May 2021 in the case of solar power plants and until 22 May 2022 in the case of wind power plants.

The grid connection agreement

The Group enters into grid connection agreements with the DSOs, transmission system operator including Ukrenergo or other grid owners (which may be private or public legal entities) (the DSOs, Ukrenergo and other grid owners collectively - the “**Grid Operator**”) whereby the Group agrees to pay a fee to the relevant Grid Operators for the provision of grid connection services to the Group’s projects (the “**Grid Connection Fee**”). The grid connection agreements for the projects Botievo, Tryfanovka and Nikopol have been completed and terminated as all of the grid connection obligations have been fulfilled (as evidenced by the provision of electricity through the relevant grid connection points, as specified in each grid connection agreement). The grid connection agreement for the projects Primorsk I, Primorsk II, Orlovsk and Pokrovsk have been fulfilled, subject to a few minor works and payments to be completed. The grid connection agreements have been signed for the development projects including Tiligul, Vasilkovskaya and Pavlogradskaya.

Typically if any party fails to perform any of its obligations under the grid connection agreement within the deadlines specified in the respective grid connection agreement, such defaulting party shall pay a penalty of 0.1 per cent of the Grid Connection Fee to the non-defaulting parties for each day of delay.

In addition, if the Grid Operators fail to comply with the deadline for the provision of the interconnection services, the Grid Connection Fee will typically be reduced as follows:

(i) if the connection date is overdue by 30 to 60 calendar days, by 10 per cent;

(ii) if the connection date is overdue by 60 to 120 calendar days, by 20 per cent; and

(iii) if the connection date is overdue by more than 120 calendar days, the Grid Operators must refund 80 per cent of the Grid Connection Fee to the relevant project company.

Further, the grid connection agreement provides for the right of each Grid Operator to unilaterally terminate the grid connection agreement if the relevant project company fails to:

(i) provide the project design documentation for electrical grids in accordance with the grid connection schedule;

(ii) pay the Grid Connection Fee in accordance with the specified terms; or

(iii) perform construction works within the deadline provided in the application on the connection to the grid.

Approvals

Upon identifying and acquiring a high potential site, the Group begins the approvals process with relevant local and state agencies. For certain types of approvals the process continues throughout the various stages of project development. The approvals process includes identifying required permits, holding preliminary meetings with relevant state agencies and stakeholder groups, obtaining third-party consents, determining which studies will be needed in connection with approvals applications and conducting the studies, preparing permits and disclosure reports, participating in public meetings, and responding to information requests and seeking project approvals from the government bodies.

ESIA

The Group engages certified third party agencies to conduct an ESIA in conformity with local legislation and international best practices. The ESIA includes investigations on the environmental and social impact of the Project, development of mitigation measures, preparation of an ESIA report and conducting public hearings. Governmental authorities will analyse a report containing the aforementioned factors and will also consider the result of public forums in order to produce a resolution containing recommendations on how to improve the project in terms of its environmental and social impact.

As part of the ESIA, the Group also conducts a birds and bats monitoring campaign for wind power plants, as high towers and rotating blades can harm birds and bats. The term of the monitoring campaign for birds and bats includes the nesting and migration periods at a minimum, and is carried out using standard monitoring methodologies.

Design

The Group's in-house engineering team works with third-party developers and EPC contractors to develop the design documentation of the project based on the results of power generation analysis (including the wind resource assessment for wind projects), grid connection feasibility study, ESIA (including full year birds and bats monitoring campaign), aviation and military assessment and other investigations.

Funding

The Group funds its projects both through debt and equity with an average debt-to-equity ratio of 65 per cent to 70 per cent to 35 per cent to 30 per cent. The Group sources debt financing for its projects from commercial banks and export credit agencies.

Construction Permit

Governmental authorities will conduct a review of the project design documentation, land lease agreements (or land ownership documents), grid connection agreement, the outcome of the ESIA resolution and other documents and approvals provided by the Group to conduct a full review of the project and will issue a resolution granting a construction permit if approved.

Equipment Suppliers and Service Providers

The Group purchases major components such as turbines, solar modules, inverters, cables, trackers, transformers and supervisory control and data collection systems by contracting with a diverse group of suppliers such as ABB, CMEC, China XO Group, GE, Risen, Seraphim Solar, Siemens, Trina Solar, GE Renewables, SGB, Siemens, Vestas and WK Energo. The Group selects suppliers based on a number of factors including expected cost, reliability, warranty coverage, availability and performance guarantees, ease of installation and other ancillary costs. The Group engages engineering services to control the construction process from Fichtner, TUV Rheinland, Tractebel Engineering and Poyry. The Group typically enters into master contractual arrangements with its major suppliers that define the general terms and conditions of its purchases, including warranties, product specifications, indemnities, delivery and other customary terms. The Group normally purchases solar module panels and the balance of plant components on an as-needed basis from its suppliers at the then prevailing prices pursuant to purchase orders issued under its master contractual arrangements. The solar supply and installation agreements provide product warranties for 10 to 12 years, performance guarantees allowing a degradation rate of no more than 20 per cent by the 25th anniversary of the contract, and a requirement to replace the affected solar panels for equipment failure or if performance is below target levels. The Group generally does not have any supplier arrangements that contain long-term pricing or volume commitments, although at times in the past the Group has made limited purchase commitments to ensure sufficient supply of components.

Construction

The construction process generally includes the supply and installation of wind turbines, solar panels and inverters as well as the construction of the rest of the facility which includes transmission lines and the substation. The Group generally enters into turnkey EPC contracts with the original equipment manufacturer for manufacturing, installing and commissioning of wind energy plants. The EPC contracts for the projects in operation have been completed. The Group acts as the master contractor for all of its solar energy plants and this gives the Group more control over the process and costs of the relevant projects. Construction typically takes approximately 12 to 27 months for the Group's wind energy projects, and 12 to 18 months for its solar energy projects. The Group's in-house team supervises and oversees all aspects of construction. Furthermore, the Group engages an independent engineering consultant to monitor equipment supply and installation. Commissioning is done by EPC contractors under the Group's supervision and acceptance with subsequent handover to the operations.

Power Purchase Agreements

The Group derives substantially all of its revenue from tariff payments made by the Guaranteed Buyer in return for the electricity generated by the Group, and these terms are set out in PPAs signed by the Group and the Guaranteed Buyer. The Guaranteed Buyer was established by Resolution of CMU No. 324, dated 17 April 2019 and replaced State Enterprise "Energorynok" ("**Energorynok**") as the sole off-taker for the Group and other renewable energy producers after the launch of new electricity market on 1 July 2019. All renewable energy producers who previously executed the PPA with Energorynok are required to sign an additional tripartite agreement with Energorynok and the Guaranteed Buyer to replace Energorynok with the Guaranteed Buyer along with bringing the previously executed PPAs in line with the Model PPA (adopted by the NEURC and effective from 15 May 2019). The Group has amended and restated its PPAs, where necessary, to comply with this new requirement.

Key terms of the PPA

The Group's projects benefit from long-term PPAs as they enhance the Group's offtake security and long-term visibility of its revenues. As at the date of these Listing Particulars, the Group has PPAs for Botievo, Tryfanovka, Nikopol, Primorsk I, Primorsk II, Pokrovsk and Orlovsk until 1 January 2030, which is the same duration of the Ukrainian fixed FiT regime. Pursuant to the Group's PPAs, tariff rates for wind and solar energy projects are determined under a fixed FiT denominated in Euro for each project. For the Group's wind projects, the FiT ranges from €102 per MWh to €113 per MWh and for all of the Group's solar energy projects, the FiT is €150 per MWh. The NEURC adjusts the effective FiT on a quarterly basis to track the UAH/Euro exchange rate.

In terms of payment, the Guaranteed Buyer will typically pay for the first 10 days of electricity production of each month by the 15th day of the delivery month, for the following 10 days of electricity production of each month by the 25th day of the delivery month and for the remaining electricity produced by the 5th day of the following month. If there is any delay in payments from the Guaranteed Buyer under the PPA, the Guaranteed Buyer must pay a default interest of 0.1 per cent for each day of delay. This default interest is capped at double the discount rate of the National Bank of Ukraine, which is 31 per cent as of the date of these Listing Particulars. If the payment has not been made for 30 days or more, the Guaranteed Buyer must pay an additional fine of 7 per cent of the outstanding payment. The liability period for this fine, however, is limited to six months from the date of the delay.

Termination provisions in each PPA allow for termination by mutual agreement or a court judgement, and any revocation of a power generation licence results in the automatic termination of the PPA. In case of change in law or change to the Model PPA, the Group and the Guaranteed Buyer must amend the PPAs. It will be deemed that the Group has initiated the repeal procedure if it does not sign the amendments to the PPAs within one month from the moment of receipt of the amendments from the Guaranteed Buyer.

In addition, all renewable energy producers must submit their hourly schedules to the Guaranteed Buyer. Hourly schedules should indicate the amount of the electricity expected to be produced by the relevant project and any deviation would result in an Imbalance. From 1 January 2021, the renewable energy producers with projects commissioned during the period of 11 June 2017 to 31 December 2023 are required to reimburse 10 per cent of any Imbalance in settlement costs incurred by the Guaranteed Buyer (the "**Imbalances Settlement Cost**"). This share will be increased by 10 per cent each year, until it reaches 100 per cent in 2030. Until 31 December 2029, the renewable energy producers must reimburse the Imbalances Settlement Cost if it exceeds a threshold (10 per cent for solar and 20 per cent for wind) of deviations from its hourly supply schedules. From 2030 onwards, the thresholds will be removed and the renewable energy producers will bear the entire liability for any Imbalance.

Description of the pre-PPA

The Group is required to sign pre-PPAs ahead of the relevant PPAs effective date in respect of its development projects to ensure that the FiT regime applies to the projects. Each of the Group's development projects needs to obtain the pre-PPA by 31 December 2019 for the FiT regime to apply to the relevant project until 2030. To execute a pre-PPA, the project needs to have (i) secured land rights, (ii) secured grid connection agreement, and (iii) valid construction permit. The pre-PPAs for the Vasilkovskaya and Pavlogradskaya project are expected to be signed by 30 November 2019 and the pre-PPAs for Troitskaya and Tiligul are expected to be signed by 31 December 2019. The table below describes the current status of the conditions required to sign the pre-PPA for the relevant projects.

Project	Status of land rights	Grid connection status	Construction Permit status
Vasilkovskaya	In October 2018, land lease agreements were concluded for a total area of 228 hectares in the Vasilkovsky district of the Dnipropetrovsk region (south-west of Ukraine).	In July 2019, a feasibility study was approved for the power distribution scheme. In September 2019, a grid connection agreement was signed.	All design documentation has been developed. The project has passed state examination. Permission to start construction has been granted in October 2019 and the pre-PPA was signed in October 2019.
Pavlogradskaya	In October 2018, land lease agreements were concluded for a total area of 175 hectares located in the Pavlograd district of the Dnipropetrovsk region (south-west of Ukraine). The Group is also in the process of acquiring 30 additional hectares of land.	In July 2019, a feasibility study was approved for the power distribution scheme. In September 2019, a grid connection agreement was signed.	All design documentation has been developed. The project has passed state examination. Permission to start construction has been granted in October 2019 and the pre-PPA was signed in October 2019
Troitskaya	A detailed territory plan has been developed. Land lease agreement for a total area of 340 hectares located in the Pavlograd district of the Dnipropetrovsk region (south-west of Ukraine) was signed in September 2019.	In July 2019, a feasibility study was approved for the power distribution scheme. In October 2019, technical specifications were received and a grid connection agreement was signed.	Design documentation is being developed. The project has passed state examination. Permission to start construction is expected to be granted in November 2019 and the pre-PPA is expected to be signed in November 2019.
Tiligul	A detailed territory plan has been developed and approved. Further steps are being taken to acquire all necessary plots in accordance with the regulations in Ukraine.	Technical specifications have been received and the grid connection agreement was signed for Tiligul WPP 500 in May 2019 and for Tiligul WPP 65 in June 2019.	Design documentation is being developed. A complex state expert examination report is expected to be obtained in November 2019. Building permit is expected to be granted by the end of November 2019.

The projects are expected to be commissioned within two years from the pre-PPA execution date if it is a solar energy project and within three years from the pre-PPA execution date if it is a wind energy project. The pre-PPA will also be automatically terminated if not commissioned within two years for a solar project and within three years for a wind project. These conditions and the relevant timing must be satisfied for the FiT regime to apply to the project, otherwise the tariff of the project may be subject to the auction regime and may result in a lower tariff as compared to the FiT as the winner of the auction will be selected based on the lowest bid price. If a project obtains a PPA under the auction regime, the project will still operate on the basis of a guaranteed off-take that is fixed to the Euro and is adjusted every quarter, and will be at a fixed price for 20 years. See "*Regulation*" for further information on the recent changes to the tariff regime in Ukraine.

Operation and maintenance

The general management and administration of constructed projects is performed by the Group's in-house team, while equipment service and maintenance are typically outsourced to the original equipment manufacturer or specialized service companies, such as Vestas, General Electric, ABB and K Star. The Group has established control rooms to monitor the Group's portfolio of constructed projects at all times.

The Group's O&M contracts for wind turbines have been entered into for a period of twenty years and the Group's O&M contracts for its solar plants have been entered into for a period of 2 to 5 years. The services provided by O&M contractors typically include, amongst others, scheduled and unscheduled maintenance, software updates to control and monitoring systems, remote surveillance, supply of spare parts, tools and equipment and monthly reporting. The spare parts are chosen based off of a list provided by the original equipment manufacturer and stored locally at each project's warehouse for ease of access. Both the O&M contractor and the relevant Subsidiary in charge of the project are typically required to have workers' compensation insurance, automobile insurance and third party liability insurance in place. Further, if the O&M contractor defaults, typically the relevant Subsidiary may request for the O&M contractor to remedy such failure at no cost to the relevant Subsidiary and if not remedied, the O&M contractor may be replaced.

The wind O&M contracts provide for availability guarantees ranging from 92 per cent for the first year of the O&M contract, and 97 per cent to 98 per cent for the remaining years. Typically, if the measured average availability factor is lower than the warranted average availability factor during a production period, the O&M contractor will pay to the relevant Subsidiary liquidated damages or a fine for such period based on formulas set out in the relevant O&M contracts, and if the measured average availability factor is higher than the warranted average availability factor during a production period, the relevant Subsidiary shall pay an incentive payment to the O&M contractor for such period based on formulas set out in the relevant O&M contracts.

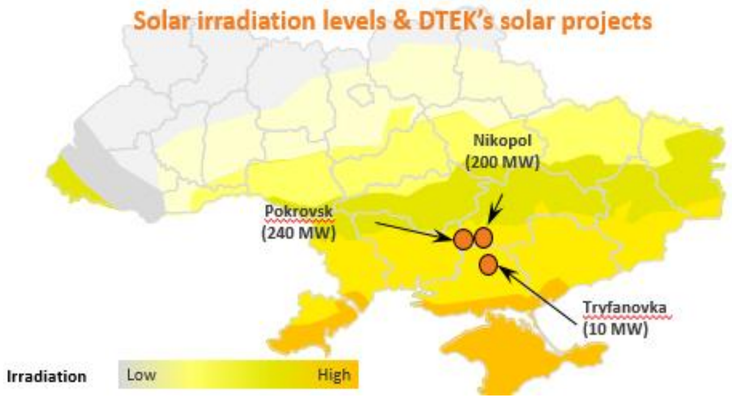
Description of the Group's constructed projects

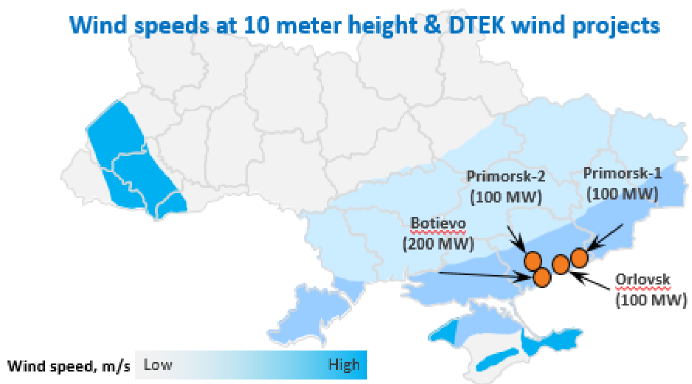
Overview of the Group's constructed projects

The portfolio of the Group's constructed projects comprises projects that have been built, have completed electrical testing, have been licenced to generate electricity and that can sell electricity at full capacity under the FiT regime, as well as Primorsk II, for which (i) all 26 turbines have been installed; (ii) 24 out of 26 turbines are generating electricity under the FiT regime and have received a FiT; and (iii) the 2 turbines not yet generating under the FiT regime are expected to be generating electricity under the FiT regime in early November 2019. All projects meeting the above operational criteria are referred to as "**constructed**" projects or projects "**in operation**" in these Listing Particulars.

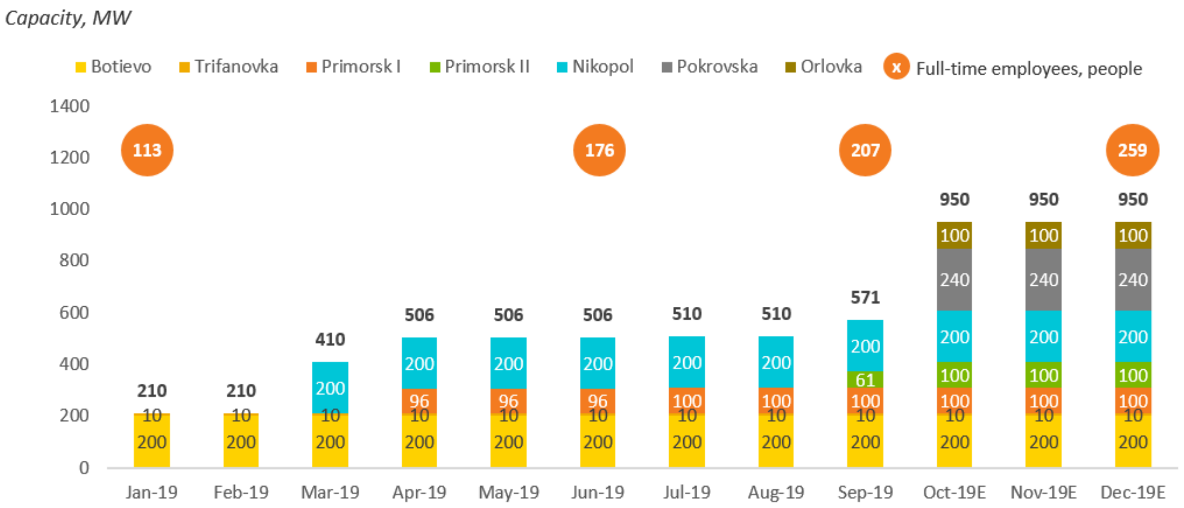
Unless otherwise stated, all information provided in this section is given as of the date of these Listing Particulars.

The following diagram presents (i) the location and (ii) the solar and wind conditions of each of the Group's constructed projects.





The following diagram presents the capacity of the Group's constructed projects from January 2019, as well as the expected capacity of each of the Group's constructed projects until December 2019.



Botievo

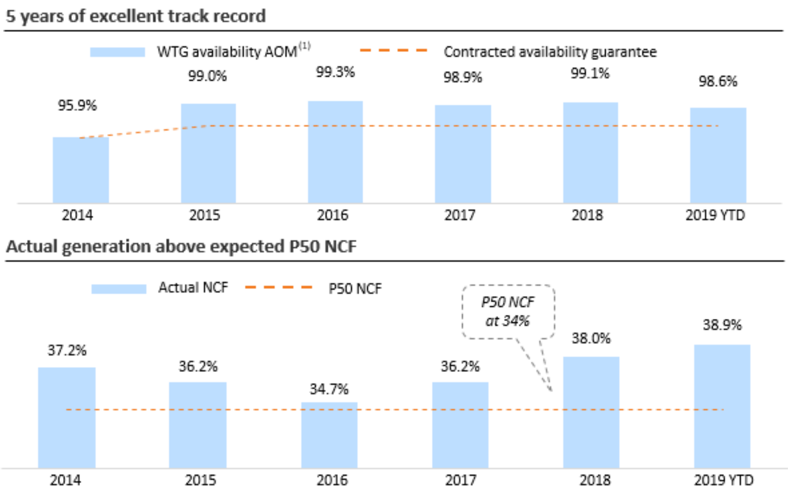
Botievo is owned by WIND POWER LLC which is 99.9 per cent owned by the Company (with the remaining participatory interests owned by DTEK LLC), and is located in the province of Pryazovskyi within the central-southern Ukrainian region Zaporizka oblast. This location provides a good wind source with an average wind speed of 8.0 m/s at a hub height of 100 metres. Botievo was the first utility scale wind project in Ukraine and the first project operated by the Group. The project has insurance covered by RE-GEN FACILITY (Axis Specialty Europe and Markel) for property damage, third party liability and business interruption.

Botievo

Status	In operation
In operation date	First stage (92 MW): February 2013 Second stage (108 MW): March 2014
Project Type	Wind
Location	Coast of the Sea of Azov, South Ukraine
Installed Capacity	200 MW
Net Capacity Factor in 2018	38%
Tariff	€113 / MWh
Expected P50 Net Capacity Factor	34%
Project Costs	€340 million (€245 million of debt raised)
Equipment Suppliers and Manufacturers	Vestas and ABB

The diagram below presents the site location for Botievo.

The diagram below presents Botievo's historical availability guarantee and net capacity factor.



(1) Availability according to Active Output Management ("AOM") contract (excluding scheduled maintenance downtime).

Key Contracts

WIND POWER LLC originally secured a pre-PPA with Energorynok on 26 December 2012 and signed the updated PPA with Energorynok and the Guaranteed Buyer on 30 June 2019 on the same terms outlined in "*Business – The Group's Business Model – Power Purchase Agreements*". As Botievo was in operation before 11 June 2017, it is exempt from the Imbalances Settlement Cost.

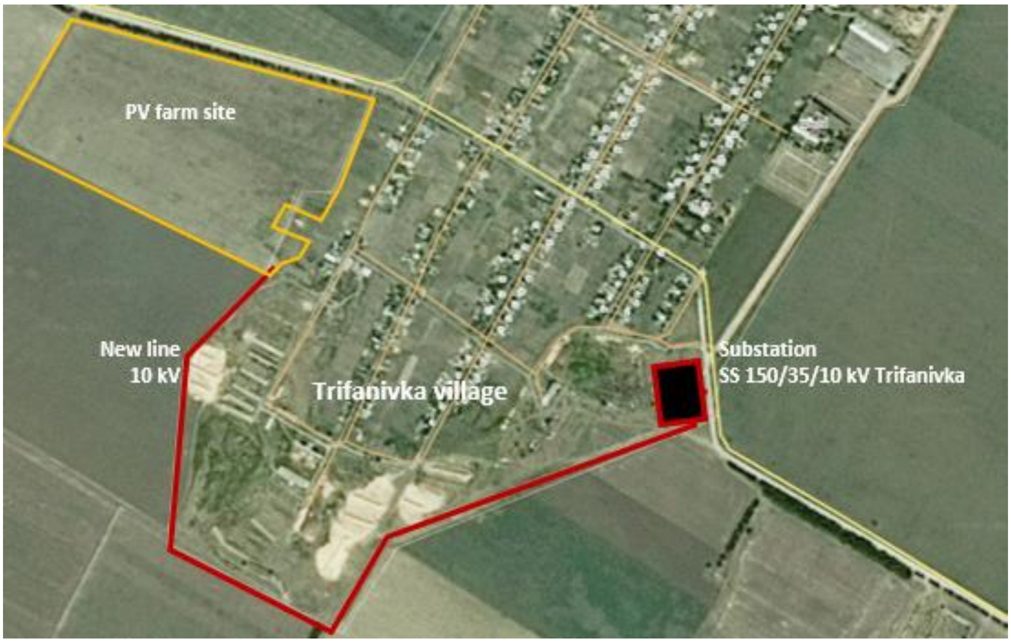
WIND POWER LLC signed an O&M contract with Vestas Ukraine LLC on 21 March 2013. The O&M contract is on the same terms outlined in "*Business – Project Development Process – Operation and maintenance*" except the O&M contractor is additionally required to have product liability insurance and insurance for stock (equipment and parts) in temporary storage on the project site.

Tryfanovka

Tryfanovka is owned by TRYFANOVKA ENERGY LLC, a wholly owned subsidiary of the Company, and is located in the Velykooleksandrivskiy District of Kherson in Ukraine. It was the first solar project operated by the Group and was fully constructed in five months. This location provides a good level of solar irradiation of 1,303 kWh/m² as reported by Solar resource data © Solargis 2016. The project has insurance covered by INGO Ukraine for property damage, third party liability and business interruption.

Tryfanovka	
Status	In operation
In operation date	August 2017
Project Type	Solar
Location	Kherson, Central Ukraine
Installed Capacity	10 MW
Net Capacity Factor in 2018	15%
Tariff	€150 / MWh
Expected P50 Net Capacity Factor	15%
Project Costs	€10 million (€7 million debt raised)
Equipment Suppliers and Manufacturers	JA Solar and ABB

The diagram below presents the site location for Tryfanovka:



Key Contracts

TRYFANOVKA ENERGY LLC originally secured a pre-PPA with Energorynok on 31 July 2017 and signed an updated PPA with Energorynok and the Guaranteed Buyer on 30 June 2019 on the same terms outlined in "*Business – The Group's Business Model – Power Purchase Agreements*". As Tryfanovka started operation in the third quarter of 2017, it will be subject to the Imbalances Settlement Cost from 1 January 2021.

TRYFANOVKA ENERGY LLC has not entered into a full O&M contract with a third party vendor as the Group is managing most of the operating and maintenance work for Tryfanovka internally. The Group additionally holds annual tenders for short-term maintenance contracts for certain O&M work as needed.

Nikopol

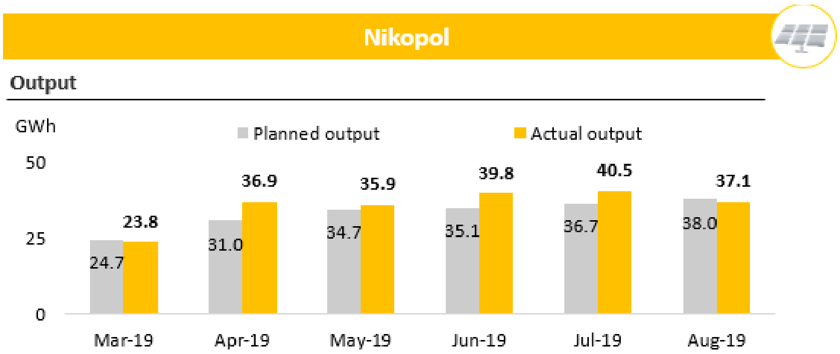
Nikopol SPP is owned by SOLAR FARM-1 LLC., a wholly owned subsidiary of the Company, and is located in the Nikopol district of Dnipropetrovsk in the southwest of Ukraine. This location provides a good level of solar irradiation of 1,310 kWh/m² as reported by Solar resource data © Solargis 2018. Nikopol is the largest solar farm in Ukraine as of the date of these Listing Particulars. The project is connected to the substation Nikopolskaya 330/150 kV of the transmission grid operator Ukrenergo. The project has insurance covered by AllianzeSE for property damage, third party liability and business interruption.

Nikopol

Status	In operation
In operation date	March 2019
Project Type	Solar
Location	Dnipropetrovsk, Southwest of Ukraine
Installed Capacity	246 DC / 200 AC MW
Expected P50 Annual Generation	291 GWh
Expected P50 Net Capacity Factor	13.4% DC / 16.5% AC
Tariff	€150/MWh
Project Costs	€211 million (€134 million debt raised)
Equipment Suppliers and Manufacturers	Chinese Machinery Engineering Corporation, K-Star, Trina Solar and Seraphim Solar

The image below presents the site of Nikopol:

The diagram below presents Nikopol's monthly output from March 2019 to August 2019.



Key Contracts

SOLAR FARM-1 LLC originally secured a pre-PPA with Energorynok on 28 March 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on 30 June 2019 on the same terms outlined in "*Business – The*

Group's Business Model – Power Purchase Agreements". As Nikopol started operation in March 2019, it will be subject to the Imbalances Settlement Cost from 1 January 2021.

Agreements with equipment suppliers for Solar Farm-1 LLC include performance guarantees and long-term product warranties by the OEMs with a term of 5 to 10 years, supplemented by on-site availability of spare parts and agreements with OEMs to respond to and remedy any machinery failures within an agreed time.

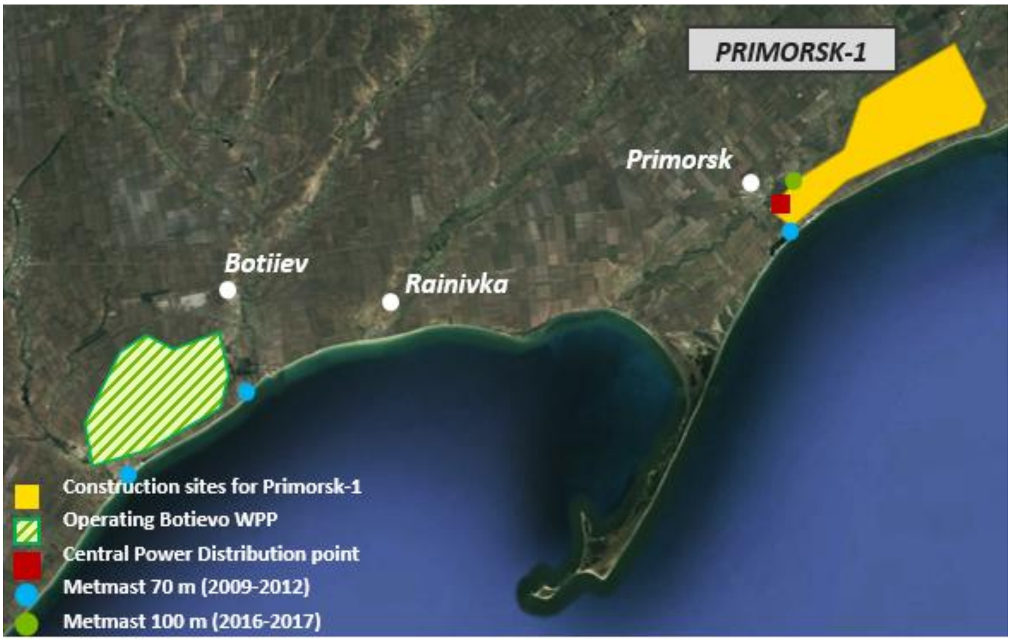
Primorsk I

Primorsk I WPP is owned by PRIMORSKAYA WEP LLC., a subsidiary that is 99.99 per cent owned by the Company (with the remaining participatory interests owned by DTEK Renewables LLC), and is located on the coast of the Sea of Azov in the south of Ukraine, approximately 50 kilometres from the Botievo project. This location provides a good wind source with an average wind speed of 8.0 m/s at a hub height of 100 metres, and Primorsk I is also connected to the HV 150 kV distribution grid line Berdyansk-Melitopol of operator Zaporizhzhyaoblenergo. Primorsk I is expected to generate 254 GWh in 2019 and reach the full capacity of 339 GWh in 2020. The project has insurance covered by GCube and Allianz for property damage, third party liability and business interruption, and assets that are exposed to political violence risks are covered by Lloyd's syndicate.

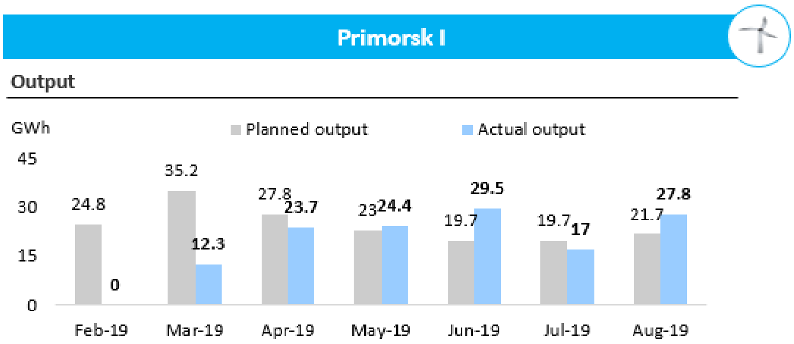
Primorsk I

Status	In operation
In operation date	July 2019
Project Type	Wind
Location	Coast of the Sea of Azov, South Ukraine
Installed Capacity	100 MW
Expected P50 Annual Generation	339 GWh
Expected P50 Net Capacity Factor	39%
Tariff	€102/MWh
Project Costs	€148 million (€90 million debt raised)
Equipment Suppliers and Manufacturers	GE Renewable Energy, GE Ukraine LLC, GE Power, Siemens AG, ABB AG, SGB GmbH and WK Energo GmbH

The diagram below presents the site location for Primorsk I.



The diagram below presents Primorsk I's monthly output from February 2019 to August 2019.



Key Contracts

PRIMORSKAYA WEP LLC originally secured a pre-PPA on 5 February 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on 30 June 2019 on the same terms outlined in "*Business – The Group's Business Model – Power Purchase Agreements*". As Primorsk I started operation in June 2019, it will be subject to the Imbalances Settlement Cost from 1 January 2021.

PRIMORSKAYA WEP LLC signed an ongoing operating and maintenance agreement with GE Ukraine LLC and GE Wind Energy GMBH, Germany on 17 January 2018. The O&M contract is on the same terms outlined in "*Business – Project Development Process – Operation and maintenance*" except that PRIMORSKAYA WEP B.V. can make a claim under the O&M contractor's parent company guarantee given by General Electric Company if the O&M contractor fails to pay an amount due, if it fails to remedy its default or fails to make progress to remedy its default, or if circumstances arise which entitle PRIMORSKAYA WEP B.V. to terminate the agreement. PRIMORSKAYA WEP B.V. will additionally maintain property insurance covering all risks including property breakdown and business interruption, and cover risks of the O&M contractors for any loss or damage to such property.

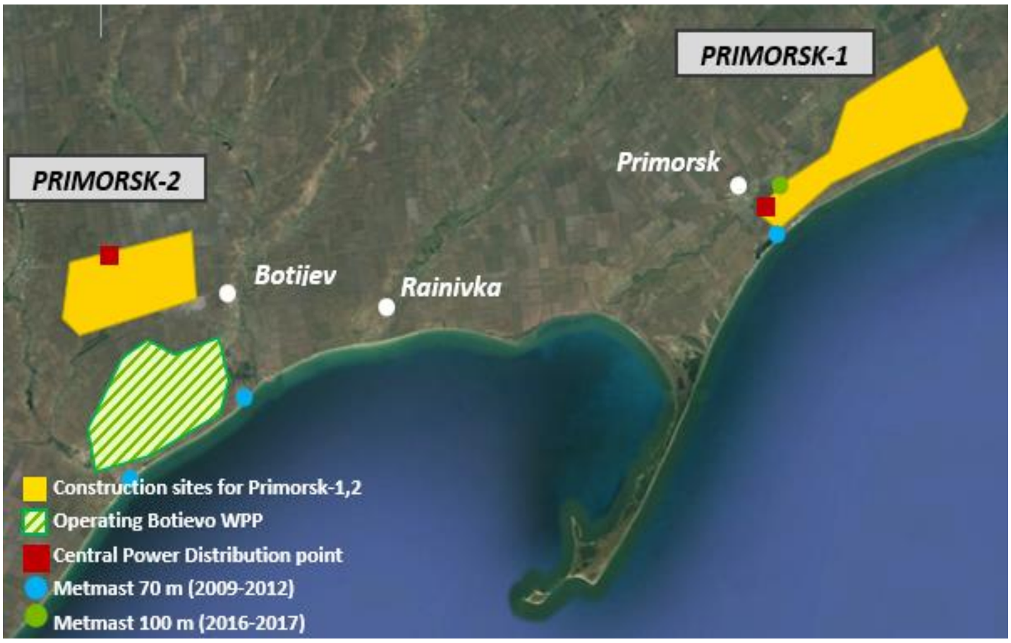
Primorsk II

Primorsk II WPP is owned by PRIMORSKAYA WEP – 2 LLC, a subsidiary of the Company, and is located on the coast of the Sea of Azov near the existing Botievo project and approximately 50 kilometres from the Primorsk I project. This location provides a good wind source with an average wind speed of 8.0 m/s at a hub height of 100 metres, and Primorsk II is also connected to the substation Melitopolskaya 330/150 kV of the transmission grid operator Ukrenergo. Primorsk II has been in operation since September 2019. 24 of the 26 turbines are generating electricity under the FiT regime and have received a FiT. The remaining two turbines are expected to be generating electricity under the FiT by early November 2019. If the completion of the two wind turbines of Primorsk II that have not yet received a FiT is delayed until 2020, Primorsk II will receive a 10 per cent reduction in the tariff for the applicable two wind turbines. The project has insurance covered by AllianzeSE for property damage, third party liability and business interruption and risks incurred during transportation, and assets that are exposed to political violence risks are covered by Lloyd's syndicate.

Primorsk II

Status	24 out of 26 wind turbines are in operation and have obtained a FiT. The remaining two wind turbines are expected to generate under FiT in November 2019.
Target in operation Date	November 2019
Project Type	Wind
Location	Coast of the Sea of Azov, South Ukraine
Installed Capacity	100 MW
Expected P50 Annual Generation	366 GWh
Expected P50 Net Capacity Factor	42%
Tariff	€102 / MWh
Expected Project Costs	€147 million (€90 million debt raised)
Equipment Suppliers and Manufacturers	GE Renewable Energy, GE Ukraine LLC, GE Power, Siemens AG, ABB AG, SGB GmbH and WK Energo GmbH

The diagram below presents the site location for Primorsk II.



Key Contracts

PRIMORSKAYA WEP-2 LLC originally secured a pre-PPA with Energorynok on 6 February 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on 12 August 2019 on the same terms outlined in "*Business – The Group's Business Model – Power Purchase Agreements*". As Primorsk II will begin its operation in 2019, it will be subject to the Imbalances Settlement Cost from 1 January 2021.

PRIMORSKAYA WEP-2 LLC signed an ongoing operating and maintenance agreement with GE Ukraine LLC and GE Wind Energy GMBH, Germany on 17 October 2018. The O&M contract is on the same terms outlined in "*Business – Project Development Process – Operation and maintenance*" except that PRIMORSKAYA WEP-2 LLC can make a claim under the O&M contractor's parent company guarantee given by General Electric Company if the O&M contractor fails to pay an amount due, if it fails to remedy its default or fails to make progress to remedy its default, or if circumstances arise which entitle PRIMORSKAYA WEP-2 LLC to terminate the agreement. PRIMORSKAYA WEP-2 LLC will additionally maintain property insurance covering all risks including property breakdown and business interruption, and cover risks of the O&M contractors for any loss or damage to such property.

PRIMORSKAYA WEP-2 LLC signed a grid connection agreement with Ukrenergo and Public Joint Stock Company "Zaporizhoblenergo" on 17 August 2017 for the purposes of setting up the grid connection for the electricity produced by Primorsk II. The grid connection agreement is on the same terms outlined in "*Business – Project Development Process – Grid Connection – The Grid Connection Agreement*".

Pokrovsk

Pokrovsk SPP is owned by SOLAR FARM-3 LLC, the Pokrovsk Guarantor, and a wholly owned subsidiary of the Company, and is located in the Nikopol district of Dnipropetrovsk, southwest of Ukraine. This location provides a good level of solar irradiation of 1,310 kWh/m^2 as reported by Solar resource data © Solargis 2018 and Pokrovsk will be connected to the substation Bogdanivska 150/35/6 kV of the distribution grid operator Dniprooblenergo. Based on post-completion installed capacity estimates, Pokrovsk is expected to be the largest solar farm in Ukraine once complete. The project has insurance covered by RSA Group for property damage, third party liability and business interruption.

Pokrovsk	
Status	In operation
In operation date	October 2019
Project Type	Solar
Location...	Dnipropetrovsk, Central Ukraine

Installed Capacity	323 DC / 240 AC MW
Expected P50 Annual Generation	405 GWh
Expected P50 Net Capacity Factor	14% DC / 18.8% AC
Tariff	€150 / MWh
Expected Project Costs	€181 million (no debt raised as of the date of these Listing Particulars)
Equipment Suppliers and Manufacturers	Risen Solar Technology, K-Star

The image below presents the site of Pokrovsk.

Key Contracts

SOLAR FARM-3 LLC originally secured a pre-PPA on 26 June 2018 and signed an updated pre-PPA with Energorynok and the Guaranteed Buyer on 12 August 2019 on the same terms outlined in "*Business – The Group's Business Model – Power Purchase Agreements*". As Pokrovsk was in operation in August 2019, it will be subject to the Imbalances Settlement Cost from 1 January 2021.

SOLAR FARM-3 LLC has not entered into an O&M contract with a third party vendor as the Group is managing all of the operating and maintenance work for Pokrovsk internally. Certain O&M arrangements with the original equipment manufacturers are in place that include long-term product warranties and provision of spare parts on-site.

SOLAR FARM-3 LLC signed a grid connection agreement with Ukrenergo, Dtek Dnipro Grids Joint Stock Company and Dtek Dniproenergo Joint Stock Company on 7 December 2018 for the purposes of setting up the grid connection for the electricity produced by Pokrovsk. The grid connection agreement is on the same terms outlined in "*Business – Project Development Process – Grid Connection – The Grid Connection Agreement*", with the exception that Ukrenergo is exempt from liability if there is an application of balancing restrictive measures to the power plant aimed at ensuring enough capacity for the Zaporizhia Nuclear Power Plant.

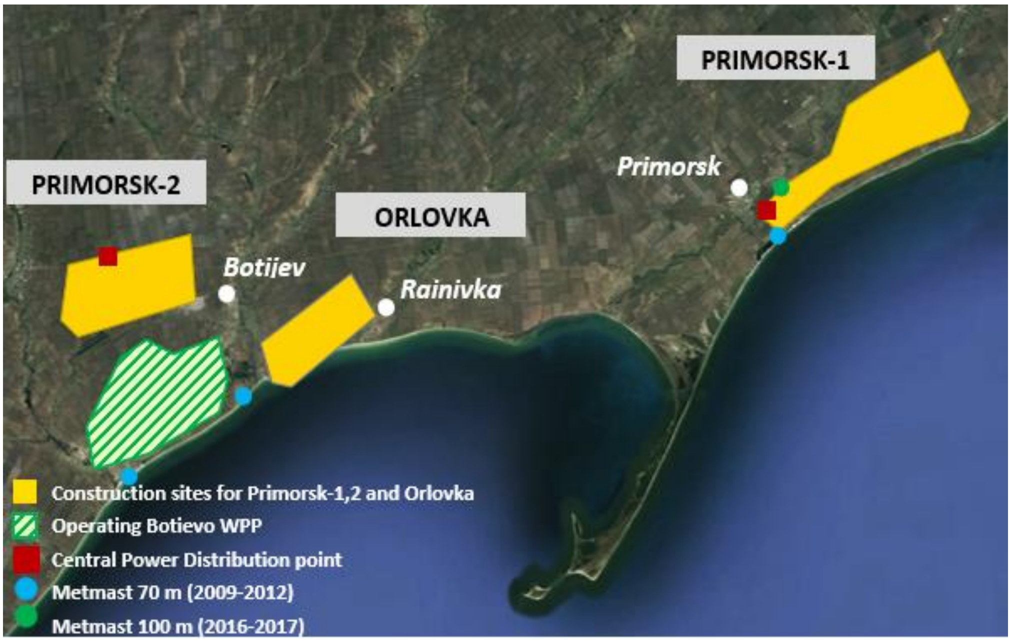
Orlovsk

Orlovsk WPP is owned by ORLOVKA WEP LLC, the Orlovsk Guarantor, and is located on the coast of the Sea of Azov, approximately 10 kilometres from the Botievo project and the Primorsk II project. This location provides a good wind source with an average wind speed of 8.3 m/s at a hub height of 117 metres, and Orlovsk is also connected to the substation of the Primorsk II project, which transmits its energy to the substation Melitopolskaya 330/150 kV of the transmission grid operator Ukrenergo. The project has insurance covered by PZU for property damage, third party liability and business interruption.

Orlovsk

Status	In operation
In operation date	October 2019
Project Type	Wind
Location	Coast of the Sea of Azov, South Ukraine
Installed Capacity	100 MW
Expected P50 Annual Generation	370 GWh
Expected P50 Net Capacity Factor	43.7%
Tariff	€102 / MWh
Expected Project Costs	€116 million (€21 million debt raised)
Equipment Suppliers and Manufacturers	Vestas

The diagram below presents the site location for Orlovsk.



Key Contracts

ORLOVKA WEP LLC originally secured a pre-PPA on 6 February 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on 31 July 2019 on the same terms outlined in "*Business – The Group's Business Model – Power Purchase Agreements*". As Orlovsk started its operation in 2019, it will be subject to the Imbalances Settlement Cost from 1 January 2021.

ORLOVKA WEP LLC signed an O&M contract with Vestas Ukraine LLC on 12 December 2018. The O&M contract is on the same terms outlined in "*Business – Project Development Process – Operation and maintenance*" except the O&M contractor is additionally required to have product liability insurance and insurance for stock (equipment and parts) in temporary storage on the project site, and ORLOVKA WEP LLC is required to maintain operational insurance covering machinery breakdown.

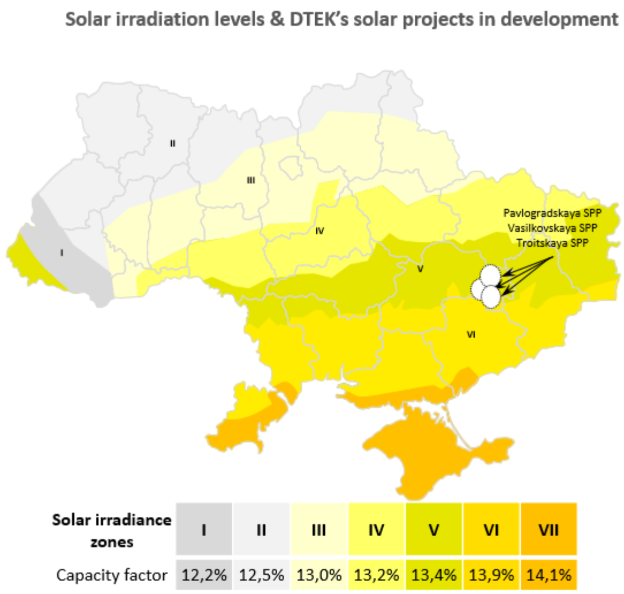
ORLOVKA WEP LLC signed a grid connection agreement with Ukrenergo, Public Joint Stock Company "Zaporizhoblenergo" and PRIMORSKAYA WEP-2 LLC on 13 October 2017 for the purposes of setting up the grid connection for the electricity produced by Orlovsk. The grid connection agreement is generally on the same terms outlined in "*Business – Project Development Process – Grid Connection – The Grid Connection Agreement*", except this grid connection agreement explicitly separates the obligations of Ukrenergo and other parties and Ukrenergo is liable only for the breach of its own obligations.

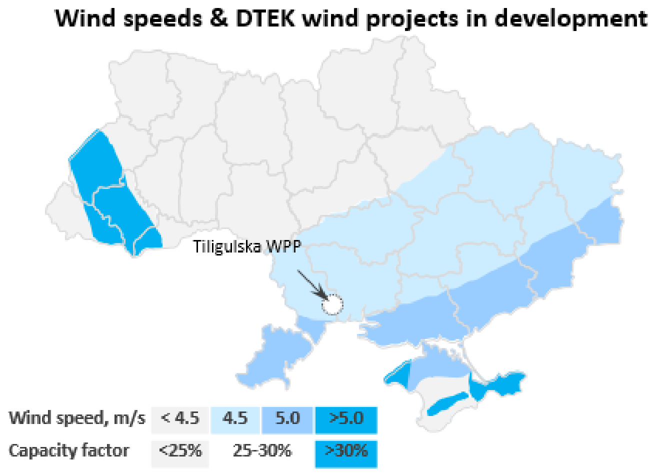
Description of the Group's development projects

Overview of the Group's development projects

All Group projects which have been initiated but which still require additional work with regard to project design, acquiring permits and physical construction are referred to as "**development**" projects in these Listing Particulars

The following diagram presents (i) the location and (ii) the solar and wind conditions of each of the Group's projects currently in development.





Vasilkovskaya

Vasilkovskaya is owned by SOLAR FARM-5 LLC, a wholly owned subsidiary of the Company. The location provides a good solar irradiation of 1,270 kWh/m² as reported by Solar resource data Solargis 2019. Vasilkovskaya will be connected by two transmission lines to the 150 kV Pavlogradska-PZTO overhead line of the distribution grid operator DTEK Dnipro Grids JSC. The pre-PPA is expected to be signed in November 2019. The table below presents some key facts surrounding the project.

Vasilkovskaya	
Status	In development
Target in operation date	Fourth Quarter of 2020
Project Type	Solar

Vasilkovskaya

Location	Vasilkovsky district of the Dnipropetrovsk region (south-west of Ukraine)
Capacity (AC/DC)	115/166 MW
Expected P50 Annual Generation	197 GWh
Expected P50 Net Capacity Factor (AC/DC)	19.6%/13.5%
Tariff	€113/MWh
Expected Project Costs	€96 million (including €89 million of capital expenditure)

The diagram below presents the site location for Vasilkovskaya.

Key Contracts

SOLAR FARM-5 LLC signed a grid connection agreement with DTEK DNipro Grids JSC on 4 September 2019 for the purposes of setting up the grid connection for the electricity produced by Vasilkovskaya. The grid connection agreement is generally on the same terms outlined in "*Business – Project Development Process – Grid Connection – The Grid Connection Agreement*".

Pavlogradskaya

Pavlogradskaya is owned by SOLAR FARM-4 LLC, a wholly owned subsidiary of the Company. The location provides a good solar irradiation of 1,270 kWh/m² as reported by Solar resource data © Solargis 2019. Pavlogradskaya will be connected by two transmission lines to the 150 kV Pavlogradska-Prydniprovska TPP overhead line of the distribution grid operator DTEK Dnipro Grids JSC. The pre-PPA is expected to be signed in November 2019. The table below presents some key facts surrounding the project.

Pavlogradskaya

Status	In development
Target in operation date	Fourth Quarter of 2020
Project Type	Solar
Location	Pavlograd district of the Dnipropetrovsk region (south-west of Ukraine)
Capacity (AC/DC)	105/128 MW
Expected P50 Annual Generation	157 GWh
Expected P50 Net Capacity Factor (AC/DC)	17.7% / 14%
Tariff	€113/MWh
Expected Project Costs	€80 million (including €73 million of capital expenditure)

The diagram below presents the site location for Pavlogradskaya.

Key Contracts

SOLAR FARM-4 LLC signed a grid connection agreement with DTEK Dnipro Grids JSC on 3 September 2019 for the purposes of setting up the grid connection for the electricity produced by Pavlogradskaya. The grid connection agreement is generally on the same terms outlined in "*Business – Project Development Process – Grid Connection – The Grid Connection Agreement*".

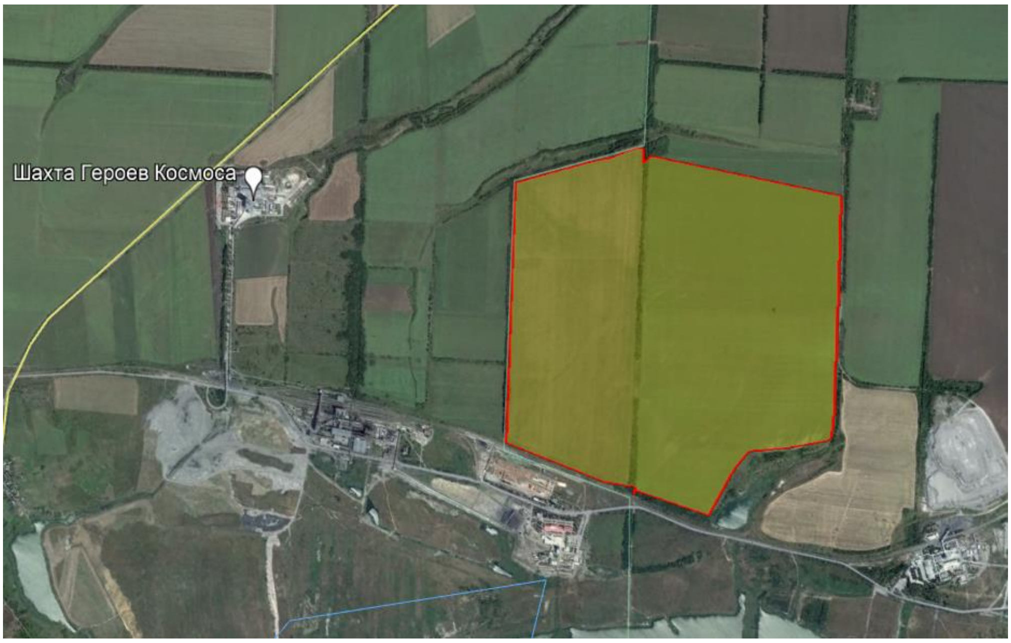
Troitskaya

Troitskaya is owned by SOLAR FARM-13 LLC, a wholly owned subsidiary of the Company. The location provides a good solar irradiation of 1,270 kWh/m² as reported by Solar resource data © Solargis 2019. Troitskaya will be connected by two transmission lines to the 150 kV Pavlogradska-Geroiv Kosmosu overhead line, and two transmission lines to the 150 kV Pavlogradska-Svet Shakhtyora overhead line of the distribution grid operator DTEK Power Grid LLC. The pre-PPA is expected to be signed by 31 December 2019. The table below presents some key facts surrounding the project.

Troitskaya

Status	In development
Target in operation date	Fourth Quarter of 2021
Project Type	Solar
Location	Pavlograd district of the Dnipropetrovsk region (south-west of Ukraine)
Capacity (AC/DC)	170/242 MW
Expected P50 Annual Generation	284 GWh
Expected P50 Net Capacity Factor (AC/DC)	19.1% / 13.4%
Tariff	€109 MWh
Expected Project Costs	€122 million (including €115 million of capital expenditure)

The diagram below presents the site location for Troitskaya.



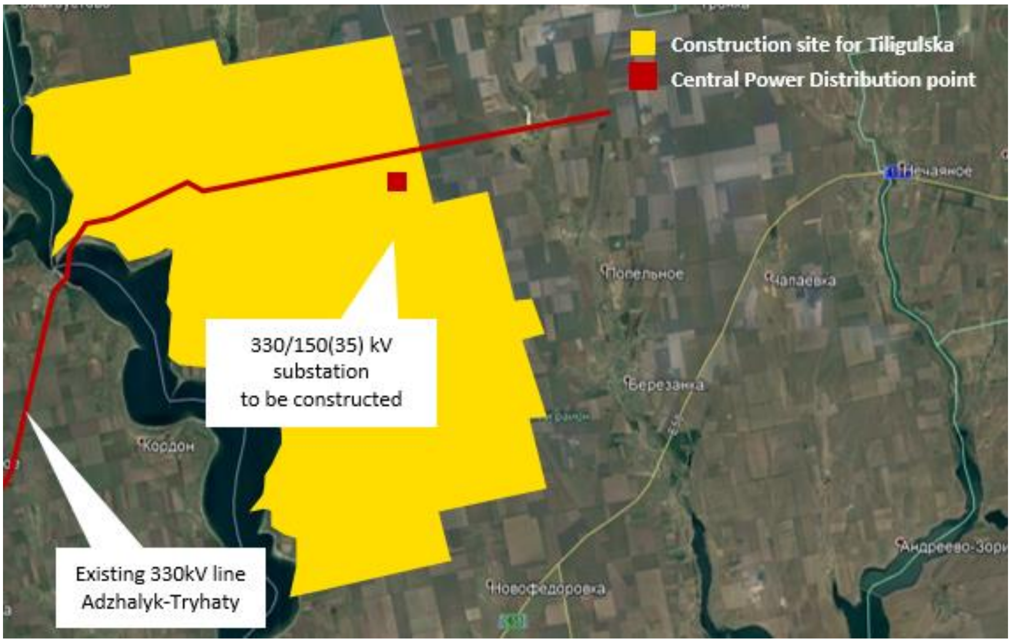
Tiligul

Tiligul is owned by DTEK TILIGULSKA WEP LLC (for 500MW of capacity) and DTEK TILIGULSKA WEP-2 LLC (for an additional 65 MW of capacity), each a wholly owned subsidiary of the Company. The location provides a good wind resource with an average wind speed of 6.7 to 6.9 m/s at a height of 100 to 120 metres. Tiligul will be connected to the existing 330kV line of the transmission grid operator Ukrenergo. The pre-PPA is expected to be signed by 31 December 2019. The table below presents some key facts surrounding the project.

Tiligul

Status	In development
Target in operation date	Phase 1 (500 MW) – Fourth Quarter of 2021 Phase 2 (65 MW) – First Quarter of 2022
Project Type	Wind
Location	Coast of Tiligul Lagoon in the Mykolaiv region
Capacity	565 MW
Expected P50 Annual Generation	1,906 GWh
Expected P50 Net Capacity Factor	38.5%
Tariff	€90/MWh
Expected Project Costs	€891 million (including €728 million of capital expenditure)

The diagram below presents the site location for Tiligul:



Key Contracts

DTEK TILIGULSKA WEP LLC signed a grid connection agreement with Ukrenergo on 22 May 2019 for the purposes of setting up the grid connection for the 500MW wind power plant. DTEK TILIGULSKA WEP-2 LLC signed a grid connection agreement with Ukrenergo on 20 June 2019 for the purposes of setting up the grid connection for the 65 MW wind power plant. The grid connection agreement is generally on the same terms outlined in "*Business – Project Development Process – Grid Connection – The Grid Connection Agreement*", except both grid connection agreement exempts Ukrenergo from liability if there is an application of balancing restrictive measures to Tiligul aimed at ensuring enough capacity for the Zaporizhia Nuclear Power Plant and South-Ukraine Nuclear Power Plant.

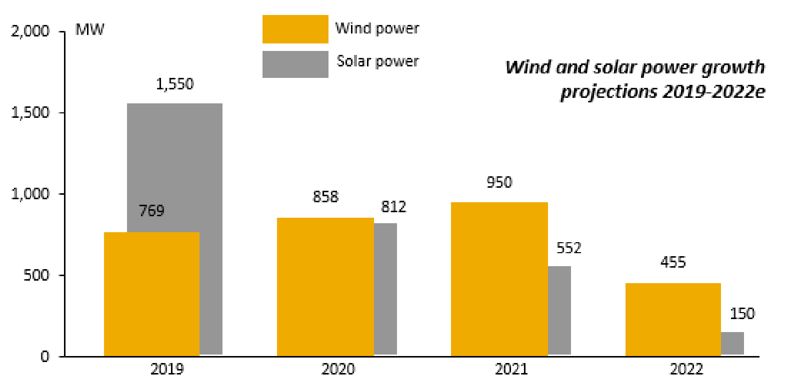
Both grid connection agreement gives Ukrenergo the additional right to unilaterally terminate grid connection agreements if DTEK TILIGULSKA WEP LLC or DTEK TILIGULSKA WEP-2 LLC, as applicable, fails to provide the project design documentation with an expert opinion by 15 December 2019 and if it fails to allocate all of the land plot for the electrical grids by 15 December 2019.

Competition

According to NEURC, as of 30 June 2019, the Group's installed capacity was 47 per cent and 10 per cent in the wind and solar energy sectors, respectively, from the total amount of installed capacity of wind and solar energy producers in Ukraine, net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories, whereas the nearest competitor's installed capacity was 27 per cent and 10 per cent, respectively. Among the wind energy producers, the Group's competitors include WindCraft, Wind Parks of Ukraine, GURISH and ECOOPTIMA whose installed capacity as of 30 June 2019 amounted to 27 per cent, 14 per cent, 5 per cent and 5 per cent, respectively, compared to the Group's installed capacity of 47 per cent. Among solar energy producers, the Group's competitors include CNBM, CENTRE GROUP, ICU Group and RENGY Group, whose installed capacity as of 30 June 2019 amounted to 10 per cent, 10 per cent, 6 per cent and 5 per cent respectively, compared to the Group's installed capacity of 10 per cent.

In 2019, the Group faced more competition in the solar energy market in Ukraine as compared to the wind energy market in Ukraine, however approximately one-third of the solar energy producers in Ukraine do not operate utility scale projects, and the Group's management believes that these solar energy producers also do not have further development plans. Approximately 75 per cent of the wind energy market in Ukraine in 2019 consists of 6 large renewable energy producers, including the Group. The Group's management, however, estimates that such companies will not continue to develop wind projects under the FiT regime after 2022.

The diagram below presents management's expected decreasing pipeline of projects in the solar energy and wind energy sector in Ukraine under the FiT regime. The Independent Consultant has not reviewed these figures for the purposes of the Independent Consultant's Report.



As the Guaranteed Buyer is the guaranteed purchaser of electricity produced by the Group, the Group's main sources of competition relate to securing appropriate sites for its projects, the choice of modern equipment, recruiting highly qualified staff with strong expertise in renewable energy projects and effective business processes as well as future competition under the Auctions Law if any of the Group's projects are subject to the bidding process.

Employees

As of 30 June 2019 and 31 December 2018, 2017 and 2016, the Group employed 176, 113, 73 and 50 people, respectively. The Group employed 207 people as of the date of these Listing particulars with 102 employees in charge of asset management and daily operations, 89 employees in charge of project development and 16 employees in corporate support functions.

Employees are a key component of the Group's success and the Group believes that efficient human resources management is critical. Therefore, the Group is focused on personnel motivation, development and establishing long-term loyalty. The Group's employees receive regular trainings and are provided opportunities to develop their skills at the DTEK Academy, which is a corporate university of DTEK B.V. Group. The DTEK Academy offers a broad variety of courses, including professional training programs, competence trainings, e-learning Executive MBA Programs, MBA Programs "Energy of Knowledge" and "Energy of Leader", and cooperates with leading international business schools and universities, such as Kyiv-Mohyla Business School (Ukraine), INSEAD (France), IE Business School (Spain), Erasmus Mundus University (the Netherlands) and Thunderbird Business School (United States of America). Furthermore, the DTEK Academy, has created a partnership, named DTEK Generation, with 11 leading Ukrainian universities to provide graduates with on-the-job training and employment opportunities and signed a memorandum of cooperation with the Ministry of Finance of Ukraine, the National Bank of Ukraine and the National Police.

The Group consider its relations with employees to be amicable. The Group has not experience any material labour disruptions in the past and do not have any unionized employees.

Environmental, Health and Safety

Compliance with high ecological standards is a crucial point for the business development of the Group. The Group complies with a long-term environmental protection policy of DTEK B.V. Group, which was adopted in 2009 and further amended in 2017. The Group's environmental management system has been certified in accordance with ISO 14001:2015. The Group conducts a standard environmental impact study of its operations prior to construction. The Group also monitors its impact on biodiversity, and in particular on bird and bat population. Ornithological monitoring has been carried out in accordance with the recommendations of the Scottish Natural Heritage, the Equator Principles and the standards of international financial companies.

The Group is focused on creating and maintaining a safe and healthy working environment. It has comprehensive safety and training programs designed to minimize accidents in the work place and improve the efficiency of its operations. The Group's operations have been certified in accordance with OHSAS 18001:2007. In 2018, 2017 and 2016, there were no accidents and injuries involving the Group's employees.

Corporate Social Responsibility

The Group systematically develops its activity in corporate social responsibility and strives to work in accordance with international corporate social responsibility standards, while remaining a domestic employer and social investor, aiding the social and economic development of the regions where it operates. Within the social partnership program in 2012–2018, the Group implemented 52 projects in the Zaporizhzhia, Dnipropetrovsk and Kherson regions. In 2019, the Group continued its activities with long-term social partnership programmes and has launched another stage of its own grant programme titled "Community by your own" to support citizen-led initiatives and leadership development in Ukraine. The DTEK B.V. Group is also a member of the UN Global Compact and of the Climate Bond Initiative. The DTEK B.V. Group expenditure on sustainable development (including social partnership programs, personnel training, occupational health and safety, maintenance of social sphere facilities, environmental costs) and social investment totalled to more than USD1.4 billion since 2005.

Intellectual Property

The DTEK B.V. Group is united under the unified corporate brand of DTEK, which the Group believes is easily recognizable by both Ukrainian and foreign partners who use the Latin alphabet. The brand name is written as

DTEK

DTEK HOLDINGS LIMITED is the holder of the trademark certificate of Ukraine № 166794 published on 11 February 2013 and international registration No. 1178730 registered on 28 march 2013.

Information Technology

The Group uses SAP ERP business solutions to create a unified management system and has implemented this system across its members. The Group believes that SAP solutions will satisfy its demand for comprehensive management of company resources, human resources and corporate governance (consolidation, budgeting, and business analytics).

The Group also benefits from DTEK B.V. Group's partnership with Microsoft and Hewlett Packard, which, apart from license support, permits the Group to create and employ an efficient, cost effective, innovative and stable IT infrastructure. These actions allow the Group to achieve a lower total cost of IT ownership, high quality of services and ultimately, efficient support for business operations and a valuable contribution to overall performance. The Group is also focused on security and reservation of critical management information by implementing appropriate IT infrastructure and creating reservation data centres. In particular, the Group has implemented, amongst others, control over unauthorized software, the Intrusion Prevention System (IPS), DLP policies, MDM system, antivirus control, anti-Spam systems

Insurance

The Group believes that it maintains adequate insurance coverage to mitigate various business risks. The Group's insurance policies include, but not limited to, property damage, third party liability and business interruption insurance. Furthermore, insurance while projects are undergoing physical construction is typically provided by EPC contractors.

Legal Proceedings

From time to time the Group is involved in legal proceedings arising in the ordinary course of business and/or as a result of the Group's disrupted operating environment.

Litigation relating to effectiveness of the resolutions passed by the NEURC

The Group is a third party to a pending litigation regarding the claim of JSC "Nikopol Ferroalloy Plant", the largest producer of manganese alloy in Ukraine, to invalidate the Resolutions of NEURC which established new increased grid transmission and dispatching tariffs. The new increased tariffs covered the payments of Ukrenergo to the Guaranteed Buyer, which should be further used to make payments under FiT to RES Producers, such as the Group. On 27 June 2019, the District Administrative Court of Kyiv passed an injunction freezing the NEURC's Resolutions No. 954 and 955 dated 7 June 2019. The injunction resulted in the suspension of the new tariffs for all market participants in July 2019, which effectively blocked the RES Producers, including the Group, from receiving full payments under the FiT for the produced electricity. However, on 1 August 2019 the District Administrative Court of Kyiv replaced the Injunction by suspending the effect of the Resolutions for the Claimants. The dispute is ongoing as of the date of these Listing Particulars.

Concurrently, to improve the situation on the market, the NEURC has superseded Resolutions No. 954 and 955 dated 7 June 2019 with new resolutions, which have become effective on 1 August and 4 August 2019, respectively. JSC "Nikopol Ferroalloy Plant" and certain other industrial enterprises have brought separate claims seeking invalidation of such new resolutions. If any interested party successfully challenges these new resolutions, the Guaranteed Buyer may become unable to make full payments to the RES Producers, including the Group, under the FiT for the produced electricity, which could have a material adverse effect on the Group's financial position, results of operations and prospects.

As a third party to these proceedings, the Group will, among other things, have the right to review the information discussed in these proceedings, the right to file motions and the right to appeal the case. Additionally, the Group will not be subject to any liability from the proceedings regardless of the outcome. However, a negative outcome resulting in a cancellation of the aforementioned resolutions could prevent the Guaranteed Buyer from making full payments to all of the RES Producers, which would adversely affect the Group.

Apart from the aforementioned proceedings, the Group is not involved in any material litigation, administrative or arbitral proceedings. See "Risk Factors—The Group may become involved in costly and time-consuming litigation and other regulatory proceedings, which require significant attention from the Group's management").

DESCRIPTION OF INDEBTEDNESS

The table below is a summary of the Group's borrowings:

Facility	Currency	Maturity	Committed Amount (1)	Indebtedness Amount as at 30 June 2019 (1)	Security and guarantees covenant restrictions
Tryfanovka Non-Revolving Credit Line	Euro	30 August 2024	€7,140,000 (UAH 212,272,200 equivalent)	€5,691,000 (UAH 169,193,430 equivalent)	Borrower: Tryfanovka Energy LLC Interest rate: 6% (subject to change on a yearly basis) Guaranteed by the Company Secured
Wind Power Loan Facility (2013)	Euro	4 May 2023	€137,956,000 (UAH 4,101,431,880 equivalent)	€71,088,000 (UAH 2,113,446,240 equivalent)	Borrower: WIND POWER LLC Interest rate: 1.69% Guaranteed by the Company Secured
Wind Power Loan Facility (2012)	Euro	30 June 2022	€106,973,000 (UAH 3,180,307,290 equivalent)	€39,077,000 (UAH 1,161,759,210 equivalent)	Borrower: WIND POWER LLC Interest rate: 2.975% Guaranteed by the Company Secured
Wind Power Bonds	UAH	30 December 2024	UAH 450,000,000 (€15,136,226 equivalent)	UAH 450,000,000 (€15,136,226 equivalent)	Borrower: WIND POWER LLC Bondholder: DTEK LLC Interest rate: 30.0% Guaranteed by the Company Not secured
DTEK RENEWABLES B.V. Loan Facility	Euro	22 February 2024	€8,000,000 (UAH 237,840,000 equivalent)	€8,000,000 (UAH 237,840,000 equivalent)	Borrower: DTEK RENEWABLES B.V. Interest rate: 5.0% Not secured
Primorskaya WEP-1 Syndicated Loan	Euro	30 September 2028	€90,305,000 (UAH 2,684,767,650 equivalent)	€80,709,000 (UAH 2,399,478,570 equivalent)	Borrower: Primorskaya WEP LLC Interest rate: Before the commercial operation date: 3 month EURIBOR + 2.5%. After the commercial operation date: Fixed rate + 1.13% Guaranteed by the Company Secured
Primorskaya WEP-2 Syndicated Loan	Euro	30 June 2029	€90,000,000 (UAH 2,675,700,000 equivalent)	€42,216,000 (UAH 1,255,081,680 equivalent)	Borrower: Primorskaya WEP-2 LLC Interest rate: EURIBOR + 2.0%. . After the commercial operation date: Fixed rate + 0.95% Guaranteed by the Company Secured
Orlovka WP Seller's Deferral of Payment to the Buyer	Euro	31 December 2019	€30,000,000 (UAH 891,900,000 equivalent)	€ 26,397,000 (UAH 784,782,810 equivalent)	Borrower: ORLOVKA WEP LLC, Interest rate: 8.0% Guaranteed by DTEK RENEWABLES B.V. Not secured
Total nominal value:				€524,674,806 (UAH 15,598,581,982 equivalent)	

(1) For informational purposes only, certain financial and other information has been converted to UAH at an exchange rate of €29.73 to UAH 1.00, which represents the average exchange rates based on the daily exchange rates for buy-sell transactions of Euro to UAH reported by the NBU on the banking day previous to 30 June 2019 (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. For additional information, see "*Exchange Rates*".

The Group has also entered into two additional indebtedness agreements (which are not listed or described herein due to confidentiality constraints) amounting to an aggregate of €236,365,911 (UAH 7,027,158,534 equivalent) consisting of indebtedness of €134,087,500 (UAH 3,986,421,375 equivalent) at an interest rate of 3.47 per cent with a maturity date of 10 July 2028 and indebtedness of €102,278,411 (UAH 3,040,737,159 equivalent) which is payable on demand.

The descriptions of the agreements as of 30 June 2019 below do not purport to be complete and are subject to, and qualified in their entirety by reference to, the underlying documents.

Tryfanovka non-revolving credit line

Tryfanovka Energy LLC entered into the loan agreement, dated 27 June 2017 (the "**Tryfanovka Non-Revolving Credit Line Agreement**" , governing the non-revolving credit line of up to €7,140,000 maturing on 30 August 2024 (the "**Tryfanovka Non-Revolving Credit Line**"). As of the date of these Listing Particulars, Tryfanovka Energy LLC had €5,691,000 of indebtedness outstanding under the Tryfanovka Non-Revolving Credit Line Agreement.

Covenants

Financial covenants:

If there is a breach by any of the following financial ratios from the levels stipulated as below (which are monitored annually), the lender would have the right to declare a default under this agreement:

The ratio of Debt to 12m OIBITDA ("**12m OIBITDA**" means a sum of the income resulting from operational activities, losses resulting from operational activities, and amortisation contained in Form 2 (a form for accounting purposes approved by the Order of Ministry of Finance of Ukraine No.73 dated 7 February 2013 "On Approval of National Accounting Standard 1 "General Requirements to Financial Statements" which contains a report on the financial results of the legal entity) for the financial year or the sum of gross financial result in Form 2-м (a form for accounting purposes approved by the Order of Ministry of Finance of Ukraine No. 39 dated 25 February 2000 "On Approval of National Accounting Standard 25 "Simplified Financial Statements" which contains a report on the balance of the certain legal entities including small businesses) including the amount of amortization expenditures, interest expenditures and other expenditures in connection with attraction of the debt financing in accordance with the breakdown of the numbers contained in Form 2-м for the financial year., :

- 4.8 starting from 1 January 2019;
- 3.8 starting from 1 January 2020;
- 3.0 starting from 1 January 2021;
- 2.2 starting from 1 January 2022; and
- 1.5 starting from 1 January 2023.

The ratio of 12m OIBITDA to 12m Interest ("12m Interest" means interest expenditures and other expenditures in connection with debt financing. The ratio equals to the finance expenditures ratio contained in Form 2 for the financial year or equals to interest expenditures and other expenditures in connection with the debt financing during the financial year in Form 2-м, as applicable) shall be equal to no less than 3.0.

Indebtedness of Tryfanovka Energy LLC to the companies of SCM Group is subordinated to the indebtedness owed to this lender.

Negative pledge:

Tryfanovka Energy LLC is subject to a negative pledge under this agreement whereby it agrees that it shall not create or permit to subsist any security interest on the pledged assets securing payment obligations under this agreement without the prior written consent of the lender. Tryfanovka Energy LLC is also restricted from providing financial aid to legal entities or individuals (except for the companies of SCM group) and restricted from providing suretyship and/or security without the consent of the lender.

Other covenants:

A distribution of more than 50 per cent of profit for distribution (including in the form of dividends) can only be made after receipt of written confirmation from the lender.

Events of Default

Events of default include, among other things, failure to fulfil the payment obligations in a timely manner, failure to credit all proceeds from sales to the accounts opened with the lender (with an allowance of a 10 per cent deviation); failure by Tryfanovka Energy LLC to fulfil obligations provided in the this agreement; and the occurrence of an Adverse Effect (such as a judicial decision against Tryfanovka Energy LLC amounting to at least 10 per cent of the asset value of Tryfanovka Energy LLC, a negative conclusion from auditors upon an audit of financial statements or an insolvency event (unless such event is cancelled within 30 days)).

Security

The Tryfanovka Non-Revolving Credit Line is secured by a (i) pledge of solar panels; (ii) pledge of invertors; (iii) pledge of solar plant`s equipment (other than solar panels and invertors); (iv) pledge of property rights under a 9.99 MW solar plant construction agreement; (v) mortgage of the project and (vi) a corporate guarantee issued by the Company.

Wind Power Loan Facility (2012 and 2013)

WIND POWER LLC entered into the novated loan facility agreement, dated 17 February 2016, which amended the €106,973,305 loan agreement dated 20 April 2012 and the €137,955,530.82 loan agreement dated 17 June 2013 (the "**Wind Power Loan Facility Agreement**"), as borrower.

Covenants

Negative Pledge:

WIND POWER LLC is subject to a negative pledge whereby it agrees that it shall not, and shall procure that the Company does not, create or permit to subsist any security interest on the assets acquired and installed under wind turbine supply contracts dated 18 January 2012 and 18 March 2013, entered into with Vestas Deutschland GmBH, wind turbine installation agreements dated 18 January 2012 and 18 March 2013, entered into with Vestas Ukraine LLC and a construction contract dated 21 July 2011 entered into with Vira LLC (together, the "**Purchased Assets**").

Financial Indebtedness:

For purposes of the Wind Power Loan Facility Agreement, "Financial Indebtedness" means (a) moneys borrowed; (b) any amount raised by or under any facility providing for the issuance of any letter of credit, any guarantee, any bill of exchange (Wechse) or any similar instrument or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles applicable to WIND POWER LLC, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a nonrecourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in Clauses (a) to (h) above. WIND POWER LLC shall not:

- be a creditor in respect of any Financial Indebtedness;
- incur or have outstanding Financial Indebtedness; or
- pay or discharge any Financial Indebtedness or grant any guarantee owed to any other person.

There are circumstances where the restrictions on Financial Indebtedness do not apply, such as:

- with the written consent of the lender;
- where permitted under the agreement;
- under any intragroup loan or loan from DTEK Naftogaz LLC or any Financial Indebtedness provided to WIND POWER LLC in the amount of not less than €15,000,000 by: (a) DTEK B.V. or any of its subsidiaries (other than DTEK ENERGY B.V. and its subsidiaries); or (a) any third party under cash collateral provided by DTEK B.V. or any of its subsidiary (other than DTEK ENERGY B.V. and its subsidiaries), provided the loans are subordinated to the claims of the lender; and
- under any agreement in the Group or any other third party creditor, provided that the loans are subordinated to the claims of the lender.

Other Covenants:

WIND POWER LLC is restricted from:

- making, paying or declaring any dividend or other distribution in respect of its share capital;
- repaying or distributing a dividend or share premium reserve;
- paying a management, advisory or other fee to its shareholders;
- redeeming, purchasing, decreasing or repaying its share capital or resolving to do so; or
- making any payments under the any intragroup loan or loan from DTEK Naftogaz LLC or any Financial Indebtedness provided to WIND POWER LLC in the amount of not less than €15,000,000

by: (a) DTEK B.V. or any of its Subsidiaries (other than DTEK ENERGY B.V. and its Subsidiaries); or (a) any third party under cash collateral provided by DTEK B.V. or any of its Subsidiary (other than DTEK ENERGY B.V. and its Subsidiaries);

unless such payment is made in accordance with the Cash Flow Waterfall dictating the priority of payments permitted to be made by WIND POWER LLC, which provides for operating expenses, taxes/other mandatory expenses, operating and maintenance fees, and mandatory capital expenses to be paid first, followed by fees to the lender and principal repayments under the loan.

Security

WIND POWER LLC has provided a first-ranking mortgage of immovable assets at the Botievo wind park (including but not limited to 65 turbines, buildings and the transmission station) , a movables pledge, a pledge over the bank accounts of WIND POWER LLC, a pledge over the debt service reserve account of the Company and a pledge over property rights (in respect of a power purchase agreement and various service agreements. There is also a guarantee provided by the Company.

Events of Default

Events of default include, but are not limited to:

- failure to pay, which is subject to a 30 day grace period;
- failure to perform any other obligation under any Finance Document (as defined in the Novated Facility Agreement), which is subject to a 30 day grace period; and
- the Company ceasing to control, directly or indirectly, at least 99.505 per cent of shares/corporate rights in WIND POWER LLC.

Definitions

"**Cash Flow Waterfall**" means: a) operating expenses including payment of salaries and wages, b) taxes and other mandatory payments, c) operating and maintenance fees payable, d) mandatory capital expenses needed to maintain existing turbines, the plant and related facilities in good working order, e) fees owed to the lender, if any, f) interest payable under this Loan Agreement, g) principal repayments under the agreement (other than mandatory principal repayments), h) payments into a debt service reserve account, unless the Required Debt Service Reserve is standing to the credit of a debt service reserve account (payments by WIND POWER LLC into a debt service reserve account can be applied against the repayment of the Intragroup Loan between the Company and WIND POWER LLC), i) management fees charged by DTEK B.V. up to the maximum amount of €1,500,000 per annum as of 1 January 2016, j) interest under an Intragroup Loan and under the Sub-Loan up to a maximum amount as approved by the lender, provided that the lender shall not withhold its approval if the respective interest rate has been determined on an arm's length basis, k) mandatory principal repayment, if any, to the lender under the agreement, and l) other payments.

Wind Power Bonds

WIND POWER LLC has UAH 450,000,000 of notes due 2024 (the "**Wind Power Bonds**"). The Wind Power Bonds contain a suretyship (in Ukrainian, *poruka*) from the Company. The suretyship from the Company guarantees the repayment of the principal amount of the Wind Power Bonds by WIND POWER LLC, which is equal to UAH 450,000,000 (approximately €17,090,771). The date of termination of the interest calculation period is 30 December 2024 and the Wind Power Bonds must be repaid within the period of 31 December 2024 to 30 December 2025. The Wind Power Bonds contain one event of default, which is the failure to fulfil the payment obligations of the Wind Power Bonds in a timely manner.

DTEK RENEWABLES B.V. Loan Facility

The English law governed €8,000,000 loan agreement dated 26 February 2019 (the "**DTEK Renewables B.V. Loan Facility**"), entered into by the Company as borrower, provides a loan of €8,000,000 due 22 February 2024. The loan is for general corporate purposes and any amount of the loan which is repaid may be re-borrowed, subject to certain conditions. The loan contains standard representations and warranties relating to, amongst other things, the power of the Company to enter into and perform the transaction contemplated by the facility, the power to own its assets and carry on its business and that the obligations expressed in the loan agreement are legal, valid, binding and enforceable obligations.

Primorskaya WEP-1 Syndicated Loan

This €90,305,000 facility agreement dated 5 July 2018 (as amended on 17 July 2018 and amended and restated on 9 August 2018) (the "**Primorskaya WEP-1 Syndicated Loan Agreement**") was entered into between, amongst others, Primorskaya WEP LLC as borrower and the Company as guarantor.

Covenants

Ratios:

The Primorskaya WEP-1 Syndicated Loan Agreement requires Primorskaya WEP LLC to comply with a debt service cover ratio of not less than 1.10 to 1.00.

Negative Pledge:

Primorskaya WEP LLC is subject to a negative pledge whereby it shall not:

- create security over any of its assets (other than with the prior written consent of the facility agent, acting on the instructions of all lenders);
- sell, transfer or dispose of assets where the asset may be leased or reacquired by it;
- sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- enter into any arrangement under which money or the benefit of a bank account or other account may be applied, set-off or made subject to a combination of accounts; or
- enter into any preferential arrangement having a similar affect,

  where the arrangement is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition an asset.

The negative pledge is subject to certain carve-outs, including but not limited to:

- any netting or set off arrangement entered into in the ordinary course of its banking arrangements;
- any payment or close-out netting or set-off arrangement pursuant to ordinary course hedging transactions;
- any lien arising by operation of law and in the ordinary course of business; and
- any security or quasi-security arising in respect of goods supplied to the borrower in the ordinary course of trading

The Company shall not (and shall ensure that no Shareholder will) create or permit to subsist any security over a participatory interest in Primorskaya WEP LLC.

Financial Indebtedness:

"Financial Indebtedness" under the Primorskaya WEP-1 Syndicated Loan Agreement means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of the finance leases; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under IFRS); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) required to be accounted for as a borrowing under IFRS; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that transaction, that amount) shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (i) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above. Primorskaya WEP LLC shall not make any Distributions, except for:

- Distributions to the Company for the purposes of funding the debt service reserve account and in accordance with the Payment Waterfall;
- Distributions made to the lenders of shareholder loans documented in the form of interest free loan agreements and given from the proceeds of the loan made to Primorskaya WEP LLC under the Primorskaya WEP-1 Syndicated Loan Agreement and provided that Primorskaya WEP LLC confirms no breach of the financial covenants;
- Distributions made to the extent that, at the earlier of: (a) 30 September 2019; and (b) the first interest payment date falling at least nine months after the last Turbine Operation Date, and each subsequent 30 June, and 31 December up to the maturity date.
    - the last Turbine Completion Date has occurred;
    - the earlier of (a) 30 September 2019; and (b) the date falling nine months after the mean weighted date of commissioning of the individual wind turbines within the meaning of the ECA regulations has occurred and all amounts due under Primorskaya WEP-1 Syndicated Loan Agreement have been paid;
    - no default has occurred or would occur as a result of making the Distribution;
    - the balance on the debt service reserve account is not less than the required balance;
    - the debt service cover ratio is not less than 1.25 to 1.00;
    - the forecast debt service cover ratio is not less than 1.25 to 1.00; and
    - the Payment Waterfall has been complied with; and

- Distributions made to the lenders of shareholder loans documented in the form of bonds, but only to the extent Primorskaya WEP LLC provides the facility agent with sufficient notice and confirmation that the financial covenants contained in Primorskaya WEP-1 Syndicated Loan Agreement are complied with and would not be breached as a result of the Distribution.

Security

Primorskaya WEP LLC shall maintain and preserve the security provided under the security documents and the first-ranking priority, validity and enforceability of the following security:

- pledges over (A) property rights under construction contracts; (B) debt service accounts; (C) all moveable property (classified as property, plant and equipment in accordance with IFRS); (D) Ukrainian bank accounts; (E) shares in Primorskaya WEP LLC; and (F) receivables due under a power purchase agreement;
- a mortgage over property (wind turbines); and
- an assignment of rights and benefits under a service agreement and various supply contracts.

Events of Default

The Primorskaya WEP-1 Syndicated Loan Agreement contains various events of default as set forth in Clause 23 (*Events of Default*). These include, but are not limited to:

- a failure to pay subject to a five Business Days grace period provided certain conditions are met;
- a breach of financial covenants including the ratios mentioned above, subject in some cases to grace periods;
- cross default provisions, except where the Financial Indebtedness does not exceed €100,000 in the case of Primorskaya WEP LLC and €2,000,000 in respect of the Company; and
- creditors process except where aggregate value of the claim does not exceed €100,000 in the case of Primorskaya WEP LLC or €3,000,000 in respect of the Company.

Definitions

"**Distributions**": means (a) any payment of dividends or other distribution (whether in cash or in kind) and any bonus issue or any return of capital including any payment in respect, or on redemption, of any share capital whether at a premium or otherwise; (b) any payment of interest, principal or any other amount in respect of a shareholder loan or in respect of any Financial Indebtedness owed by Primorskaya WEP LLC to any of its affiliates, including any purchase by Primorskaya WEP LLC of any shareholder loan or such Financial Indebtedness; (c) any payment or discharge by way of set-off, counterclaim or otherwise in respect of Financial Indebtedness made by Primorskaya WEP LLC to an affiliate or in respect of a shareholder loan; or (d) any payment by Primorskaya WEP LLC to its Shareholders or any of their affiliates which is not expressly provided for under any transaction document.

"**Payment Waterfall**": means the order of priority in which Primorskaya WEP LLC may apply amounts, being: (i) up to the Commercial Operation Date, on-payment of interest during construction payable by Primorskaya WEP LLC to the lenders from the date of utilisation under the Facility Agreement to 31 December 2018; (ii) operating costs, including but not limited to payment of salaries and wages; (iii) taxes and other mandatory payments; (iv) on and from the first Turbine Commercial Operation Date: (A) operating and maintenance fees payable to the O&M provider; and (B) mandatory Capital Expenditure required to maintain the wind turbines, the 100 MX wind power plant to be developed by Primorskaya WEP LLC and related facilities in good working condition; (v) on and from the first interest payment after the final Turbine Completion Date, interest payable under the Facility Agreement; (vi) on and from the first repayment date, scheduled principal repayments under the Facility Agreement; (vii) if opened pursuant to the terms of the Facility Agreement, payments into the maintenance reserve account unless the maintenance reserve account required balance is already standing to the credit of the maintenance reserve account (or retaining the maintenance reserve account required balance in the onshore project account until the NBU licence for the maintenance reserve account has been obtained and the maintenance reserve account can be funded accordingly); (viii) payments into the debt service account, unless: (A) certain conditions apply and the Company debt service reserve account is being used as debt service reserve account; or the relevant debt service reserve account required balance is already standing to the credit of the debt service account opened in the name of the Primorskaya WEP LLC; (ix) if the Company debt service reserve account is being used as debt service reserve account, payments into the Company debt service reserve account unless the relevant debt service reserve account required balance is already standing to the credit of the Company debt service reserve account; (x) any mandatory principal prepayments (if any) including break costs or fixed rate loan costs (as the case may be) under the Facility Agreement; (xi) other payments due and payable under the finance documents (if any); and thereafter, for free distribution by Primorskaya WEP LLC (including, for the avoidance of doubt, payment of any guarantee fee to the Company); provided that, the conditions under bullet point 3 related to payments of Distributions below are met at the time of payment.

"**Shareholder**": means the Foreign Parent, the Company, or the Local Parent.

"**Turbine Commercial Operation Date**": means a date on which one or a number of wind turbines has satisfied all requirements prescribed by the FiT Legislation in order for electricity produced by such wind turbine(s) to be eligible for the purchase by the Guaranteed Buyer at the FiT (including, but not limited to, the connection of such wind turbine(s) to the grid), as evidenced by a resolution of the NEURC approving the feed-in tariff for Primorskaya WEP LLC in respect of such wind turbine(s) and the power purchase agreement with Guaranteed Offtaker duly executed by each party to it.

"**Turbine Completion Date**": means the date on which the following conditions have been satisfied: (a) the relevant Turbine Commercial Operation Date has been achieved; (b) each relevant commissioning certificate has been issued and the take-over of the wind turbines by Primorskaya WEP LLC has been completed; (c) it has been certified that works executed in respect of the wind turbines meet the design documentation and all utilities are in place; Primorskaya WEP LLC has delivered a financial model demonstrating the financial ratios are met; (e) no default has occurred or is continuing; (f) the balance of the debt service reserve account is not less than the debt service reserve account required balance; (g) all required insurance is in place; (h) it has been certified that all amounts payable as project costs have been paid or will be paid.

Primorskaya WEP-2 Syndicated Loan

This €90,000,000 facility agreement dated 14 December 2018 (as amended from time to time) (the "**Primorskaya WEP-2 Syndicated Loan Agreement**") was entered into between, amongst others, Primorskaya WEP-2 LLC as borrower and the Company as guarantor.

Financial Covenants

The financial covenants under the Primorskaya WEP-2 Syndicated Loan Agreement are substantially the same as the financial covenants under the Primorskaya WEP-2 Syndicated Loan Agreement, as described above under "*Description of Indebtedness—Primorskaya WEP-2 Syndicated Loan Agreement*".

Events of Default

The events of default under the Primorskaya WEP-2 Syndicated Loan Agreement are substantially the same as the events of default under the Primorskaya WEP-2 Syndicated Loan Agreement, as described above under "*Description of Indebtedness—Primorskaya WEP-2 Syndicated Loan Agreement*".

Security

Primorskaya WEP-2 LLC shall maintain and preserve the security provided under the security documents and the first-ranking priority, validity and enforceability of the following security:

- pledges over (A) property rights under construction contracts; (B) debt service accounts; (C) all moveable property (classified as property, plant and equipment in accordance with IFRS); (D) Ukrainian bank accounts; (E) shares in Primorskaya WEP-2 LLC held by the Company; and (F) receivables due under a power purchase agreement;
- a mortgage over property (wind turbines); and
- an assignment of rights and benefits in under a service agreement and various supply contracts.

Orlovsk WP Seller's Deferral of Payment to the Buyer

This Plant Supply Agreement No. 229-OWEP-2 for the Orlovsk Wind Farm Project was entered into between ORLOVKA WEP LLC, Vestas Central Europe A/S and Vestas Ukraine LLC on 15 November 2018 (as amended from time to time).

Security

Primorskaya WEP-2 LLC shall maintain and preserve the security provided under the security documents and the first-ranking priority, validity and enforceability of the following security:

- pledges over (A) property rights under construction contracts; (B) debt service accounts; (C) all moveable property (classified as property, plant and equipment in accordance with IFRS); (D) Ukrainian bank accounts; (E) shares in Primorskaya WEP-2 LLC held by the Company; and (F) receivables due under a power purchase agreement;
- a mortgage over property (wind turbines); and
- an assignment of rights and benefits in under a service agreement and various supply contracts

Security

The Company has guaranteed payments under this agreement up to an amount of €58,890,000.

Termination terms

The grounds for unilateral termination by Vestas Central Europe A/S are as follows:

- failure of ORLOVKA WEP LLC to fulfil the payment obligations in a timely manner;
- failure of ORLOVKA WEP LLC to fulfil its previous obligations within the first month since the effective date of the agreement;
- material breach by ORLOVKA WEP LLC;
- bankruptcy, insolvency, winding up or any similar event occurs in respect of ORLOVKA WEP LLC; and
- if ORLOVKA WEP LLC commits fraud, corruption or any similar actions in respect of works under the agreement.

Summary of indebtedness agreements entered into after 30 June 2019

The following table presents the Group's indebtedness agreements entered into after 30 June 2019:

Facility	Currency	Maturity	Committed Amount (2)	Drawn Amount (2)	Borrower and interest rate(2)
Orlovsk secured loan facility due 2025(1)	Euro	August 2025	€21,000,000 (UAH 624,330,000 equivalent)	€15,000,000 (UAH 445,950,000 equivalent)	Borrower: Orlovka WEP LLC Interest rate: 12 month Ukrainian Index of Retail Deposit Rate + 5.12% Secured
Orlovsk secured loan facility	UAH	December 2019	UAH 1,400,000 000 (€47,090,481 equivalent)	UAH 930,000,000 (€31,281,534 equivalent)	Borrower: Orlovka WEP LLC Interest rate: 18.45% Secured
Solar Farm– 3 secured loan facility	UAH	December 2019	UAH 1,400,000 000 (€47,090,481 equivalent)	UAH 930,000,000 (€31,281,534 equivalent)	Borrower: Solar Farm– 3 LLC Interest rate: 16.75% Secured
Solar Farm– 3 secured loan facility	UAH	December 2019	UAH 940,000,000 (€31,617,894 equivalent)	UAH 940,000,000 (€31,617,894 equivalent)	Borrower: Solar Farm– 3 LLC Interest rate: 17.50% Secured

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(1) Certain covenant restrictions include: (i) dividends are not permitted to be paid without the written consent of the lender if the debt service coverage ratio (12m OBITDA and financial aid received, divided by the total amount of payments for the period) is less than 1.2 and (ii) indebtedness of Orlovka WEP LLC to the companies of SCM Group is subordinated to the indebtedness owed to this lender.

(2) For informational purposes only, certain financial and other information has been converted to UAH at an exchange rate of €29.73 to UAH 1.00, which represents the average exchange rates based on the daily exchange rates for buy-sell transactions of Euro to UAH reported by the NBU on the banking day previous to 30 June 2019 (after rounding adjustments). The exchange rates may differ from the exchange rate as of the date hereof and the date on which the Notes are issued. For additional information, see "*Exchange Rates*".

INDUSTRY OVERVIEW

Certain of the projections and other information set forth in this section "Industry Overview" have been derived from external sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Market research, while believed to be reliable by the Company for the purposes of these Listing Particulars, has not been independently verified. The Company accepts responsibility for accurately reproducing such information and as far as it i aware, no facts have been omitted which would render the reproduced information misleading or inaccurate. The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. See "Independent Consultant's Report Summary" and Annex A to these Listing Particulars. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-looking Statements". For the definitions of certain technical terms used in these Listing Particulars, please refer to "Glossary of Technical Terms".

Development and transition of the global energy sector is one of the key elements of global sustainable development. Current global industry development trends are primarily characterized by a deepening of integration within energy systems and growth in the share of energy generation from renewable sources in the energy balances across the globe. The widespread use of renewable energy technologies in electricity production is likely to play a key role in reducing global fossil fuel dependency going forward and reducing the environmental impact of the global energy industry, in line with the Paris Climate Agreement's targets and goals.

According to the 2019 "Global Status Report on Renewables" by REN21, the estimated share of renewables in the global electricity generation market was more than 26 per cent in the year ended 31 December 2018, with the International Energy Agency predicting this share will reach 40 per cent by 2040. In the year ended 31 December 2018, global renewable power installed capacity reached 2,378 GW and net capacity additions for renewable power were higher than for fossil fuels and nuclear power combined for a fourth consecutive year. In the year ended 31 December 2018, approximately 100 GW of solar photovoltaics (PV) were installed, accounting for 55 per cent of renewable capacity additions, followed by wind power (28 per cent) and hydropower (11 per cent). Overall, renewable energy has grown to account for more than 33 per cent of the world's total installed power generating capacity in the year ended 31 December 2018.

This growth in the renewable energy sector is driven by stable policy initiatives and targets that send positive signals to the industry, along with decreasing costs and technological advancements. According to the 2019 BP Statistical Review of World Energy, in the year ended 31 December 2018, the global primary energy consumption grew at the rate of 2.9 per cent, which marked the fastest growth rate in the decade. Renewable energy accounted for the second largest increment to energy growth after natural gas, growing by 14.5 per cent, or 71 million tons of oil equivalent, compared to 2017. Wind power generation grew by 32 million tons of oil equivalent and Solar generation grew by 30 million tons of oil equivalent. On the supply side, the growth in power generation in the year ended 31 December 2018 was also led by renewable energy, which grew by 14.5 per cent, contributing approximately one third of overall growth, followed by coal, contributing 3.0 per cent and natural gas contributing 3.9 per cent.

Renewable energy market in Ukraine

Ukraine's electricity generation energy mix is still mostly dominated by nuclear and coal sources of electricity production, which, according to NEURC, accounted for 54.4 per cent and 29.2 per cent of total electricity generated in the year ended 31 December 2018, respectively. Similarly, total generation capacity in Ukraine is primarily dominated by thermal (21.8 GW) and nuclear (13.8 GW) generation, which represented to 43.7 per cent and 27.7 per cent of the total generation capacity in the year ended 31 December 2018. Renewable energy generation capacity, including solar, wind and biofuel energy generation capacity, in comparison, accounted for 4.1 per cent of total global installed capacity in the year ended 31 December 2018, according to NEURC.

Under the EU Energy Community Treaty, to which Ukraine acceded on 1 February 2011, Ukraine has a contractual obligation to adopt the EU's legal and regulatory framework for the energy sector and to support renewable energy generation. Due to its favourable geographical position and climate, Ukraine has sufficient natural resources to materially increase it's the energy production from renewable sources. As described in the Ukraine Energy Strategy for 2035, the Ukrainian government aims to achieve 25 TWh, or approximately 12.8 per cent of total electricity generated in Ukraine, generated by wind and solar energy sources by 2035 from 2.8 TWh, or approximately 1.8 per cent, in 2018 (see Table 1 below). Ukraine has also pledged to cut CO2 emissions by at least 40 per cent from 1990 levels by 2030 and 50 per cent from 1990 levels by 2035, in line with the 2015 Paris Agreement.

Additionally, as also described in the Ukraine Energy Strategy for 2035, the Ukrainian regulatory drive to align with European Union norms and requirements is also supported by the Ukrainian government's geopolitical strategy to increase energy independence and decrease total energy imports to below 33 per cent by 2035. These complementary goals have led to an overall supportive and conducive regulatory environment for the ongoing growth of Ukraine's renewable energy industry.

Table 1. Historic and predicted electricity production in Ukraine

	2015	2016	2017	2018	2020	2025	2030	2035
	Factual				**Projected**			
	(in Terawatt-hours)							
Nuclear	87.6	80.9	85.6	84.4	85	91	93	94
Thermal / CHPP	61.7	63.2	57.3	60.3	60	64	63	63
Hydro	6.8	9.1	10.6	12.0	10	12	13	13
Renewables (Solar and Wind)	1.6	1.6	1.9	2.6	9	12	18	25
Total	**157.7**	**154.8**	**155.4**	**159.3**	**164**	**178**	**185**	**195**

Source: Ukraine Energy Strategy for 2035, Ministry of Energy of Ukraine

Table 2. Historic and predicted structure of Ukraine's energy supply

	2015	2017	2020	2025	2030	2035
	Factual		**Projected**			
			(in percentage)			
Coal	30.4	28.7	22.0	16.1	14.3	12.5
Natural Gas	28.9	27.4	29.3	31.0	30.8	30.2
Oil products	11.6	14.3	11.5	9.2	8.2	7.3
Nuclear	25.5	25.1	29.3	32.2	29.7	25.0
Biomass and fuel	2.3	3.4	4.9	6.9	8.8	11.5
Solar and Wind	0.1	0.2	1.2	2.4	5.5	10.4
Hydro	0.5	0.9	1.2	1.1	1.1	1.0
Geothermal	0.6	0.6	0.6	1.1	1.6	2.1
			(in percentage)			
Fossil Energy Sources	96	95	92	88	83	75
Renewable Energy Sources	4	5	8	12	17	25

Source: Ukraine Energy Strategy for 2035, Ministry of Energy of Ukraine

In 2008, in order to stimulate investments into the renewable energy sector in light of the abovementioned targets, the Ukrainian government started to stimulate development of wind, solar, biofuel and small hydro power projects through the FiT regime, taxation reliefs and other incentives. The Law of Ukraine "On Alternative Energy Sources" (as amended by the Law of Ukraine "On the Electricity Market") provided a key mechanism for stimulating the development of electricity production from renewable energy sources by setting FiT rates through the provision of PPAs under which the Guaranteed Buyer would purchase 100 per cent of the electricity produced by qualifying renewable energy projects at the pre-determined prices. The FiT regime was introduced in 2009 and will remain in effect until 31 December 2029, securing an offtake of all electricity produced by qualifying projects. The Guaranteed Buyer sells electricity purchased under the FiT regime to consumers in the day-ahead domestic, intraday and balancing market.

Article 9-1 of the Law of Ukraine "On Alternative Energy Sources" establishes the ratios for determining the feed-in-tariff for each project. The fixed minimum feed-in tariff for each RES producer is calculated according to the following formula:

$$Fixed\ feed-in-tariff\ (min) = \frac{Retail\ tariff\ (01.01.2009)\ x\ Ratio}{EURUAH\ (01.01.2009)},\ \text{where}$$

- "Retail tariff (01.01.2009)" means the retail tariff for consumers of the second class of voltage in January 2009, UAH 58.46 for 1kWh without VAT;

- "Ratio" stands for the ratio of feed-in tariff under Law of Ukraine "On Alternative Energy Sources" € (01.01.2009) means Hryvnia to Euro exchange rate, officially set by the National Bank of Ukraine on 1 January 2009, UAH 1085.546 for €100

Under the FiT regime, the tariff is fixed in Euro and paid in Hryvnia, while the Hryvnia amount is rebased every three months to adjust for any currency fluctuations and cannot be less than the fixed minimum FiT for each RES producer calculated in Hryvnia. Under Article 9-1 of the Law of Ukraine "On Alternative Energy Sources", the Euro to Hryvnia exchange rate for the purposes of calculation of FiT for RES producers is set every quarter by NEURC on the basis of average exchange rate during 30 days preceding the NEURC quarterly meeting. The FiT is subject to adjustment by the NEURC each quarter, as per the following formula:

$$Fixed\ feed-in-tariff\ = Fixed\ Feed-in\ Tariff\ (min)\ x\ EURUAH\ (average\ 30d),$$ where

- "EURUAH (average 30d)" stands for average Euro to Hryvnia exchange rate in the last 30 calendar days, which is preceded by the date of the last meeting of the NEURC in the previous quarter, UAH for €100 per formula:

$$EURUAH\ (average\ 30d) = \frac{\sum(EURUAH\ d-31)}{30},$$ where

- "EURUAH" stands for the Hryvnia to Euro exchange rate, officially set by the National Bank of Ukraine on the i-y date, Hryvnia for €100

- "d" stands for the date of the last meeting of the NEURC in the previous quarter

Table 3. Dynamics of EUR/UAH exchange rate used for FiT calculation

	1 January 2009	…	**Q2 2017**	**Q3 2017**	**Q4 2017**	**Q1 2018**	**Q2 2018**	**Q3 2018**	**Q4 2018**	**Q1 2019**	**Q2 2019**	**Q3 2019**
	(in Hryvnia per hundred Euro)											
EUR/UAH Exchange Rate	1,085.55	…	2,879.82	2,924.85	3,103.93	3,244.34	3,268.72	3,063.10	3,287.52	3,168.68	3,040.75	2,988.42

Source: NEURC

The mechanism, which was introduced to stimulate electricity production from renewable sources, provided a significant impetus to the development of the renewable energy generation in Ukraine. There has been a significant increase in the number of entities applying for capacity installation under FiT regime, the number of RES electricity producers, and, subsequently, the total installed renewables capacity every year since 2011 (see Table 3 above). As at 31 December 2018, the total renewable generation capacity installed in Ukraine reached 2,117.2 MW, compared to 1,374.7 MW as of 31 December 2017. The largest portion of installed capacity was concentrated in wind and solar projects, which accounted for 532.8 MW and 1,388.3 MW, respectively, of total installed capacity as at 31 December 2018. The remaining capacities were related to biomass and biogas, accounting for 97.5 MW, and small hydro power plants, accounting for 98.6 MW, according to NEURC.

As at 30 June 2019, the total generation capacity from renewable sources in Ukraine was 3,634.4 MW, with solar projects accounting for 2,640.4 MW and wind power plants for 776.6 MW capacity. Biofuels provided installed capacity of 117.7 MW and small hydro power plants provided installed capacity of 99.8 MW as at 30 June 2019.

In the year ended 31 December 2018, electricity generated by renewable energy producers increased by 691 million kWh, or 33 per cent, compared to the year ended 31 December 2017, and accounted for 2,777.3 million kWh. Energy generation from renewable sources accounted for 1.9 per cent of total electricity produced in the year ended 31 December 2018 and 3.3 per cent of the total electricity generated during the six months ended 30 June 2019.

Table 3. Renewables Installed Capacity in Ukraine

	As at 31 December					As at 30 June	
	2014	**2015**	**2016**	**2017**	**2018**	**2018**	**2019**
	(in Megawatts)						
Solar	411.9	431.7	530.9	741.9	1,388.3	948.2	2,640.4
Wind	426.1	426.1	437.8	465.1	532.8	515.4	776.6
Biomass / Biogas	49.1	52.4	59.1	73.1	97.5	84.8	117.7
Small hydro power plants	80.2	86.9	90.0	94.6	98.6	95.6	99.8
Total	**967.3**	**997.2**	**1,117.7**	**1,374.7**	**2,117.2**	**1,644.1**	**3,634.4**

Source: NEURC, net of the capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories

According to NEURC, 742.5 MW of new renewable energy installed capacity was commissioned in the year ended 31 December 2018 in Ukraine, which was 2.8 times higher than the renewable energy installed capacity in the year ended 31 December 2017. Wind and solar projects accounted for the vast majority of commissioned projects, representing 96 per cent of commissioned projects in the year ended 31 December 2018. During the three months ended 31 March 2019 and 30 June 2019, 861.1 MW and 656 MW, respectively, of renewable energy capacity was commissioned, which marked the largest increase in commissioned capacities during any six month period since the establishment of the FiT regime. Wind and solar capacities retained the largest proportion of the projects installed, comprising 99.5 per cent of installed capacity for the three months ended 31 March 2019 and 97.4 per cent of installed capacity for the three months ended 30 June 2019. In the year ended 31 December 2018, the NEURC provided 202 electricity generation entities with a “green” tariff, amongst which 163 were solar generation entities, 11 were wind generation entities, 16 were biomass and biogas generation entities and 12 were small hydropower plant entities. During the six months ended 30 June 2019, the total number of new entities that obtained a “green” tariff from NEURC was 173, out of which 153 were solar power entities, 7 were wind power entities, 10 were biomass and biogas entities and 3 were small hydropower plants. As at 1 July 2019, a total of 489 entities had obtained a “green” tariff.

From the regional perspective, due to favourable weather conditions, the Kherson, Zaporizhia, Mykolaiv, Dnipropetrovsk and Odessa regions have the largest portion of the total renewable energy installed capacity, as presented in the table below. As a result of the Group’s in-house site selection capabilities, both the Group’s constructed and development projects are located or expected to be located in advantageous geographical locations in Ukraine which benefit from strong and consistent meteorological resources. The Group’s constructed and development assets are located in Kherson, Zaporizhia, Dnipropetrovsk and Mykolaiv region.

Table 4. Installed Renewable Generation Capacity in Ukraine by region (as of 1 July 2019)

Region	*(in Megawatts)*
Kherson region	543.6
Zaporizhia region	524.5
Mykolaiv region	419.8
Dnipropetrovsk region	389.0
Odessa region	309.8
Vinnytsia region	242.2
Lviv region	213.3
Khmelnytsk region	201.9
Kirovograd region	145.3
Kyiv region	143.2
Ivano-Frankivsk region	134.1
Others	367.8
Total	**3,634.4**

Source: NEURC

Auctions system

On 25 April 2019, the Parliament of Ukraine adopted the Law "On Amendments to Some Laws of Ukraine on Ensuring Competitive Conditions for the Production of Electricity from Alternative Energy Sources" which introduced an auction regime for electricity purchases in Ukraine. Starting from 1 January 2020, renewable energy projects for which a PPA is signed after 31 December 2019 will be subject to an auction mechanism rather than the FiT regime, which is intended to drive down offtake electricity prices and to further liberalize the market. For additional discussion, see "*Regulation—Recent regulatory developments—Auctions system*".

The implementation of the auction scheme for renewable energy providers coincided with establishment of a new electricity market model on 1 July 2019. Ukraine was obliged to implement a new electricity market according to the Treaty establishing the Energy Community and the Association Agreement between Ukraine and the European Union, European Atomic Energy Community and their Member States. The new electricity market model features a design similar to the European Union electricity market and aims to promote competition in the industry and to protect customer interests. Additionally, the new electricity market model will also allow coupling with the European Union electricity market.

According to the Auctions Law, the FiT for renewables energy producers will be decreased for projects commissioned in 2020, as per the schedule below. For additional discussion, see "*Regulation—Recent regulatory developments—Auctions system*".

Table 5. Feed-in-tariff schedule for renewable energy by source

	Capacity	**2019**	**2020**	**2021**	**2022**	**2023-2024**	**2025-2029**
	(in MW)	*(in Euro per MWh)*					
Wind Turbine	< 0.6 MW	58.2	51.7	50.6	49.5	49	45.2
	0.6 MW – 2 MW	67.9	60.3	59.2	58.2	57	52.8
	> 2 MW	101.8	90.5	90.5	90.5	90.5	79.2
Solar PP	10 MW / < 10 MW	150.2	112.5	108.8	105	101.2	97.5
	> 10 MW	150.2	112.5	108.8	105	101.2	97.5
Biomass / Biogas PP	-	123.9	123.9	123.9	123.9	123.9	123.9
Micro hydro PP	< 0.2 MW	174.5	157.2	157.2	157.2	157.2	139.5
Mini hydro PP	0.2 MW – 1 MW	139.5	125.5	125.5	125.5	125.5	111.5
Small hydro PP	1 – 10	104.5	94.2	94.2	94.2	94.2	83.5

Market Position and Competition

According to NEURC, as of 30 June 2019, the Group's installed capacity represented 47 per cent and 10 per cent of Ukraine's wind and solar energy sectors, respectively, whereas the nearest competitor's wind power installed capacity was 27 per cent for WindKraft and solar power installed capacity was 10 per cent for CNBM, in each case net of the national capacity attributable to the Autonomous Republic of Crimea and the temporarily occupied territories. Additional competitors include Wind Park of Ukraine, ECOOPTIMA, Gurish amongst wind energy producers and CENTRE GROUP, ICU, Rengy Group amongst solar energy generators. In both sub-segments, particularly in solar, outside of the major producers, the market is fragmented and characterised by smaller operators.

REGULATION

Electricity Regulations in Ukraine

The electricity industry in Ukraine is primarily regulated by the Electricity Market Law and other less complex laws and regulations, including, but not limited to:

- Law of Ukraine "On combined production of heat and electrical energy (cogeneration) and use of waste power potential" No. 2509-IV dated 5 April 2005;
- Law of Ukraine "On Alternative Energy Sources" No. 555-IV dated 20 February 2003;
- Law of Ukraine "On Environmental Impact Assessment" No. 2059-VIII dated 23 May 2003;
- NEURC Resolution "On Transmission System Code" No. 309 dated 14 March 2018;
- NEURC Resolution "On Distribution System Code" No. 310 dated 14 March 2018;
- NEURC Resolution "Code of Commercial Accounting for Electric Power" No. 311 dated 14 March 2018;
- NEURC Resolution "On Market Rules" No. 307 dated 14 March 2018;
- NEURC Resolution "On approval of certain normative acts regulating the activity of the Guaranteed Buyer and electricity offtake under the FiT " No. 641 dated 26 April 2019;
- CMU Resolution "On approval of the procedure for electronic auctions for the sale of electricity under bilateral contracts and the procedure for selection of auction organizers authorized to conduct electronic auctions for the sale of electricity under bilateral contracts" No. 499 dated 5 June 2019;
- NEURC Resolution "On day-ahead and intraday market rules" No. 308 dated 14 March 2018; and
- NEURC Resolution "On retail market rules" No. 312 dated 14 March 2018.

The Ministry of Energy is a state management body in the power sector. The authorities of the Ministry of Energy are set forth by Resolution of CMU "On Approval of the Regulation on the Ministry of Energy and Coal Industry of Ukraine" dated 29 March 2017 No. 208.

In September 2016, the Parliament of Ukraine adopted the NEURC Law, which established functions of NEURC as the independent state regulator in the Ukrainian energy sector. Under the NEURC Law, the NEURC is an institutionally and financially independent regulatory body in the energy sector empowered with regulatory and licensing authorities, including the right to (i) carry out investigations, (ii) impose penalties, (iii) resolve the disputes arising between the energy and utilities companies and (iv) to make submissions to the Ukrainian Antimonopoly Committee with a view to address any discovered violations of antitrust legislation. Generally, the NEURC is in charge of setting regulated prices and tariffs in the energy and utilities sector, and has controlling and enforcement functions. The NEURC's powers, among others, are as follows:

- issue energy-related licenses;
- create favourable environment for attracting investments into the development of energy and utility markets;
- regulate natural monopolies in energy industry;
- promote competition in the electricity generation and sales;
- implement the pricing policy in electricity; and
- protect consumers' rights.

On 13 June 2019, the Constitutional Court of Ukraine declared provisions of the NEURC Law unconstitutional regarding (a) the legal status of the NEURC as a permanent independent state collegial body, and (b) the powers of the President of Ukraine and the Parliament of Ukraine to appoint and dismiss members of the NEURC. The decision of the Constitutional Court's was based on the following considerations:

(i) The NEURC has a status of an independent and self-efficient public authority. In the Constitutional Court's opinion, authority, scope of activity and purpose of the NEURC are similar to those, which are vested only with a state central executive body (i.e., the ministry). According to the Constitution of Ukraine, an executive body should be coordinated by the CMU rather than be an independent body within the executive authority branch;

(ii) The President, the CMU and the Parliament of Ukraine are authorised to appoint and dismiss the members of the NEURC. However, the President and the Parliament of Ukraine may act only within the limits of authority provided by the Constitution of Ukraine. The Constitutional Court opined that the powers of the President and the Parliament of Ukraine to appoint and dismiss the members of the NEURC exceed their powers provided by the Constitution of Ukraine and, thus, contradicts the Constitution of Ukraine.

Considering that the unconstitutionality of these provisions may prevent the NEURC from exercising its authority and, as a result, destabilise the electricity industry, the Constitutional Court ruled that its decision enters into force on 31 December 2019. The Parliament is expected to bring the regulatory framework into compliance with the Constitution of Ukraine by 31 December 2019.

On 29 August 2019, the President of Ukraine submitted to the Parliament of Ukraine an urgent draft law introducing amendments to the Constitution of Ukraine ("**Draft Law on NEURC**"). The Draft Law on NEURC proposes to empower the President to (i) establish the independent regulatory authorities (such as the NEURC), and (ii) appoint and dismiss the members of the independent regulatory authorities. On 3 September 2019, the Parliament requested the Constitutional Court of Ukraine for an opinion on the compliance of the Draft Law on NEURC with the Constitution. The Constitutional Court's review should take up to two months. In case of positive opinion, the Draft Law on NEURC will require two rounds of voting in the Parliament and may not be adopted earlier than in February 2020. If Ukrainian authorities will not find alternative solution of unconstitutionality issue, the NEURC's operation may be suspended after 31 December 2019 and until adoption of the Draft Law of Ukraine. See "*Risk Factors—Risks Relating to Ukraine—The Ukrainian electricity market is currently unstable—Unconstitutionality of certain provisions of the NEURC Law*". See "*Risk Factors—Risks Relating to Ukraine—The Ukrainian electricity market is currently unstable—Unconstitutionality of certain provisions of the NEURC Law*".

The Electricity Market Law has been adopted with the purpose to liberalise the Ukrainian electricity market in compliance with the commitments of Ukraine under the Energy Community Treaty, which envisage implementation of the so-called "third energy package" of the European Union. The law establishes the legal framework for the new electricity market, which replaced the single buyer wholesale electricity market on 1 July 2019. The new electricity market model functions on the basis of the following trading platforms, or "sub-markets" (also known as segments of the wholesale electricity market) including a (i) market of bilateral agreements; (ii) day-ahead market; (iii) intraday market; (iv) balancing market and (v) market for ancillary services, as well as the retail electricity market. The previous sole-offtaker, Energorynok, has been substituted by three companies: a Guaranteed Buyer (entrusted with tasks related to RES), a State Enterprise "Market Operator" ("**Market Operator**") (entrusted with management of day-ahead and intraday markets) and Energorynok (in charge of dealing with outstanding debts). The transmission system operator (the "**TSO**"), Ukrenergo, now also acts as a commercial metering administrator as well as a settlements administrator.

The market of bilateral agreements is based on forward sales contracts between the following market participants:

- producers;
- suppliers;
- TSO;
- distribution system operators (the "**DSOs**");
- traders;
- the Guaranteed Buyer; and

- end customers.

The renewable power producers (the "**RES Producers**") may sell the electricity to the Guaranteed Buyer under the bilateral contracts at the FiT or at the price established through auction regime (starting from 2020). The Guaranteed Buyer then re-sells the electricity at the day-ahead market, intraday market or balancing market. The difference between the price of the electricity at the market of bilateral agreements (i.e., FiT) and price of electricity sold at the day-ahead market and intraday market is reimbursed to the Guaranteed Buyer by the TSO, which functions are performed by Ukrenergo.

The power producers may sell their entire generation output net of the electricity reserved for trades on the day-ahead market. The day-ahead market is a power exchange where market participants submit their bids on a competitive basis. The bidding auction takes place one day before the actual delivery of electricity.

The intraday market is a supplementary market, where the electricity is traded continuously after there is no more bidding on the day-ahead market. On the intraday market, market players may update their trading positions based on the existing supply and demand and current system conditions, as they approach real time. Both day-ahead and intraday markets are managed by the Market Operator acting as a central counterparty for clearing and settlement of the purchase and sale transactions entered into on this market.

In the balancing market, the TSO balances the supply and demand of electricity and/or managing systemic restrictions. For this purpose, the TSO should carry out the purchase and sale of electricity based on bids from qualified market participants. The market players may form a balancing group to join their efforts. The RES Producers must enter the balancing group of the Guaranteed Buyer to benefit from the FiT or the auction support system (as applicable). The TSO may request the RES Producers to decrease their loads only if it has already exhausted all other balancing bids on the balancing market.

In the ancillary services market, the TSO is expected to enter into contracts with market participants for the purchase of the relevant electricity ancillary services (such as frequency and active power regulation, voltage and reactive power regulation, active power redundancy, system redundancy, prevention of emergencies, start-up after a blackout, etc.) to comply with the reliability requirements of the market players. Such RES Producers must be compensated for the electricity unsold due to such request of the TSO unless such request was made in the circumstances of systemic restrictions resulting from force majeure event. At the same time, as of the date of these Listing Particulars, the procedure for such compensation, including, the party (Guaranteed Buyer or the TSO) obligated to compensate the RES Producers for the losses caused by the curtailment has not been adopted.

In the retail market, consumers purchase electricity directly from suppliers. Qualified customers should be able to purchase electricity at their discretion from independent suppliers or guaranteed suppliers (at contractual prices), while non-qualified customers will only be able to purchase from guaranteed suppliers (at the regulated prices established by the Regulator).

Export and Import of Electricity

Electricity import, transit and export are regulated by the Electricity Market Law, which aims to implement the Regulation 714/2009 on conditions for access to the network for cross-border exchanges in electricity. Also, as Ukraine has ratified the Energy Charter, networks for electricity transit are provided on a non-discriminatory basis with due regard to technical limitations.

Access to the cross-border capacities of interstate electricity networks shall be obtained at auctions, which are held by the TSO according to the Resolution of the NEURC "On Adoption of the Procedure for Conducting Electronic Auctions for the Distribution of the Capacity of Interstate Electrical Grids" No. 426 dated 28 March 2017. Since May 2017, an electronic platform has been introduced to conduct auctions on the distribution of the capacity of interstate power grids.

According to the Electricity Market Law, the TSO executes an agreement with the auction winner on access to the capacity of interstate electric grids of Ukraine, including technical conditions for the provision of electricity exports and imports. Auctions may be carried out as either "explicit" or "implicit" auctions. Entities other than the TSO are allowed to construct interstate electric grids in accordance with a special procedure determined by the CMU. The TSO operates new (reconstructed) interstate electric grids, constructed at the expense of an investor, in accordance with an agreement between the TSO and such investor.

The power system of Ukraine is divided into two parts. Ukrainian Integrated Power System is working in parallel with the power systems of the Russian Federation, Belarus and Moldova, which allows export and import of electricity between these countries. A small part of the Ukrainian power system is synchronized with European Network of Transmission System Operators (ENTSO-E) through the so-called "Burshtyn Island" formed by Burshtyn TPP, Kalush TPP and Tereblia-Rikskaya HPP. Most of the electricity at the "Burshtyn Island" is generated by Burshtynska HPP, operated by Public Joint Stock Company "DTEK Zakhidenergo". The island contains other power plants, such as the Kalush district heating plant and T-R Hydro Station, however, these plants are synchronised with Burshtynska HPP. The island is connected to the synchronous grid of Continental Europe via the power systems of Hungary, Slovakia, Romania and Poland. Electricity is supplied to Poland from Dobrotvorska TPP. The purpose of the so-called "Burshtyn Island" is to accelerate the integration of the Ukrainian Integrated Power System into the electricity system of Continental Europe.

On 28 June 2017 the TSO entered into an agreement with the transmission system operators of Continental Europe on Ukraine's accession to the ENTSO-E. This agreement is a starting step for the integration of the Unified Power System of Ukraine into the electricity system of Continental Europe.

The Ukrainian government is considering expanding the "Burshtyn Island" by means of the "Ukraine-EU Energy Bridge" project, which should be the first step in the integration of the Ukrainian Integrated Power System into ENTSO-E. On 21 January, 2019 the Ministry of Energy announced on its website the tender to select a private partner to implement this project. The project contemplates reactivation of the existing 750kV power line between the Khmelnytskyy nuclear power plant (KhNPP) and Rzeszow (Poland), and interconnection of the no. 2 power unit at KhNPP with the so-called "Burshtyn Island". On 9 August 2019, the Ministry of Energy selected Ukraine Power Bridge Company Limited as a private partner to implement this project. The negotiations on project development should have started on 2 September 2019.

The Secretariat of the Energy Community initiated two infringement cases against Ukraine regarding export, import and transit of electricity:

Case ECS-01/12

On 26 February 2013, the Energy Community Secretariat (the "**Secretariat**") sent an Opening Letter to Ukraine. The Secretariat, took the preliminary view that the Auction Rules adopted for the allocation of capacity on the country's electricity interconnectors with its Western neighbours and Moldova, as well as their appliance in practice by the transmission system operator, fails to comply with the relevant Energy Community rules. Ukraine has been given the possibility to voluntarily comply with the requirements of the Treaty establishing the Energy Community (the "**Energy Community Treaty**") until 26 April 2013, or to justify its position.

On 2 February 2018 after having considered the opinion of the Advisory Committee, which upheld the Reasoned Request, the 15th Ministerial Council adopted a decision regarding the failure of Ukraine to comply with the Energy Community's rules on allocation of cross-border capacity by the transmission system operator. The Ministerial Council declared that Ukraine has breached Article 41 of the Energy Community Treaty, provisions of Directive 2009/72/EC and Regulation 714/2009, as well as the Congestion Management Guidelines.

Case ECS-08/15

On 24 May 2017, the Secretariat sent an Opening Letter to Ukraine. The Secretariat expressed that the applicable legislation on allocating cross-border capacity and its application in Ukraine is not compliant with *acquis communautaire* of the Energy Community related to the allocation of cross-border capacity for transit. Ukraine has been given the possibility to voluntarily comply with the requirements of the Energy Community Treaty until 24 July 2017, or to justify its position.

On 29 November 2018 after having considered the opinion of the Advisory Committee, which upheld the Reasoned Request, the 15th Ministerial Council adopted a decision regarding the failure of Ukraine to comply with the Energy Community's rules on allocation of cross-border capacity. The Ministerial Council declared that Ukraine has breached of Article 41 of the Energy Community Treaty, provisions of Directive 2009/72/EC, provisions of Regulation 714/2009, as well as the Congestion Management Guidelines.

As of the date of these Listing Particulars, auctions for transit are taking place, while import auctions are expected to be initiated shortly after the launch of new electricity market (which launched on 1 July 2019).

Power generation market

Production of electricity is a regulated activity, which is subject to obtaining a power generation license from the Regulator. Producers sell electricity on the electricity sub-markets (segments of the wholesale electricity market) (including the bilateral contracts market, the day-ahead and intraday market, and the balancing market) and deliver ancillary services. Electricity producers include thermal power plants, nuclear power plants, hydro power plants and renewable power plants.

Electricity distributors' market

Electricity distribution companies (*oblenergos*) are deemed to be natural monopolies for the purposes of Ukrainian law. Their tariffs are set by the NEURC. Distribution business by the DSOs is a regulated activity, which is subject to obtaining a power distribution license from the Regulator. Previously, oblenergos also functioned as electricity suppliers for retail consumers. To comply with the obligations under the EU's Third Energy Package, oblenergos were divided (unbundled) into the DSOs and suppliers of electricity to retail consumers. The DSOs are not entitled to perform any sale and purchase operations unless such operations are necessary for their technological needs and settlement of imbalances.

Consumer market

Non-qualified consumers are able only to purchase electricity from guaranteed suppliers. The retail prices for electricity paid by non-qualified consumers are determined by the NEURC. Qualified customers are able to purchase electricity at their discretion from independent suppliers or guaranteed suppliers at contractual prices.

Payments

The Guaranteed Buyer performs payments: (i) for the electricity supplied under the FiT by the RES Producers; (ii) for the electricity purchased from Energoatom and Ukrhydroenergo; and (iii) for the additional volumes of electricity purchased at the balancing market for settling imbalances. The Guaranteed Buyer receives payments: (i) for the volumes of electricity sold at the day-ahead market or intraday market; (ii) for surpluses of electricity sold at the balancing market; (iii) for the volumes of electricity sold to the universal services suppliers and all network operators (the TSO and DSOs) for covering network losses; (iv) in the form of compensation from the TSO; and (v) as a partial compensation for the settled RES Producers' imbalances (to the extent applicable to the RES Producers).

The Ukrainian government adopted Resolution No. 483 "On approval of regulations on imposing special obligations on electricity market participants to meet public interests in course of the electricity market performance" dated 5 June 2019 (the "**PSO Act**"). The PSO is aimed to help in a liberalisation transitory period and is valid until 31 December 2020. The PSO Act stipulates that the Guaranteed Buyer should purchase 90 per cent of the nuclear electricity produced by Energoatom and 35 per cent of the hydro electricity produced by Ukrhydroenergo at a threshold price. Further, the Guaranteed Buyer is obliged to sell this electricity to universal services suppliers and to the network operators (the TSO and DSOs) for covering network losses. The difference between the Guaranteed Buyer's income and the expenses it incurs when performing the obligations imposed on it through the PSO Act should be used to compensate RES Producers at the FiT.

After satisfying the needs of the universal services suppliers and the network operators for losses, the Guaranteed Buyer sells the remaining volume on the day-ahead or intraday markets at higher prices.

In addition, the TSO must compensate to Guaranteed Buyer the difference between the payments under the FiT and the price for electricity on the day-ahead and intraday markets, costs associated with the settlement of the electricity imbalances of the RES Producers balancing group and other planned expenses from the funds the TSO receives for the provision of the grid transmission services to the electricity market participants. To cover the obligations imposed on the TSO within the new electricity market, the NEURC at first significantly increased the tariffs for the TSO's services, which led to an increase of final prices for customers. As a result, the TSO's transmission and dispatch tariffs were challenged in court. In turn, the NEURC decreased the tariffs by 10 per cent, however these reviewed tariffs were also challenged in court. On 30 August 2019, the NEURC further decreased the transmission tariff by three times from 1 September 2019 due to changes in the Guaranteed Buyer's budget and in the predicted transmitted electricity. On 10 September 2019, the NEURC further decreased the dispatch tariff by 10 per cent effective from 1 October 2019 due to changes of the basis for tariff calculation (the volume of transmitted electricity and changes of the produced electricity to the injected electricity).

As of the date of these Listing Particulars, the proceeds of the TSO used for the fulfilment of obligations before the Guaranteed Buyer are unstable. This is caused by the pending court proceedings, where the NEURC Resolutions approving the TSO's tariffs for the grid transmission services, which form monetary fund for such compensation are challenged. See "*Risk Factors—Risks Relating to Ukraine—The Ukrainian electricity market is currently unstable—Potential issues regarding payments to RES Producers by Guaranteed Buyer*".

Under the Electricity Market Law, the special regime accounts shall be established for the performance of most of settlements at the electricity market. The funds placed in the special regime accounts may be transferred exclusively in a manner stipulated by the Electricity Market Law. Pursuant to the special legal regime of such accounts: (i) all payments must be made only in monetary form; and (ii) the special regime accounts may not be blocked/frozen and funds may not be recovered, and the transactions from and to special regime accounts may not be suspended. The authorised bank distributes funds directly on a basis of the algorithm and the Regulator's decisions.

In addition, the Electricity Market Law establishes sanctions for the failure to transfer the funds to the special regime accounts. The improper recipients of such funds must transfer these funds back within 3 calendar days following the date when the funds were credited to the bank account of improper recipient. If the funds have not been returned within the established time limits, such funds must be transferred to the State Budget as a sanction, while the recipient shall still be required to pay (return) the necessary amount to the relevant payer.

Licenses

Under the Electricity Market Law the NEURC issues a separate license for:

- production of electricity;
- transmission of electricity;
- distribution of electricity;
- supply of electricity;
- trader's activity (in case of absence of other licences required for performing activities on the energy market);
- performing functions of the market operator; and
- performing functions of Guaranteed Buyer.

On 27 December 2017 the NEURC adopted the following licensing conditions necessary for transition to new electricity market, most of which became effective starting from 1 July 2019, in particular:

- Licensing conditions on market operator's functions No. 1466;
- Licensing conditions for production of electricity No. 1467;
- Licensing conditions for resale of electricity (trader's activity) No. 1468;
- Licensing conditions for supply of electricity to consumer No. 1469;
- Licensing conditions on distribution of electricity No. 1470; and
- Licensing conditions on functions of Guaranteed Buyer No. 1471.

Administrative procedure

The licensing procedure is regulated by Law of Ukraine "On Licensing of Types of Economic Activities" No. 222-VIII, dated 2 March 2015 (the "**Law on Licensing**") with specifics defined by the Electricity Market Law.

According to Article 14 of the Law on Licensing, one-time fee shall be charged in the amount of one minimum wage as of the date of license issuance (as of the date of these Listing Particulars, the license fee amounts to UAH 2,007). Re-issuance of the license is free of charge.

Transfer of licenses or rights attached to the licenses, including by way of security, as well as establishing pledge over licenses are prohibited under Ukrainian law. The legal entity in whose name the license is granted should personally perform business activities covered by the respective license.

According to the Electricity Market Law, previously issued power supply and power transmission licenses became invalid starting from 1 January 2019. In addition, starting from 1 January 2019 the distribution of electricity should be performed under a newly issued power distribution license under NEURC's Resolution dated 27 December 2017 No. 1470. This was caused due to the obligation of the vertically integrated companies to comply with unbundling requirements by 1 January 2019 (i.e., to split their businesses so that distribution and supply of electricity is performed by separate companies).

Moreover, the power generation licenses issued before 11 June 2017, the effective date of the Electricity Market Law, became invalid starting from 1 July 2019. To obtain a new power generation license, the producers must submit the following documents to the Regulator:

- an application according to a template form;
- a copy of the passport of the respective producer's representative;
- duly certified copies of the documents confirming title to or any other rights to electricity generating facility/power plant;
- duly certified copies of the relevant pages from the technical passports of the installed electricity generating facility or any other similar documents confirming the installed capacity;
- grid connection scheme of the power plant, along with the location of the indicated power metering equipment; and
- information on the location and availability of the resources required for the electricity generation activity.

Terminating a license

Licensees must comply with the licence requirements, which are provided by the relevant license conditions approved by the NEURC. Otherwise, the license may be terminated or suspended. A suspended license may be renewed by the Regulator as soon as the violations of the licensing conditions, which resulted in the suspension of the license, are remedied by the licensee.

Licenses may be terminated for various reasons, including, among others, the:

- application of a license holder;
- decision of the NEURC on the cancellation of a license;
- termination of the legal entity;
- provision of incorrect information in the license application;
- violation or repeated violation of the licensing conditions;
- refusal of the licensee to undergo audit by the licensing authority;
- documentary evidence establishing the fact of control (decisive influence) over the activities of the licensee by entities of foreign states carrying out armed aggression against Ukraine;
- non-payment for the issuance of a license; and
- liquidation of licensee.

The decisions of the NEURC regarding termination of licenses may be appealed in Ukrainian court.

Environmental Regulations

The Group is subject to numerous national and local environmental laws and regulations relating to coal mining and the production and distribution of energy in general and the environment in particular.

The environmental matters of power generation in Ukraine are primarily regulated by (1) the Law of Ukraine "On Environmental Protection" dated 25 June 1991; (2) the Subsoil Code of Ukraine dated 27 July 1994; (3) the Water Code of Ukraine dated 6 June 1995; (4) the Law of Ukraine "On Atmospheric Air Protection" dated 16 October 1992; and (5) the Law of Ukraine "On Wastes" dated 5 March 1998. On 9 April 2014, the Ukrainian Parliament adopted the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine in respect of Reduction of the Number of Authorization Documents". According to this Law some of the waste disposal permits have been replaced with a single permit for operations with waste. As at the date of these Listing Particulars, no regulations or procedures are in place to enable companies to obtain permits for operations with waste. However, companies can apply for such permits through administrative service centres. If no permit is granted after the submission of application as described above, the company can perform its economic activities based on the implied consent.

On 23 May 2017 the Parliament of Ukraine adopted the Law "On Environmental Impact Assessment" No. 2059-VIII (the "**EIA Law**") which became effective on 18 December 2017. The EIA Law replaces the Law of Ukraine "On Ecological Expertise" No. 45/95-BP dated 9 February 1995 and abolishes an obsolete and inefficient model inherited by Ukraine from the Soviet times that was confusingly comprised of elements from both EIA and a bureaucratic state expert review (the so-called "state ecological expertise").

The EIA Law shall be mandatory for specific categories of projects posing a significant threat to the environment and listed in the EIA Law, and which contemplate construction, reconstruction, re-engineering, liquidation (disassembly) of objects, and other interference in the natural environment.

The EIA Law provides for strict liability in cases of non-compliance with the established requirements, including suspension or termination of the applicant's activity, imposition of fines and administrative liability of the responsible persons.

In addition, according to the Air Code of Ukraine No. 3393-VI, dated 19 May 2011 and the Regulation on the Use of Airspace of Ukraine, the construction of the object (including a wind plant), which is (i) 100 metres high or (ii) 45 metres high and is located within the radius of 50 kilometres from the airdrome checkpoint is subject to the approval by the State Aviation Service of Ukraine and the Ministry of Defence of Ukraine.

Power generation companies must comply with numerous ecological restrictions related to permitted land, water and air pollution and waste utilization, which are currently governed by following principal regulations:

- The Resolution of the CMU dated 11 September 1996 No. 1100 "On Approval of the Procedure for the Development of Norms for the Maximum Allowable Discharge of Pollutants in Water Facilities and the Allocated List of Pollutants Discharged into Water Objects"

- The Resolution of CMU "On Approval of the Procedure for Issuing Permits for Special Water Use and Amending the Decree of CMU of 10 August 1992 No. 459" No. 321 dated 13 March 2002 (in respect of water);

- The Order of Ministry of Environmental Protection of Ukraine "On Approval of Maximum Allowed Ratios of Pollutant Emissions by Stationary Sources" No. 309 dated 27 June 2006; the Order of Ministry of Environmental Protection of Ukraine "On Approval of Technological Norms of Allowable Emissions of Pollutants From Thermal Power Plants, Rated Thermal Capacity of Which Exceeds 50 MW" No. 541 dated 22 October 2008 (in respect of air); and

- The Resolution of CMU "On Approval of the Procedure for Submission of a Declaration on Waste and its Forms" No. 118 dated 18 February 2016 (in respect of wastes).

In accordance with the Association Agreement, Ukraine will need to enact legislation necessary to implement EU regulations on environmental protection which will set a number binding emissions targets for Ukrainian companies, in particular, Directive 2001/80/EC of the European Union Parliament on limitation of emissions of certain pollutants from large combustion plants (the "**LCP Directive**") and Directive 2010/75/EU of the European Union Parliament on industrial emissions (the "**IED Directive**"). The agreed implementation deadline for Ukraine under the LCP Directive and the IED Directive is 1 January 2018 and 1 January 2028 respectively. At the moment, the National Emission Reduction Plan with an extended timeframe of 2033 ("**NERP**") was developed and approved by CMU in order to comply with the IED Directive. The NERP requires to equip all large combustion plants with gas-cleaning units by 2033 (39 of which are Group's TPPs). Implementation of NERP environmental measures is expected to happen within 16 years (from 1 January 2018 to 31 December 2033), achieving compliance with requirements of the IED Directive by 2028 for dust emissions and sulphur dioxide and by 2033 for nitrogen oxides.

In addition, to ensure compliance with provisions of the Association Agreement, the Ukrainian government needs to implement Directive 2003/87/EC of the European Parliament and the Council dated 13 October 2003 establishing a scheme for greenhouse gas emission allowance for companies trading within the Community and amending Council Directive 96/61/EC regulatory measures designed to control GHG emissions in line with the EU Emission Trading Scheme ("**ETS**"). The draft Law of Ukraine "On the Basics of Monitoring, Reporting and Verification of Greenhouse Gas Emissions" was adopted at first reading in the Parliament of Ukraine on 28 February 2019. As at the date of these Listing Particulars, the above draft law is pending its second reading in the Parliament of Ukraine.

Ukraine is also a party to the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Further Reduction of Sulphur Emissions and the Kyoto Protocol. From 2020, the Paris Agreement on Climate Change, which was ratified by Ukraine on 14 July 2016, will substitute the Kyoto Protocol.

Recent Regulatory Developments

Electricity Market Law

On 13 April 2017 the Ukrainian Parliament adopted the Electricity Market Law, which became effective on 11 June 2017.

The main changes introduced by the Electricity Market Law are as follows:

- Electricity market was liberalised and restructured in compliance with the requirements of the Energy Community Treaty and the so-called "third energy package" of the European Union;
- Free market and competition were established in the production, supply and trade segments of the electricity market, with new entries to these segments of the market; and
- Natural monopoly activities (transmission and distribution of electricity) were legally separated from competitive activities (generation, supply).

The Electricity Market Law liquidated the single-buyer wholesale market model, and introduced a multi-segmented liberal market. The new market pattern includes the day-ahead market, the intraday market, the balancing market and the ancillary services market, as well as the market of bilateral contracts. The day-ahead market provides transparent and publicly available price references and price signals for all market participants. The day-ahead market is complemented by the intra-day market where buyers and sellers can trade volumes close to real time after the gate closure of the day-ahead market.

The Electricity Market Law determines the activities that are conducted at electricity market and attributes certain competences to various market participants: electricity generation (power producers), electricity transmission (TSO), power distribution (DSOs), sale and purchase of electricity (Market Operator), supply to end consumers (suppliers) and resale of electricity (traders). All activities, with certain exceptions for trading, require obtaining a respective license from the NEURC.

On 1 July 2019 all provisions of the Electricity Market Law became effective.

Auctions system

On 25 April 2019 the Ukrainian Parliament adopted Law "On Amendments to Certain Laws of Ukraine on Competitive Conditions of Electricity Production from Renewable Energy Sources" No. 2712-VIII (the "**Auctions Law**"), which became effective on 22 May 2019.

Auctions

The Auctions Law provides for the implementation of a quota auction system, which replaces the FiT system starting from 1 January 2020. The State will provide support through guaranteed purchase of all electricity produced by the RES Producers within the limits of the quota purchased at the auction at the proposed price.

The CMU should approve the annual quotas for three categories: (i) wind, (ii) solar, and (iii) other types of RES (i.e., biomass, biogas, hydro and geothermal). Share of the quota for particular category, which was not allocated during the auction may be transferred to another category for allocation during the next auction.

The bidders would have to submit sealed bids containing the technical bid (capacity) and the price bid (price per 1 kWh/h). The price bid should not be higher than the FiT for the respective RES as at the auction date. The lowest price wins the auction. The winner would benefit from the state support for 20 years from the commissioning date of the RES project with separate calculation for each start-up facility. Auction price is fixed in Euro as of the date of the PPA according to the official exchange rate of the National Bank of Ukraine. The Auctions Law allow local content bonus to apply to the auction price for power plants commissioned until 1 January 2025.

The maximum share of the annual quota awarded to a single bidder, including related parties, may not exceed 25 per cent of the annual quota (*i.e*., in total as per two semi-annual auctions).

The CMU should adopt the detailed procedure on auctions and ensure that pilot auction(s) are held within six months from the effective date of the Auctions Law.

Auction Participants

Auctions will be mandatory for the RES projects with the following capacity:

(1) wind power plants with the installed capacity above 5 MW (or three wind turbines irrespective of the installed capacity); and

(2) solar power plants with the installed capacity above 1 MW.

The bidder must also provide a bank guarantee, which includes: (i) €5 per 1 kWh as a bid bond to participate in the auction, and (ii) €15 per 1 kWh to be provided on top as the performance bond (to ensure construction of the project) in case the bidder wins the auction.

Exemption from Auction System

To benefit from the FiT system and be exempt from auctions, the RES Producer should comply with one of the following conditions:

(1) commission its project by 1 January 2020; or

(2) execute the pre-PPA based on the Model PPA by 31 December 2019, provided that the RES Producer:

    (i) holds (i) the documents confirming an ownership or use right to the land plot (-s), (ii) grid connection agreement, and (iii) construction permit or a construction works notification (as applicable depending on the category of complexity of the object); and

    (ii) has commissioned the power plant (or its separate launch stage) within (i) two years after executing the pre-PPA – for solar projects, or (ii) three years after executing the pre-PPA – for projects using other types of renewable energy sources, including wind.

Decrease of FiT for RES Projects

According to the Auctions Law, the FiT for solar power plants will be decreased for projects commissioned in 2020 by 25 per cent with a further decrease by approximately 3.5 per cent each year for three subsequent years (i.e., inclusive of 2023), in each case as compared to the previously established FiT. In particular, the FiT index for solar projects commissioned in 2017-2019 amounts to 2.79, in 2020 – 2.09, in 2021 – 2.02, in 2022 - 1.95, and in 2023-2024 – 1.88.

The FiT for wind power plants will be decreased for projects commissioned in 2020 by approximately 10 per cent, (i) without further annual decrease - for turbines with the installed capacity exceeding 2 MW, and (ii) with a further decrease by approximately 1.5 per cent each year for three subsequent years (i.e., inclusive of 2023) – for turbines up to 2 MW, in each case as compared to the previously established FiT. In particular, the FiT index for wind projects, with turbines exceeding 2 MW, commissioned in 2017-2019 amounts to 1.89, in 2020-2024 – 1.68. FiT index for wind projects, with turbines from 600kW to 2 MW, commissioned in 2017-2019 amounts to 1.26, in 2020 – 1.12, in 2021 – 1.10, in 2022 - 1.08, and in 2023-2024 – 1.06. FiT index for wind projects, with turbines up to 600kW, commissioned in 2017-2019 amounts to 1.08, in 2020 – 0.96, in 2021 – 0.94, in 2022 – 0.92, and in 2023-2024 – 0.91.

Validity term of technical conditions

The technical conditions for grid connection will now have expiry terms. In particular, technical conditions issued before the effective date of the Auctions Law will remain valid (i) for two years from the effective date of the Auctions Law – for solar projects, and (ii) for three years from the effective date of the Auctions Law – for projects using other types of RES, including wind. This development should address the issue of reserved capacities. See "*Risk Factors—Risks Relating to the Group's Business and Industry—Risk related to deficit of available capacity*"

Liability for imbalances

The RES Producer will bear full liability for imbalances if it has commissioned the power plant:

(1) in the year, following the year when the intra-day market became liquid (the decision on whether the intra-day market is liquid or not should be made by the Regulator); or

(2) starting from 1 January 2024 (irrespective of whether the intra-day market is qualified as liquid by the Regulator),

whichever comes first.

Purchase Procedure

On 26 April 2019, the NEURC adopted the Model PPA between a RES Producer and the Guaranteed Buyer.

With effect from 15 May 2019, the RES Producers and the Guaranteed Buyer are obliged to enter into pre-PPAs and PPAs based on the Model PPA without ability to deviate from its provisions. The parties are only entitled to clarify relevant provisions (for example, by establishing the deadlines for the performance of certain obligations).

Execution of pre-PPA/PPA based on Model PPA

To execute the PPA based on the Model PPA, the RES Producer who has already obtained a FiT must provide the Guaranteed Buyer with the following documents:

(1) a certified copy of the charter;

(2) documents confirming the authority of the RES Producer's signatory to execute the PPA; and

(3) specimen signature of the RES Producer's signatory (together, the "**Authorisation Documents**").

In addition, the RES Producer must be registered as the new market participant as of the date of submitting the Authorisation Documents.

The prospective RES Producer, who has not yet obtained the "green" tariff and/or has not become the member of the liberalised electricity market, will be able to enter into, a pre-PPA. For that purpose, it must provide the Guaranteed Buyer with the following documents:

(1) documents confirming an ownership or use right to the land plot (-s);

(2) a construction permit or a construction works notification (as applicable depending on the category of complexity of the object);

(3) a grid connection agreement; and

(4) the Authorisation Documents.

Following the execution of the pre-PPA, the respective RES Producer should commission the RES object (or relevant launch stage) within three or two years from the date of the construction permit for wind and solar projects, respectively. Otherwise, the pre-PPA automatically terminates and the RES Producer will be subject to the auction regime.

Energy regulator

On 27 August 2014 the President of Ukraine by its Decree No. 694/2014 established the NEURC. The NEURC combines functions of its predecessors, two national commissions that were set to be liquidated on the same date. The NEURC's main role is to facilitate competition in electricity and heat supply markets, as well as in other adjacent markets. For this purpose the NEURC sets tariffs and regulates prices for electricity generation, transition and supply; issues, suspends and revokes licenses; develops standards for services provided by natural monopolies and protects interests of consumers in the markets operated by natural monopolies. NEURC functions in accordance with the regulation that was approved by Decree of the President of Ukraine No. 715/2014 dated 10 September 2014.

In 2016, the Parliament of Ukraine adopted the NEURC Law which re-established the NEURC as an independent regulatory body. Ensuring the Regulator's independence from both the Ukrainian government as well as the market players requires a transparent regulatory process where the NEURC would have to justify its major decision, providing access to background material, methodology, calculations and impact assessment. In November 2017 due to expiration of powers of several the NEURC members and a failure to establish the Nomination Commission for appointment of the new members of the NEURC created the deadlock in work of the NEURC starting 13 November 2017. On 7 December 2017, the Verkhovna Rada of Ukraine adopted the amendments to the NEURC Law which grants the President of Ukraine an authority to appoint new members of the NEURC for a period up to 3 months. The President of Ukraine exercised this authority and appointed new members of the NEURC who act on temporary basis.

On 13 June 2019, the Constitutional Court of Ukraine declared certain provisions of the Law on NEURC unconstitutional regarding (a) the legal status of the NEURC as a permanent independent state collegial body, and (b) the powers of the President of Ukraine and the Ukrainian Parliament on appointment and dismissal of NEURC members. The Constitutional Court's decision was based on the on the following considerations:

(i) The NEURC has a status of an independent and self-efficient public authority. In Constitutional Court's opinion, authority, scope of activity and purpose of the NEURC are similar to those, which are vested only with a state central executive body. According to the Constitution, an executive body should be coordinated by CMU rather than be an independent body;

(ii) The President and the Parliament appoint the NEURC officials. However, the President and the Parliament may act only within the limits of authority provided by the Constitution of Ukraine. Constitutional Court opined that the President and the Parliament were granted with the respective powers of appointment, in contradiction to the Constitution.

Considering that unconstitutionality of these provisions may prevent the NEURC from exercising its authority and, as a result, destabilise the electricity industry, the Constitutional Court ruled that its decision enters into force from 31 December 2019. The Parliament will bring the regulatory framework into compliance with the Constitution of Ukraine by 31 December 2019, or, alternatively, the NEURC's work may be suspended afterwards. See "*Risk Factors—Risks Relating to Ukraine—Ukrainian electricity market is currently unstable—Unconstitutionality of certain provisions of the NEURC Law*".

MANAGEMENT

The Company is the holding company of the Group and through its supervisory and management boards manages and is responsible for the development and implementation of a business-development strategy, optimization of key business processes, procurement functions, human resources, finance management and all other high-level management decisions and issues that arise within the Group.

Supervisory Board

The Supervisory Board is the senior body of strategic management of the Company and it is the Supervisory Board's duty to supervise the activities of the Management Board and to oversee the general course of affairs of the Company and its subsidiaries.

The following table sets out the members of the Supervisory Board of the Company as of the date of these Listing Particulars:

Name	Year of Birth	Position
Oleg Popov..	1969	Chairman of the Supervisory Board
Irina Mykh...	1972	Member of the Supervisory Board
Sergey Korovin	1971	Member of the Supervisory Board
Damir Akhmetov.................................	1988	Member of the Supervisory Board
Johan Bastin	1952	Member of the Supervisory Board (Independent)

Details of the members of the Supervisory Board are set out below:

Mr. Oleg Popov. Mr. Popov graduated from the Donetsk Polytechnic Institute in 1991 and from the Donetsk State University in 1996. Mr. Popov became the Executive Director of SCM JSC in 2001 and was promoted to Chief Executive Officer of SCM JSC in January 2006. Mr. Popov also chairs the Supervisory Boards of Shakhtar football club and FUIB PJSC. In addition, Mr. Popov sits on the Supervisory Board of Metinvest B.V.

Ms. Irina Mykh. Ms. Mykh graduated from the law school of the Ivan Franko State University in Lviv, Ukraine, in 1994. Later, she studied at Osgoode Hall School of Law, York University, Toronto, Canada. From 1996 to 2006, she was a senior lawyer at The Silecky and Partners Firm, an affiliate of Squire Sanders & Dempsey LLP, where she became a partner in 2006. From June to October 2008, Ms. Mykh was a legal counsel of the Ukrainian Agricultural Investments group owned by Renaissance Capital. She then worked as Head of the Legal Department of Klub Syra Ltd. Till 2017 Ms. Mykh held the position of Senior Attorney at the law firm Voropaev and Partners Ltd. Currently, Ms. Mykh holds the position of Senior Attorney at SCM JSC.

Mr. Sergey Korovin. Mr. Korovin graduated with honours from the Department of Faculty of Applied Mathematics and Cybernetics of Lomonosov Moscow State University, Moscow, Russia in 1993. In 2002 - 2008, he worked in the Danish and Russian offices of the consultancy McKinsey & Company. Since 2008, Mr. Korovin was responsible for working with telecommunications organizations and served as a member of the Board of Microsoft office in Russia. In 2010 – 2017, he was the Director of Energy Business Development at SCM JSC.

Mr. Damir Akhmetov. In 2010 Mr. Akhmetov graduated from Sir John Cass Business School (City University London) with a Master's degree in Finance. Since 1 February 2013 he has been working at SCM Advisors (UK) Limited, and currently holds the office of the Chairman. In addition, Mr. Akhmetov sits on the Supervisory Board of Metinvest B.V.

Dr. Johan Bastin. Dr. Bastin holds an M.Sc. in Urban Planning from the Eindhoven University of Technology in the Netherlands and a Ph.D. in Regional Planning with a specialty in Public Administration and Public Finance from the Université de Montréal in Canada. He also attended the MBA program at McGill University in Montreal. From 1985 to 1992, Mr Bastin served as Resident Team Director at Harvard University's Institute for International Development (HIID) in Indonesia, providing advice to Indonesia's Minister of Finance on infrastructure investment, fiscal decentralization and privatization of state owned companies. From 1993 to 2002, Mr. Bastin held a number of senior executive positions at the European Bank for Reconstruction and Development ("**EBRD**") in London, United Kingdom, including that of Business Group Director responsible for debt instruments and equity investments in infrastructure, transport and energy utilities, municipal and environmental services and energy efficiency across EBRD's entire geography. After the EBRD, from 2002 until 2009, Mr Bastin was Managing Director at Darby Private Equity, a major private equity fund manager and subsidiary of Franklin

Templeton Investments, providing mezzanine finance to companies in Central and Southeast Europe. From 2009 until 2015, Johan Bastin was the CEO of CapAsia, an international fund and asset management company headquartered in Singapore and focusing on private equity investment in the infrastructure and energy sectors in Southeast and Central Asia. Since the middle of 2015, Dr. Bastin is a managing partner of Iveaghouse Capital Investment Advisors, a Netherlands based investment boutique, advising on corporate strategy, investment finance, renewable energy and M&A.

Audit Committee

The Supervisory Board has established and maintains an Audit Committee as a standing advisory body of the Supervisory Board. Its tasks include:

- to supervise the internal control and risk management system, as well as external and internal audit activities;
- to analyse and make decisions regarding the reliability and accuracy of the Consolidated Financial Statements of the Group and other financial records;
- to consider issues regarding the operation of risk management, internal audit and compliance systems;
- to prepare recommendations to the Supervisory Board regarding the selection of auditors for the Consolidated Financial Statements of the Group; and
- to assess the scope and quality of audit procedures as well as the independence and credibility of the auditor.

The following table sets out the members of the Audit Committee as of the date of these Listing Particulars:

Name	Year of Birth	Position
Sergey Korovin..	1971	Chairman of the Committee
Irina Mykh...	1972	Member of the Supervisory board

Management Board

The Management Board is responsible for the organization and planning of economic, financial, commercial and other types of activities carried out by the Group, control over accounting and finance, approving development plans and human resources policies of the Company, as well as other functions pertaining to day-to-day operational management.

Name	Year of Birth	Position
Maxim Timchenko	1975	Director
SCM Management B.V.	n/a	Director

Details of members of the Management Board are set out below:

Maxim Timchenko graduated with honours from the Donetsk State Academy of Management, Donetsk, Ukraine, in 1997 with a degree in Production Management. In 1998, Mr. Timchenko graduated with honours from the University of Manchester with a Bachelor's degree in Economics and Social studies. Mr. Timchenko began his career as a consultant at PricewaterhouseCoopers (1998-2002), where he rose to the position of senior auditor. From 2002 to 2005 he worked as a senior manager at System Capital Management. Since July 2005 he has been the DTEK Group's Chief Executive Officer and Chairman of the Executive Board. From 2007 till August 2014 Mr. Timchenko has been the Chief Executive Officer of DTEK LLC (before change of name - DTEK ENERGY LLC). In 2008, Mr. Timchenko ranked first in the "Top 100 Best Top Managers of Ukraine" according to the Ukrainian magazine "Ekonomika", and in 2009, Mr. Timchenko ranked first in the "Top 100 Best Top Managers of Ukraine" according to the Ukrainian magazine "TOP-100 Ratings". Mr. Timchenko is a member of the Association of Chartered Certified Accountants.

SCM Management B.V. ("**SCMM**") was incorporated on July 1, 2015. SCMM is a wholly owned subsidiary of SCM and acts as a management company for SCM's energy assets, in which capacity it is also a director of all Dutch entities of DTEK Group. Its statutory seat is in Amsterdam, The Netherlands. The directors of SCM Management B.V. are Nataliya Muktan and Eliza Desiree den Aantrekker.

Chief Officers

The Chief Executive Officer is responsible for the day-to-day operations of the Company and is authorised to decide on matters other than those referred to the competence of the other governance bodies of the Company. Mr. Philipp Leckebush was appointed as the Chief Executive Officer of the Company in April 2018.

The Executive Director is responsible for the management of finance, human resources, procurement, legal and communications in the Company. Mr. Anton Mishin was appointed as the Executive Director of the Company in June 2019.

The Director of Operations is responsible for the operation of wind and solar power plants. Mr. Blagovest Nachev was appointed as the Director of Operations of the Company in June 2019.

Details of each of the Chief Executive Officer, the Executive Officer and the Chief Operating Officer are set out below:

Philipp Leckebusch graduated from Munich University of Applied Sciences, Munich, Germany. Mr. Leckebusch started his career in the aerospace industry with MBB Deutsche Aerospace in Germany and Mitsubishi Heavy Industries in Japan. He has over 20 years of experience in multiple senior management positions in the electrical power and utility industry. During his career with ABB, ALSTOM Power, Ferrostaal he was responsible for project development and engineering of multiple fossil fuelled and biomass power plants in all major regions of the world. Mr. Leckebusch also led for more than 10 years the development and operation of numerous renewable energy projects in the areas of geothermal, wind, solar, biogas, which qualified him in his last position as head of MVV Energie's group generation division to successfully manage the transformation of the company's conventional power plant portfolio towards a continuously growing renewable energy asset base.

Anton Mishin. Mr. Mishin graduated from European University with degree in "Banking". He continued his studies at the Taras Shevchenko National University of Kyiv in the field of "Accounting and Auditing". Mr. Mishin began his career in the Ministry of Finance of Ukraine (2003). From 2004 to 2007 he worked as the Auditor in Deloitte. In 2007 he was appointed the Senior analyst of international and management accounting in Metinvest Holding, LLC. From 2008 to 2013 Mr. Mishin worked in Yenakiyevo Steel Plant, OJSC, where he held the position of the Financial Controller, and later was appointed the Chief Financial Officer. In 2014, Mr. Mishin worked as the Manager of the Department of Economy and Planning of Naftogaz Ukraine, and later became the Adviser to the Chairman of the Board of Directors. Since 2015 and prior to joining DTEK ENERGY B.V., Mr. Mishin worked as the Chief Financial Officer in Ukrtransnafta, PJSC. Mr. Mishin holds Ph.D. in Economics.

Blagovest Nachev graduated from the Technical University of Sophia, Sophia, Bulgaria, with a specialization in Thermal Power Engineering in 1995. From 2004 till 2008, Mr. Nachev occupied the position of Project Manager at Mondi Stambolijski paper factory, where he was engaged in projects on producing energy from biofuels to serve the company's energy need. From 2009 till 2016, Mr. Nachev was General Manager at AES Geo Energy, the largest wind power plant in Bulgaria, which is part of the international power generation group - AES Corporation. In 2009, he worked as Production Director at the Metalstroy metal construction company, where he launched and managed the operation of a new CNC based production plant. Since 2016 and prior to joining DTEK ENERGY B.V., Mr. Nachev was the Chief Executive Officer of Veolia Energy Varna - a district heating company in Bulgaria, part of Veolia Environment Group.

Conflicts of Interest

There are no conflicts of interest between any duties of the members of the Supervisory Board or the management of the Company and their private interests and/or other duties.

SHAREHOLDERS

The Issuer is a wholly owned subsidiary of the Company. DTEK B.V., a wholly owned subsidiary of SCM, currently owns 100 per cent of the outstanding shares of the Company. The sole shareholder of SCM is Mr. Rinat Akhmetov who owns 100 per cent of the issued and outstanding share capital of SCM. The Group is not aware of any party or parties other than Mr. Akhmetov who could exercise control over the Group. There are no arrangements currently in place which may result in a change of control of the Group.

RELATED PARTY TRANSACTIONS

The Group regularly enters into transactions with related parties, including entities under the common control of SCM, as well as other associated companies, in the ordinary course of business. These transactions are made on market terms and primarily involve current loans given to the Immediate Company and to subsidiaries of DTEK Group to place temporarily available cash until it is required for finance construction of new facilities as well as current borrowings from related parties to finance construction of new facilities until borrowings are offset with abovementioned loans given. Loans receivable are not past due and have the character of revolving credit lines subject to further changes for parties involved. The carrying amounts of loans receivable approximate their fair values.

The following table sets forth the balances with related parties as at 31 December 2018, 2017 and 2016. For additional information see note 6 of the Financial Statements included elsewhere in these Listing Particulars.

	31 December 2018			**31 December 2017**			**31 December 2016**		
In thousands of Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Trade and other receivables	-	1,066	27,932	-	1,984	4,402	-	1,902	5,010
Loans receivable from related party.................	2,236,076	2,685,057	529,615	6,934,707	339,881	547,093	-	-	464,135
Cash and cash equivalents – current account	-	-	31,161	-	-	69,952	-	-	66,238
Bonds issued................	-	(504,134)	-	-	(563,154)	-	-	(461,434)	-
Borrowings	-	(2,015,666)	-	-	-	-	-	-	-
Trade and other payables	(1,870)	(12,641)	(24,059)	-	(7,504)	(111)	-	(2,783)	(106)
Dividends payable	(231,952)	(429)	-	-	(1,105)	-	-	-	-

The following table sets forth the income and expense items with related parties for the years ended 31 December 2018, 2017 and 2016. The table below excludes disclosure on gains/losses on recognition or modification of financial instruments and other such transactions. For additional information see note 6 of the Financial Statements included elsewhere in these Listing Particulars.

	2018			**2017**			**2016**		
In thousands of Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Purchase of services	(1,910)	(20,795)	(22,072)	-	(16,698)	(8,919)	-	(84,172)	(10,500)
Operating lease expenses	-	(6,879)	-	-	(4,938)	-	-	(6,192)	-
Other income	-	131	5,856	-	64	-	-	-	-
Interest income on bank deposits	-	-	34,833	-	-	11,827	-	-	8,392
Interest expense on borrowings...................	-	(135,000)	-	-	(135,000)	-	-	(112,869)	-
Interest income on loans receivable	297,096	63,747	38,117	4,818	-	35,817	-	21,863	4,091

The following table sets forth the balances with related parties as at 30 June 2019 and 30 June 2018. For additional information see note 6 of the Financial Statements included elsewhere in these Listing Particulars.

	30 June 2019			30 June 2018		
In thousands of Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Trade and other receivables	-	1,990	22,250	-	765	110
Loans receivable from related party	2,214,642	2,276,586	536,782	5,417,627	1,277,952	512,974
Cash and cash equivalents	-	-	286,235	-	-	1,187,003
Bonds issued	-	(466,658)	-	-	(481,562)	-
Borrowings	-	(3,040,762)	(219,223)	-	(1,647,108)	-
Trade and other payables	(164)	(32,213)	(20,444)	-	(12,866)	(303)
Dividends payable	(219,197)	(429)	-	(219,407)	(429)	-

The following table sets forth the income and expense items with related parties for the six months ended 30 June 2019 and 30 June 2018. The table below excludes disclosure on gains/losses on recognition or modification of financial instruments and other such transactions. For additional information see note 6 of the Financial Statements included elsewhere in these Listing Particulars.

	Six months ended 30 June 2019			Six months ended 30 June 2018		
In thousands of Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Revenue	-	1,545	-	-	-	-
Purchase of services	(2,578)	(31,765)	(29,199)	(929)	(7,773)	(7,801)
Operating lease expenses	-	(4,947)	-	-	(3,559)	-
Other income	-	91	-	-	66	-
Interest income on bank deposits	-	-	2,826	-	-	7,484
Interest expense on borrowings	-	(66,945)	(3,511)	-	(66,945)	-
Interest income on loans receivable	57,614	53,846	17,807	167,458	892	18,903

Key management personnel compensation

In the years ended 31 December 2018, 2017 and 2016, the total compensation to key management personnel amounted to UAH 27.2 million, UAH 13.7 million and UAH 12.5 million, respectively, which consisted of salaries, bonus payments and social contribution costs.

EBITDA, total assets and net assets

The table below sets out the EBITDA, total assets and net assets of each of (i) the Guarantors as a group and (ii) the non-Guarantor subsidiaries of the Company as a group as at and for the year ended 31 December 2018, calculated as explained further below. The figures in the table and text below are unaudited.

	As at and for the year ended 31 December 2018					
	EBITDA	**% of Group**	**Total Assets**	**% of Group**	**Net Assets**	**% of Group**
	(UAH '000)	*%*	*(UAH '000)*	*%*	*(UAH '000)*	*%*
Guarantors (as a group) [(1)]	(23,712)	(1.16)	6,545,040	26.60	8,551,522	75.53
Non-Guarantors (as a group)........	2,059,541	101.16	18,063,014	73.40	2,770,657	24.47
Total Group	2,035,829	**100**	24,608,054	**100**	11,322,179	**100**

(1) The Company is required to cause WIND POWER LLC to become an Additional Surety on the date of the final repayment of the Windpower ECA Facilities, which final repayment is scheduled to occur on the Anticipated Repayment Date. With effect from the Issue Date, WIND POWER LLC will not be permitted to incur any new debt or to extend the maturity of the Windpower ECA Facilities until the Windpower ECA Facilities have been repaid.

The table below sets out the EBITDA, total assets and net assets of each of (i) the Guarantors as a group and (ii) the non-Guarantor subsidiaries of the Company as a group as at and for the six months ended 30 June 2019, calculated as explained further below. The figures in the table and text below are unaudited.

	As at and for the six months ended 30 June 2019					
	EBITDA	**% of Group**	**Total Assets**	**% of Group**	**Net Assets**	**% of Group**
	(UAH '000)	*%*	*(UAH '000)*	*%*	*(UAH '000)*	*%*
Guarantors (as a group).............	(34,270)	(1.94)	11,104,962	35.11	11,571,640	73.28
Non-Guarantors (as a group).....	1,800,511	101.94	20,525,898	64.89	4,219,627	26.72
Total Group	1,766,241	**100**	31,630,860	**100**	15,791,267	**100**

The Company had EBITDA of UAH (15.89) million and UAH (12.67) million and net assets of UAH 8.55 billion and UAH 11.60 billion as at 31 December 2018 and 30 June 2019, which represented more than 20 per cent of the net assets of the Group, respectively, as at the respective dates.

There are no risks specific to, or encumbrances on the assets of DTEK RENEWABLES B.V. that could materially affect its ability to meet its respective obligations under its Guarantee.

The consolidated financial information of the Group set out in these Listing Particulars includes both the Guarantors and the non-guarantor subsidiaries of the Company.

The Guarantors' share of EBITDA, net assets and Total Assets referred to above has been calculated on an aggregated basis for the Guarantors after taking into account intra-Group eliminations.

The aggregate EBITDA, net assets and Total Assets of the Group used in calculating the percentage of EBITDA, net assets and Total Assets attributable to the Guarantors and non-guarantor subsidiaries of the Company do not include the EBITDA, net assets and total assets of the Issuer on a stand-alone basis.

Issuer

Incorporation, Name, Registered Office, Duration and Fiscal Year

The Issuer was incorporated in the Netherlands on 8 April 2010, with registered number 34389118 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The registered office of the Issuer is Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX, Amsterdam, the Netherlands and its telephone number is +31 (0)20 723 25 75. The Issuer has its statutory seat (*statutaire zetel*) at Amsterdam, the Netherlands.

The Issuer has been incorporated for an unlimited duration.

The Issuer's financial year-end is 31 December and therefore its financial year coincides with the calendar year.

Constitutional Documents

The Issuer's constitutional documents are its articles of association as most recently amended on 6 September 2019, (the "**Articles of Association**").

Business Activities

The Issuer is a financial company and its principal business activities include intragroup financing within the Group.

The principal objects of the Issuer are set forth in article 3 of the Articles of Association (as currently in effect) and permit the Issuer, *inter alia*, to lend money and give credit, secured or unsecured, to issue debentures and otherwise to borrow or raise money and to grant security over its property for the performance of its obligations or the payment of money.

Share Capital and Shares

The authorised share capital of the Issuer amounts to €18,000, divided into eighteen thousand (18,000) ordinary shares, with a nominal value of €1 each.

As at 30 June 2019, the issued share capital of the Issuer amounts to €18,000, divided into eighteen thousand (18,000) ordinary shares, with a nominal value of €1 each, which shares have been paid up.

The Issuer is legally and beneficially owned directly by the Company. The rights of the Company as a shareholder in the Issuer are contained in the Articles of Association and the Issuer will be managed in accordance with the Articles of Association and with the provisions of Dutch law.

The Issuer (formerly DTEK FINANCE B.V.) was originally established as a wholly owned subsidiary of DTEK ENERGY B.V. On 1 October 2019, DTEK ENERGY B.V. sold the Issuer to the Company, as a result of which the Issuer became a wholly owned subsidiary of the Company. On 6 September 2019, the Issuer was renamed from DTEK FINANCE B.V. to DTEK RENEWABLES FINANCE B.V.

Board of Directors and Company Secretary

The Articles of Association provide that the management board of the Issuer consists of two directors. As at the date of these Listing Particulars, the management board of the Issuer has two members:

Name	Nationality	Place of Residence	Business Address
Mr. Maksym Timchenko	Ukrainian	Ukraine	Lva Tolstogo Str., 57, Kyiv, 01032, Ukraine
SCM Management B.V.	the Netherlands	the Netherlands	Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX, Amsterdam, the Netherlands

There are no conflicts of interest between any duties of the members of the Issuer's management board and their private interests and/or other duties.

Authorisation

The creation and issuance of the Notes was authorised by a decision of the Management Board and the Supervisory Board of the Issuer on 5 November 2019.

Guarantors

DTEK RENEWABLES B.V.—The Netherlands

The Company is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 10 September 2013, registered with the Netherlands Chamber of Commerce under the company number 58729011, with its registered office at Strawinskylaan 1531 Tower B, Lev el 15, grid TB-15-046/089, 1077XX, Amsterdam, Netherlands. The Company's telephone number is +31 (0)20 723 25 75. The Company has its statutory seat (*statutaire zetel*) at Amsterdam, the Netherlands.

The Company has been incorporated for an unlimited duration.

The Company's financial year-end is 31 December.

Constitutional Documents

The Company's constitutional documents are its articles of association as most recently amended on 26 November 2015.

Business Activities

The Company's business activities include holding and financial activity for DTEK RENEWABLES business in Ukraine; intragroup financing within DTEK RENEWABLES HOLDING.

Board of Directors

For detailed information, see "*Management*".

ORLOVKA WEP LLC—Ukraine

Incorporation, Name, Registered Office, Duration and Fiscal Year

ORLOVKA WEP LLC is a limited liability company incorporated under the laws of Ukraine on 28 April 2017, registered with the Unified State Registry of Legal Entities, Individual Entrepreneurs and Civil Formations under the identification number 41310382, with its registered office at Lva Tolstogo Str., 57, Kyiv, 01032, Ukraine.

ORLOVKA WEP LLC's telephone number is +380445944652.

ORLOVKA WEP LLC has been incorporated for an unlimited duration.

ORLOVKA WEP LLC's financial year-end is 31 December.

Constitutional Documents

ORLOVKA WEP LLC's constitutional document is its charter, approved by the Minutes of the General Participants' Meeting dated 19 June 2019.

Business Activities

ORLOVKA WEP LLC's business activities include electricity production; electricity transmission; wholesale of solid, liquid, gaseous fuels and related products; construction of residential and non-residential buildings; construction of other buildings.

Board of Directors

ORLOVKA WEP LLC's charter does not provide for a board of directors. Management of the ordinary business is performed by its director, Liakh Ivan Oleksandrovych.

SOLAR FARM-3 LLC—Ukraine

Incorporation, Name, Registered Office, Duration and Fiscal Year

SOLAR FARM-3 LLC is a limited liability company incorporated under the laws of Ukraine on 06 July 2017, registered with the Unified State Registry of Legal Entities, Individual Entrepreneurs and Civil Formations under the identification number 41442374, with its registered office at Lva Tolstogo Str., 57, Kyiv, 01032, Ukraine.

SOLAR FARM-3 LLC's telephone number is +380445944652.

SOLAR FARM-3 LLC has been incorporated for an unlimited duration.

SOLAR FARM-3 LLC's financial year-end is 31 December.

Constitutional Documents

SOLAR FARM-3 LLC's constitutional document is its charter, approved by the Decision of Participant dated 17 December 2018.

Business Activities

SOLAR FARM-3 LLC's business activities include electricity production; electricity transmission; wholesale of solid, liquid, gaseous fuels and related products; construction of residential and non-residential buildings; construction of other buildings.

Board of Directors

SOLAR FARM-3 LLC's charter does not provide for a board of directors. Management of the ordinary business is performed by its director, Solovei Oleh Viktorovych.

TERMS AND CONDITIONS OF THE NOTES

The €325,000,000 8.50% senior notes due 2024 (the "**Notes**", which expression shall in these terms and conditions (the "**Conditions**"), unless the context otherwise requires, include any further notes (the "**Additional Notes**") issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Notes) of DTEK Renewables Finance B.V. (the "**Issuer**") are constituted by the trust deed (as amended, varied or supplemented from time to time, the "**Trust Deed**") dated 12 November 2019 between the Issuer, DTEK Renewables B.V. (the "**Parent**") as a guarantor and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Surety Agreements (each as defined below). The agency agreement (as amended, varied or supplemented from time to time, the "**Agency Agreement**") dated 12 November 2019 has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial principal paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent and the other agents named therein. The principal paying agent, the other paying agents, the registrar and the transfer agents for the time being (if any) are referred to below respectively as the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Principal Paying Agent), the "**Registrar**" and the "**Transfer Agents**" (which expression shall include the Registrar), and collectively are referred to as the "**Agents**". The Notes are unconditionally, irrevocably and jointly and severally guaranteed by the Guarantors (as defined below) under the Trust Deed and the relevant Surety Agreements.

The Issuer has: (i) pursuant to the Trust Deed, granted an English law governed first ranking fixed charge over its present and future rights and interests with full title guarantee in respect of the Interest Reserve Account (as defined below); and (ii) pursuant to the Trust Deed, granted by way of an English law governed assignment, security over its present and future rights under the Agency Agreement and the Account Bank Agreement (as defined below). Copies of the Trust Deed, the Agency Agreement, the Account Bank Agreement and the Surety Agreements are available for inspection during normal business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL) and at the specified offices of the Paying Agents and the Transfer Agents, and will be sent in electronic form to any Noteholder upon written request made to any Paying Agent or Transfer Agent in accordance with Condition 18 (*Notices*).

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Surety Agreements, and are deemed to have notice of those provisions applicable to them in the Agency Agreement and the Account Bank Agreement.

1 Form and Denomination and Title

1.1 Form and denomination:

The Notes are in registered form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. A definitive certificate (each, a "**Definitive Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Note and each Definitive Certificate will have an identifying number which will be recorded on the relevant Definitive Certificate and in the Register (as defined in Condition 1.2 (*Register*)). The Notes may only be traded in denominations of €100,000 and integral multiples of €1,000 in excess thereof. For the avoidance of doubt, the relevant Clearing Systems are not required to monitor or enforce the minimum denomination.

Definitive Certificates issued with respect to Rule 144A Notes ("**Rule 144A Definitive Certificates**") will bear the Rule 144A Legend (as defined in the Trust Deed), unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Definitive Certificates issued with respect to the Regulation S Notes ("**Regulation S Definitive Certificates**") will not bear the Rule 144A Legend.

Upon issue, the Rule 144A Notes will be represented by a Rule 144A global note certificate (the "**Rule 144A Global Note Certificate**") and the Regulation S Notes will be represented by a Regulation S global note certificate (the "**Regulation S Global Note Certificate**" and, together with the Rule 144A Global Note Certificate, the "**Global Note Certificates**"). The Regulation S Global Note Certificate and the Rule 144 Global Note Certificate will be deposited with The Bank of New York Mellon, London Branch as the common depositary, and registered in the name of The Bank of

New York Depository (Nominees) Limited as nominee of the common depositary, for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**").

Except in the limited circumstances described in the Global Note Certificates, owners of interests in Notes represented by the Global Note Certificates will not be entitled to receive physical Definitive Certificates in definitive form in respect of their individual holdings of Notes. The Notes are not issuable in bearer form.

1.2 **Register:**

The Registrar will maintain outside the United Kingdom a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**holder**" of a Note means the Person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

1.3 **Title:**

Title to the Notes passes only by transfer and registration in the Register. The holder of each Note shall (except as otherwise required by a court of competent jurisdiction or applicable law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Definitive Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Definitive Certificate) and no Person shall be liable for so treating such holder.

2 Transfers of Notes

2.1 **Transfers:**

Subject to the terms of the Agency Agreement, Condition 2.4 (*Closed Periods*) and Condition 2.5 (*Regulations concerning transfers and registration*), a Note may be transferred by delivering the Definitive Certificate in respect of it, with the endorsed form of transfer (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and signed, and any other evidence as the relevant Transfer Agent may require, at the Specified Office (as defined in the Trust Deed) of the relevant Transfer Agent. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate shall be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. No transfer of a Note will be valid unless and until entered on the Register.

Transfers of interests in the Notes evidenced by a Global Note Certificate will be effected in accordance with the rules of the relevant Clearing System.

Upon the transfer, exchange or replacement of a Rule 144A Note, a Transfer Agent will only deliver Definitive Certificates with respect to Rule 144A Notes that bear the Rule 144A Legend if there is delivered to such Transfer Agent such satisfactory evidence as may be reasonably required by the Issuer, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

An interest in Notes represented by the Rule 144A Global Note Certificate may be transferred to a person within the United States subject to any applicable transfer restrictions under the Securities Act.

2.2 **Registration and delivery of Definitive Certificates:**

Promptly and in any case within five business days of the surrender of a Definitive Certificate in accordance with Condition 2.1 (*Transfers*), the Registrar will register the transfer in question and deliver new Definitive Certificate(s) in respect of the principal amount of the Notes transferred (and, in the case of transfer in part only, the balance of Notes not so transferred) to each relevant holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first-class mail (airmail if overseas) to the address(es) specified for the purpose by such relevant holder.

In this Condition 2.2, "**business day**" means a day on which banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

Issues of Definitive Certificates upon transfers of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of the Rule 144A Notes, compliance with the Rule 144A Legend.

2.3 **No charge:**

The transfer of a Note, exercise of an option and partial redemption will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but against such indemnity as the Registrar or (as the case may be) such other Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection therewith.

2.4 **Closed periods:**

Noteholders may not require transfers of Definitive Certificates to be registered during the period of (i) 15 days ending on (and including) the due date for any payment of the principal of, premium on, if any, or interest on the Notes, (ii) 15 days prior to (and including) any date on which the Notes are due to be redeemed by the Issuer following exercise by it of its option pursuant to Condition 7.2 (*Redemption at the Option of the Issuer*) or on which the Notes are due to be repurchased from the Noteholders following any exercise of their option pursuant to Condition 7.3 (*Redemption at the Option of the Noteholders Upon a Change of Control*) or (iii) during the period of seven days ending on (and including) any Record Date (as defined below).

2.5 **Regulations concerning transfers and registration:**

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar and/or any other Transfer Agent to any Noteholder who requests in writing a copy of such regulations.

3 Guarantees and Status

3.1 **Guarantee:**

The Guarantors have, pursuant to the granting of Guarantees under the Trust Deed, in the case of the Parent, or under the relevant Surety Agreements in the case of the Sureties, jointly and severally, unconditionally and irrevocably guaranteed the moneys payable by the Issuer under the Trust Deed, the Notes and the Agency Agreement. Each suretyship shall not constitute a guarantee obligation (in Ukrainian: *garantiya*) as that term is interpreted under Ukrainian law.

3.2 **Addition of Sureties:**

The Issuer shall give not less than five Business Days' prior notice to the Trustee and the Noteholders in accordance with Condition 18 (*Notices*) of the addition of an Additional Surety and the execution and delivery to the Trustee by such Additional Surety of a Surety Agreement in connection therewith, provided that the Issuer may procure the addition of a relevant Subsidiary as an Additional Surety within a shorter notice period as the Trustee may agree in order to ensure timely compliance with Condition 5.15.1(B). The addition of any Additional Surety(s) pursuant to this Condition 3.2 shall be conditional upon receipt by the Trustee of (x) an Opinion of Counsel as to the enforceability of the Additional Surety's obligations under the Surety Agreement and as to the due capacity and authority of any such Additional Surety thereunder (y) an Officers' Certificate confirming that all conditions precedent to the addition of such Additional Surety have been satisfied and (z) such other documents or certificates as the Trustee may reasonably require, including in connection with its "know your customer" obligations or other identification checks or procedures necessary to comply with any applicable law. The Trustee shall be entitled to accept and rely on the Opinion of Counsel referred to in sub-paragraph (x) above and the Officers' Certificate referred to in sub-paragraph (y) above without further enquiry or liability to any Person as sufficient evidence of the matters certified or opined on therein.

3.3 **Status of Notes and Guarantee:**

The Notes constitute direct, secured, unsubordinated and unconditional obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. Except as set forth in this Condition 3.3 below, each Guarantee constitutes or will constitute a senior, unsecured, unsubordinated obligation of the relevant Guarantor. The Notes and the Guarantees are:

3.3.1 senior obligations of the Issuer and of the Guarantors, respectively, ranking at all times at least equally in right of payment with any other existing or future unsecured and unsubordinated Indebtedness of the Issuer or the Guarantors;

3.3.2 senior in right of payment to all existing and future subordinated Indebtedness and any other subordinated liabilities of the Issuer and/or the Guarantors;

3.3.3 effectively subordinated in right of payment to any existing and future Indebtedness of the Guarantors that is secured by liens, to the extent of the value of the assets securing such Indebtedness;

3.3.4 in the case of the Notes, secured by a first ranking security interest in respect of the Interest Reserve Account; and

3.3.5 in the case of the Guarantee of Orlovka WEP, for so long as any amounts are outstanding under the €21 million Orlovka WEP secured loan facility due 2025, limited to 70 per cent of the total assets of Orlovka WEP plus 70 per cent of its net cash generated from operating activities (according to statement of cash flows) in each respective period according to the most recent unconsolidated financial statements of Orlovka WEP, all as more particularly described in the Surety Agreement entered into by Orlovka WEP.

4 Interest Reserve Account and Security Arrangements

4.1 **Establishment of Interest Reserve Account**

On or prior to the Issue Date, the Issuer will establish an account (the "**Interest Reserve Account**") in the United Kingdom with The Bank of New York Mellon, London Branch. On the Issue Date, the Issuer will deposit into the Interest Reserve Account the amount of EUR13,812,500 in cash in same day funds, deducted from the net proceeds of the issue of the Notes.

4.2 **Maintenance of Interest Reserve Account**

From the Issue Date and so long as any Notes are outstanding, the Issuer shall at all times maintain in the Interest Reserve Account an amount in euro at least equal to the amount of interest due to be paid on the Notes (including for the avoidance of doubt any Additional Notes) on the next upcoming Interest Payment Date; provided, that upon any redemption or repurchase and cancellation of any Notes, the Issuer shall only be required to maintain an amount equal to the amount of interest due to be paid on the next upcoming Interest Payment Date calculated after giving effect to such redemption or repurchase and cancellation and any excess amount may be released in accordance with the terms of the Account Bank Agreement and the Trust Deed.

4.3 **Security Arrangements**

The obligations of the Issuer under, or in connection with, the Notes, the Trust Deed and the other Notes Documents are secured in favour of the Trustee (for itself and the other Secured Parties) as follows: (i) by a first ranking English law governed fixed charge over the Issuer's present and future rights and interests with full title guarantee in respect of the Interest Reserve Account; and (ii) by an assignment under English law (the "**Assignment**") by way of security of all of the Issuer's present and future rights, title and interest under or pursuant to the Agency Agreement and the Account Bank Agreement.

The property specified in subparagraphs (i) and (ii) above, together with any other property or assets held by and/or charged in favour of and/or assigned to the Trustee (for itself and the other Secured Parties (subject as provided in these Conditions and the Notes Documents)) pursuant to the Trust Deed and/or any deed or document supplemental thereto is referred to in these Conditions as the "**Secured Property**", and the security created thereby is referred to as the "**Note Security**".

The Note Security shall be automatically released, and the Trustee shall be deemed to give its consent thereto without the need for any notice or other formalities, in each case prior to the Note Security becoming enforceable, in the following circumstances (in each case subject as expressly provided in the Trust Deed):

(a) immediately following redemption or purchase and cancellation of all of the Notes, so that no Note remains outstanding (as defined in the Trust Deed); or

(b) from the Note Security pursuant to the Assignment, amounts held by the Agents under or pursuant to the Agency Agreement solely for the purposes of enabling the Issuer to satisfy its corresponding payments of principal, premium and interest due in respect of the Notes.

Subject to the provisions of the Trust Deed, the Note Security shall become enforceable upon notice being given by the Trustee to the Issuer that the Notes are due and payable pursuant to Condition 11.

If the Note Security becomes enforceable, the Trustee may at its discretion and without further notice or formality and shall, if so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), enforce all or any of the Note Security in accordance with the provisions in the Trust Deed and subject as provided below. The Trustee shall be obliged to act on the first such request or direction received pursuant to this Condition 4.3 and shall have no liability to any person for so doing. To do this, the Trustee may at its discretion appoint a receiver and/or take possession of and/or realise all or any part of the Secured Property, and/or take any action, step or proceedings against any person liable in respect of all or any part of the Secured Property, the Account Bank Agreement and/or the Agency Agreement and/or any rights in relation to the Trust Deed and take any step, action or proceedings provided for in or pursuant, and/or subject to, the Notes Documents, but without any liability to any person as to the consequences of such step, action or proceedings and without having regard to the effect of such action or proceedings on the Issuer, the Guarantors or any of their respective Subsidiaries or individual Noteholders, and provided that the Trustee shall not be required or obliged to take any action, step or proceedings that would involve any personal liability or exposure without first being indemnified and/or secured and/or prefunded to its satisfaction.

Following any realisation of the Secured Property in accordance with the foregoing provisions of this Condition 4, the Trustee will apply the proceeds of such realisation in accordance with the Trust Deed.

So long as any Note remains outstanding, save with the prior written consent of the Trustee or as approved by an Extraordinary Resolution of the Noteholders or as expressly contemplated or permitted in these Conditions or any of the Notes Documents, the Issuer will not (i) create or permit to subsist any mortgage, pledge, lien, security interest, charge or encumbrance securing any obligation of any person (or any arrangement having a like or similar effect) upon all or any of the Secured Property; or (ii) transfer, sell, lend, part with or otherwise dispose of, or grant any option or present or future right to acquire, any of the Secured Property; or (iii) permit any of the Notes Documents to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to any of the Notes Documents, or permit any party to any of the Notes Documents or any other person whose obligations form part of the Note Security to be released from such obligations.

4.4 Substitute Interest Reserve Account

Notwithstanding Condition 4.2 above, the Issuer may, at its option, establish a substitute interest reserve account established at a bank organised in an Approved Jurisdiction (other than Ukraine) having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at such time, of at least BBB+ or the equivalent thereof by Fitch, BBB+ or the equivalent thereof by Standard & Poor's and at least Baa1 or the equivalent thereof by Moody's (such account, a "**Substitute Interest Reserve Account**"). Subject to the Issuer (i) providing the Trustee with evidence that an amount in euro at least equal to the amount of interest due to be paid on the Notes (including for the avoidance of doubt any Additional Notes issued pursuant to Condition 17) on the next upcoming Interest Payment Date has been deposited in the Substitute Interest Reserve Account, (ii) granting a first ranking security interest in the Substitute Interest Reserve Account pursuant to a Supplemental Trust Deed in form and in substance satisfactory to the Trustee (acting reasonably); (iii) an Officers' Certificate and Opinion of Counsel each stating that all conditions precedent to the release of the security over the original Interest Reserve Account have been satisfied; and (iv) such certificates, legal opinions and other documents as the Trustee may reasonably require, the Trustee shall (at the expense of the Issuer) permit the release of the security interests over the original Interest Reserve Account, and release the funds therefrom to the order of the Issuer. Thereafter, the Issuer shall comply with its obligations under Condition 4.2 with respect to such Substitute Interest Reserve Account, and all references hereunder to the Interest Reserve Account shall be modified so as to refer to such Substitute Interest Reserve Account. The Trustee may rely on any such certificates, opinions or other documents delivered pursuant to this Condition 4.4 absolutely and without liability to any person for so doing and without further enquiry.

5 Covenants

So long as any Notes remain outstanding:

5.1 Limitation on Liens:

The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur, assume or suffer to exist any Lien, other than a Permitted Lien, on any of its assets, now owned or hereafter acquired, or any income or profits therefrom, securing Indebtedness, unless, at the same time or prior thereto, the Notes and the Guarantees (a) are secured equally and rateably therewith or (b) have the benefit of other security or other arrangement (in each case for so long as such other Indebtedness is so secured) to the satisfaction of the Trustee.

Any such Lien thereby created in favour of the holders of the Notes or any such Guarantee pursuant to this Condition 5.1 will be automatically and unconditionally released and discharged upon the release and discharge of the initial Lien to which it relates.

5.2 Incurrence of Indebtedness:

5.2.1 The Parent will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness provided that the Parent or any Non-Surety Subsidiary (other than Windpower) may incur Indebtedness if on the date of such Incurrence and after giving effect thereto on a pro forma basis (including a pro forma application of the net proceeds therefrom), the Consolidated Leverage Ratio would be for any Relevant Period ending (i) on or prior to 31 December 2020, not more than 4.0 to 1.0, (ii) from and after 1 January 2021 and on or prior to 31 December 2021, not more than 3.5 to 1.0, and (iii) from and after 1 January 2022, not more than 3.0 to 1.0.

5.2.2 Notwithstanding the foregoing Condition 5.2.1, the Parent and/or (where applicable) its Restricted Subsidiaries will be entitled to Incur any or all of the following Indebtedness (collectively, "**Permitted Debt**"):

(A) Indebtedness Incurred to finance the acquisition, development, construction, cost of design, installation, improvement, operations or lease of property, land or other assets in connection with the Tiligulskaya Project, including any costs, expenses or other payments incurred or required in connection therewith, in the aggregate amount not exceeding €500 million at any time outstanding and any guarantee by the Parent in respect of such Indebtedness;

(B) Indebtedness represented by the Notes issued on the Issue Date and the related Notes Guarantees (including any future Notes Guarantees);

(C) Indebtedness of the Parent or any of its Restricted Subsidiaries (other than the Notes and the Notes Guarantees) outstanding on the Issue Date, after giving effect to the application of proceeds of the Indebtedness being Incurred on the Issue Date, and any Indebtedness Incurred in respect of any capitalisation of interest or fees therefor; and Indebtedness in an aggregate amount of €6 million that is available but undrawn under the General Loan Agreement on the Issue Date;

(D) Indebtedness of the Parent or any of its Restricted Subsidiaries owed to and held by the Parent or any of its Restricted Subsidiaries; provided, however, that (i) any Indebtedness in respect of which any Surety is an obligor and the lender is any Non-Surety Subsidiary (except if such lender is the Issuer) is unsecured and fully subordinated and junior in right of payment to the Notes at any time while an Event of Default has occurred and is continuing pursuant to a written agreement to that effect and (ii) any subsequent issuance or transfer of any Capital Stock which results in any Indebtedness Incurred pursuant to this paragraph being beneficially held by a Person other than the Parent or a Restricted Subsidiary or any subsequent transfer of such Indebtedness to a Person other than to the Parent or another Restricted Subsidiary of the Parent shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon;

(E) Indebtedness (a) of a Non-Surety Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by or merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or a Restricted Subsidiary or (b) Incurred by the Parent or a Non-Surety Subsidiary (other than Windpower) to provide all or any portion of the funds utilised to consummate the transaction or series of related transactions pursuant to which any Person became a Restricted Subsidiary or was otherwise acquired by or merged, consolidated, amalgamated or otherwise combined with the Parent or a Restricted Subsidiary; provided, however, with respect to each of clause (a) and (b), that on the date of such acquisition, merger, consolidation or amalgamation or combination and after giving pro forma effect thereto the Parent would have been entitled to Incur at least €1.00 of additional Indebtedness pursuant to Condition 5.2.1;

(F) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to Condition 5.2.1 or pursuant to paragraph (A), (B), (C) (other than any such Indebtedness of Windpower) or (E) above or this paragraph (F);

(G) Hedging Obligations Incurred by the Parent or any Non-Surety Subsidiary (other than Windpower), provided they are Incurred for the purpose of fixing, hedging, swapping or otherwise managing interest rate, commodity price or foreign currency exchange rate risk and not for speculative purposes;

(H) obligations of the Parent or any of its Restricted Subsidiaries in respect of bankers' acceptances, performance, bid, completion, surety or appeal bonds or similar instruments, guarantees or other obligations, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of the Issuer or any Restricted Subsidiary of the Parent or for governmental, tax or regulatory requirements and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of such obligations;

(I) Indebtedness of the Parent or any of its Restricted Subsidiaries arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds; provided, however, that such Indebtedness is extinguished within five business days of its Incurrence;

(J) Indebtedness Incurred in respect of workers' compensation claims, self-insurance obligations, reclamation bonds or similar obligations Incurred by the Issuer or a Restricted Subsidiary in the ordinary course of business and any contingent obligations in respect of early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(K) Indebtedness arising from agreements of the Parent or a Non-Surety Subsidiary (other than Windpower) providing for indemnification, obligations in respect of earn-outs or other adjustments of purchase price or similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or Capital Stock of a Subsidiary of the Parent (other than Indebtedness Incurred by any Person acquiring or disposing of such business or assets for the purpose of financing such acquisition or disposition); provided that in the case of a disposition, the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer or its Restricted Subsidiary in connection with such disposal; and

(L) Indebtedness in respect of any customary cash management, netting, set-off or cash pooling arrangements;

(M) guarantees or sureties by the Parent or any Non-Surety Subsidiary (other than Windpower) of Indebtedness of the Parent or any Non-Surety Subsidiary to the extent that the guaranteed Indebtedness was permitted to be Incurred by such Person under another paragraph of this Condition 5.2, provided that if the Indebtedness being guaranteed is *pari passu* with the Notes or a Guarantee, then in each case the guarantee must be *pari passu* with, as applicable, to the same extent as the Indebtedness guaranteed.

5.2.3 For the purposes of determining compliance with this Condition 5.2, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in paragraph (A) through (M) of Condition 5.2.2, or is entitled to be Incurred pursuant to Condition 5.2.1, the Parent, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its Incurrence and only be required to include the amount and type of such Indebtedness in one of such paragraphs and will be permitted on the date of such Incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Condition 5.2.1 and Condition 5.2.2, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Condition 5.2, provided, however that any Indebtedness initially Incurred pursuant to paragraph (A) of Condition 5.2.2 may not be reclassified.

5.2.4 For the purposes of determining compliance with any Euro- denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the Euro Equivalent determined by the Parent on the date of the Incurrence of such Indebtedness (or in the case of any revolving credit facility or letter of credit, the date such Indebtedness was first committed); provided, however, that (A) if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to Euros covering all principal, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in Euros will be as provided in such Currency Agreement and (B) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being Refinanced will be the Euro Equivalent of the Indebtedness Refinanced determined on the date such Indebtedness was originally Incurred, except to the extent that (1) such Euro Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the Euro Equivalent of such excess will be determined on the date such Refinancing Indebtedness is Incurred. Notwithstanding any other provision of this Condition 5.2, the maximum amount that the Parent or a Restricted Subsidiary may Incur pursuant to this Condition 5.2 shall not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

5.2.5 The amount of any Indebtedness outstanding as of any date will be:

(A) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with the Accounting Standards; and

(B) the principal amount of the Indebtedness, in the case of any other Indebtedness.

5.3 **Limitation on Restricted Payments:**

5.3.1 The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payments, if at the time the Parent or such Restricted Subsidiary makes such Restricted Payment:

(A) a Potential Event of Default or an Event of Default shall have occurred and be continuing (or would result therefrom);

(B) the Parent would not, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the Relevant Period, have been permitted to Incur an additional €1.00 of Indebtedness pursuant to Condition 5.2.1; or

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Parent and its Restricted Subsidiaries since the Issue Date (including Restricted Payments made pursuant to paragraphs (C), (G), (J), (K) and (L) Condition 5.3.2 but excluding all other Restricted Payments permitted by Condition 5.3.2), would exceed the sum of (without duplication):

(1) (a) 50% of the Consolidated Net Income, or (b) if the Consolidated Leverage Ratio for the Relevant Period immediately prior to such Restricted Payment does not exceed 3.5 to 1.0 on a pro forma basis after giving effect to any such Restricted Payment and any related transaction, 75% of the Consolidated Net Income, in either case, accrued during the period (treated as one accounting period) beginning on 1 January 2019 and ending at the end of the most recent six-month period for which financial statements have been provided under Condition 5.17 (*Financial Information*) prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate Net Cash Proceeds received by the Parent since 1 July 2019 from the issuance or sale of its Capital Stock (other than Disqualified Stock) (other than an issuance or sale to a Subsidiary of the Parent and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Parent or any of its Subsidiaries for the benefit of their employees), any Subordinated Shareholder Funding or capital contribution received by the Parent; plus

(3) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received by the Parent since 1 July 2019 from the issue or sale by the Parent or any Restricted Subsidiary subsequent to 1 July 2019 of any Indebtedness that has been converted into or exchanged for Capital Stock of the Parent (other than Capital Stock and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Parent) or Subordinated Shareholder Funding; plus

(4) to the extent that any Restricted Investment that was made after 1 July 2019 is (a) sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property or assets or marketable securities received by the Parent or any

Restricted Subsidiary (other than from a Person that is the Parent or a Restricted Subsidiary), or (b) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Parent and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary; plus

(5) to the extent that any Unrestricted Subsidiary of the Parent designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Parent or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Parent or a Restricted Subsidiary, the Fair Market Value of the property received by the Parent or Restricted Subsidiary or the Parent's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this clause (5) and were not previously repaid or otherwise reduced.

5.3.2 The preceding provisions will not prohibit any or all of the following (collectively, "**Permitted Payments**"):

(A) any Restricted Payment made in exchange for, or out of or with the Net Cash Proceeds of (1) the substantially concurrent sale or issuance of Capital Stock of the Parent (other than (x) Disqualified Stock and (y) Capital Stock issued or sold to a Restricted Subsidiary or pursuant to an employee stock ownership plan or to a trust established by the Parent or any of its Restricted Subsidiaries for the benefit of their employees), or (2) substantially concurrent financing by means of Subordinated Shareholder Funding or cash capital contribution received by the Parent; provided, however, that the amount of any such Net Cash Proceeds that are utilised for any such Restricted Payment will be excluded from the calculation of amounts under Condition 5.3.1(C)(2);

(B) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Parent or a Guarantor made by exchange for, or out of, the proceeds of the substantially concurrent Incurrence of, Indebtedness of such Person which is permitted to be Incurred pursuant to Condition 5.2 (*Incurrence of Indebtedness*), provided that such Indebtedness is subordinated to the Notes and the Guarantees to the same extent as such Subordinated Obligations;

(C) dividends and distributions paid within 60 days after the date of declaration thereof if, at such date of declaration, such dividend or distribution would have complied with Condition 5.3 (*Limitation on Restricted Payments*) provided, however, that at the time of payment of such dividend, no Event of Default shall have occurred and be continuing (or result therefrom);

(D) the purchase, redemption or other acquisition or retirement for value of shares of Capital Stock of the Parent or any of its Restricted Subsidiaries from any current or former employee, officer or director of the Parent or any of its Restricted Subsidiaries (or permitted transferees of such current or former employee, officer or directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; provided, however, that the aggregate amount of such Restricted Payments (excluding amounts representing cancellation of Indebtedness) shall not exceed €1 million in any calendar year;

(E) the declaration and payments of dividends on Disqualified Stock of the Parent or any Preferred Stock of any Restricted Subsidiary issued pursuant to Condition 5.2 (*Incurrence of Indebtedness*);

(F) repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such stock options or warrants;

(G) so long as no Potential Event of Default or Event of Default has occurred and is continuing or would be caused thereby, following a public Equity Offering, the declaration and payment of dividends or distributions on the Capital Stock of the Parent up to 6.0 per cent. per annum of the net cash proceeds received by the Parent in any such Equity Offering or any subsequent public Equity Offering; provided that if such public Equity Offering was of the Capital Stock of a direct or indirect parent of the Parent, the net proceeds of any such dividend or distribution are used to fund a corresponding dividend or distribution in an equal or greater amount on the Capital Stock of such direct or indirect parent of the Parent;

(H) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants or options or the conversion or exchange of Capital Stock of the Parent or any Restricted Subsidiary; provided, however, that any such cash payment shall not be for the purpose of evading the limitation of the covenant described under this subheading

(I) any payment, purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Parent or any Guarantor, upon a Change of Control or Asset Sale, and provided that no Potential Event of Default or Event of Default shall have occurred and be continuing, to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101 per cent. of the principal amount of such Indebtedness, in the case of a Change of Control, and 100 per cent., in the case of an Asset Sale, in each case plus any accrued and unpaid interest thereon, but only if the Parent (or a third party to the extent permitted by these Conditions) has complied with its obligations under Condition 5.5 (*Asset Sales*) and Condition 7.3 (*Redemption at the Option of the Noteholders Upon a Change of Control*) and has repurchased the Notes to the extent validly tendered and not withdrawn in connection with such Change of Control Offer or Asset Sale Offer;

(J) the declaration or payment of any dividends or other distributions made by a Restricted Subsidiary to holders of its Capital Stock (or owners of an equivalent interest in the case of a Restricted Subsidiary that is an entity other than a corporation) on no more than a pro rata basis;

(K) so long as no Potential Event of Default or Event of Default has occurred and is continuing, Restricted Payments made to purchase (squeeze out) the Capital Stock of third party minority shareholders of Subsidiaries in an aggregate amount not to exceed €3 million; and

(L) so long as no Potential Event of Default or Event of Default has occurred and is continuing, other Restricted Payments in an amount not exceeding €20 million in aggregate in any 12 month period commencing on the Issue Date or any anniversary thereof.

5.3.3 The Fair Market Value of property or assets (other than cash) shall be the Fair Market Value thereof as determined in good faith by an officer or the Board of Directors of the Parent. The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

5.3.4 For purposes of determining compliance with Condition 5.3 (*Limitation on Restricted Payments*), in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in paragraph (A) through (K) of Condition 5.3.2, or is permitted pursuant to Condition 5.3.1 and/or one or more of the paragraphs contained in the definition of "Permitted Investment", the Parent will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with Condition 5.3 (*Limitation on Restricted Payments*), including as an Investment pursuant to one of more clauses contained in the definition of "Permitted Investment."

5.4 **Transactions with Affiliates:**

5.4.1 The Parent will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any transaction or a series of related transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Parent (an "**Affiliate Transaction**"); unless:

(A) the terms of the Affiliate Transaction are no less favourable to the Parent or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's length dealings with a Person who is not an Affiliate;

(B) with respect to any Affiliate Transaction involving an aggregate value in excess of €15 million, the Parent delivers to the Trustee an Officers' Certificate confirming that such Affiliate Transaction complies with the preceding paragraph (A) and a copy of a resolution adopted by a majority of the Disinterested Directors of the Board of Directors of the Parent or the relevant Restricted Subsidiary (or, in the event that there is only one such Disinterested Director, adopted by such Disinterested Director). The Trustee shall be entitled to rely on any such Officers' Certificate and resolution, without further investigation and without liability to any person; and

(C) with respect to any Affiliate Transaction involving an aggregate value in excess of €25 million, the Parent delivers to the Trustee a written opinion from an Independent Financial Adviser that such Affiliate Transaction is fair from a financial point of view to the Parent or such Restricted Subsidiary.

5.4.2 The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Condition 5.4.1:

(A) any Restricted Payment that does not violate Condition 5.3 (*Limitation on Restricted Payments*) and any Permitted Investments, provided that any Permitted Investments described in paragraphs (c), (j), (i) and (t) of the definition thereof must comply with the requirements of Condition 5.4.1(A) and, to the extent the relevant Affiliate Transaction involved aggregate consideration value in excess of €25 million, Condition 5.4.1(B);

(B) any employment agreement, collective bargaining agreement or benefit arrangements with any employee, officer or director of the Parent or any of its Restricted Subsidiaries, including under any stock option, stock incentive plans or similar plans, entered into in the ordinary course of business (including severance, termination and other similar payments to former or departing employees, officers or directors);

(C) payment of reasonable fees and compensation and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) to employees, officers, directors, consultants or agents of the Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(D) transactions between the Parent and its Restricted Subsidiaries and between and among the Parent's Restricted Subsidiaries;

(E) transactions with customers, clients, suppliers, purchasers or sellers and other providers of goods or services, lessors or lessees of plant, equipment and property or providers of employees or other labour, in each case, in the ordinary course of business and which are otherwise on terms that are fair to the Parent or the relevant

Restricted Subsidiaries of the Parent, in the reasonable determination of the members of the Board of Directors of the Parent or the relevant Restricted Subsidiary or the senior management thereof, or are on terms at least as favourable to the Parent or the relevant Restricted Subsidiary of the Parent as might reasonably be obtained at such time from an unrelated third party (in each case, taken as a whole);

(F) issuances or sales of, and any contribution to the capital of the Parent in exchange for, Capital Stock (other than Disqualified Stock) of the Parent;

(G) Management Advances;

(H) transactions pursuant to, or contemplated by any agreement or arrangement of the Parent and its Restricted Subsidiaries as in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement or arrangement, so long as such amendment, modification or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original agreement or arrangement as in effect on the Issue Date;

(I) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Parent solely because a director of such Person is also a director of the Parent or any direct or indirect parent of the Parent; provided, however, that such director abstains from voting as a director of the Parent or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(J) any transactions in respect of financial services (including any related security or guarantees) or insurance services in the ordinary course of business and on arm's length commercial terms between the Parent and its Restricted Subsidiaries, on the one hand, and FUIB on the other hand, provided that, in the case of transactions exceeding €25 million (other than in connection with depositing or holding any cash with FUIB in the ordinary course of business and on arm's length commercial terms, transactions permitted under the definition of Cash Equivalents, financial services in connection with the payment of salaries, transactions relating to currency exchange and transactions otherwise permitted under this Condition 5.4), the Parent complies with the requirements under Condition 5.4.1(B);

(K) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Parent solely because the Parent owns, directly or through a Restricted Subsidiary, Capital Stock in, or controls, such Person; and

(L) Incurrence of Indebtedness under non-interest bearing loans or financial aid to the Parent or Non-Surety Subsidiary Incurred on pursuant to Condition 5.2 (*Incurrence of Indebtedness*) and on an unsecured basis, or provision of Subordinated Shareholder Funding to the Parent or a Restricted Subsidiary.

5.5 **Asset Sales:**

5.5.1 The Parent will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Sale, unless:

(A) the consideration received by the Parent or the relevant Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets subject to such Asset Sale;

(B) at least 75 per cent. of the consideration received in the Asset Sale by the Parent or the relevant Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or a combination thereof. For the purposes of this provision, each of the following shall be deemed to be cash:

(1) any liabilities, as recorded on the balance sheet of any of the Parent or any Restricted Subsidiary (other than contingent liabilities and other than

liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantee) of the Issuer or any Restricted Subsidiary that are assumed by the transferee or otherwise released and/or discharged pursuant to a customary novation or a set-off agreement in connection with such Asset Sale;

(2) any securities, notes or other obligations received by the Parent or any Restricted Subsidiary from such transferee that are within 180 days of the Asset Sale converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in that conversion);

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Parent and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale;

(4) consideration consisting of Senior Indebtedness of the Parent or any Guarantor received from Persons who are not the Parent or any Restricted Subsidiary that is cancelled; and

(5) any Additional Assets.

5.5.2 Within 365 days after the receipt of any Disposal Proceeds from an Asset Sale, the Parent (or any of its Restricted Subsidiaries) may:

(A) apply such Disposal Proceeds (at the option of the Parent or Restricted Subsidiary):

(1) to the extent the Parent or any Restricted Subsidiary, as the case may be, elects, or is required by the terms of any Senior Indebtedness (other than the requirements to make an Asset Sale Offer pursuant to Condition 5.5.4) to prepay, repay or purchase any Senior Indebtedness of the Parent or its Restricted Subsidiaries (including the Notes, but excluding, in each case, Indebtedness owed to the Parent or an Affiliate of the Parent), *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this paragraph (1), the Parent or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased;

(2) to invest in Additional Assets; or

(3) any combination of the foregoing; or

(B) enter into a binding commitment to apply the Disposal Proceeds pursuant to Condition 5.5.2(A)(2) above; provided that such commitment shall be treated as a permitted application of the Disposal Proceeds from the date of such commitment until the earlier of (1) the date on which such acquisition or expenditure is consummated, and (2) the 180th day following the expiration of the aforementioned 365 day period.

5.5.3 Pending the final application of any Disposal Proceeds, the Parent (or the applicable Restricted Subsidiary) may temporarily reduce Indebtedness or otherwise invest the Disposal Proceeds in any manner that is not prohibited by these Conditions.

5.5.4 Any Disposal Proceeds from Asset Sales that are not applied or invested as provided in Condition 5.5.2 will constitute "**Excess Proceeds**." When the aggregate amount of Excess Proceeds exceeds €50 million, within 10 Business Days thereof, or at any earlier time at the Issuer's election, the Issuer will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent notified by the Issuer in such notice, make an offer to all holders of other Indebtedness that is pari passu with the Notes or any Guarantee to purchase, prepay or redeem with the proceeds of sales of assets, the maximum principal amount of Notes and such other pari passu Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to 100 per cent. of the principal amount and the offer price for any pari passu Indebtedness may be no greater than 100 per cent. of the principal amount, in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Parent and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by these Conditions. If the aggregate principal amount of Notes and other pari passu Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes will be selected in the manner described under Condition 7.5 (*Selection and Notice*), based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero. For the avoidance of doubt, the Issuer may make an Asset Sale Offer prior to the expiration of the 365-day period referred to above.

5.5.5 To the extent that any portion of Disposal Proceeds payable in respect of the Notes is denominated in a currency other than Euro, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in Euro that is actually received by the Issuer upon converting such portion of the Disposal Proceeds into Euro.

5.5.6 The Issuer will comply with the requirements of any applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control, Asset Sale provisions of these Conditions, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under these Conditions by virtue of such compliance.

5.6 Limitations on Restrictions on Distributions from Restricted Subsidiaries:

5.6.1 The Parent will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (x) pay dividends or make any other distributions on its Capital Stock to the Parent or a Restricted Subsidiary or pay any Indebtedness owed to the Parent, (y) make any loans or advances to the Parent or a Restricted Subsidiary or (z) transfer any of its property or assets to the Parent or a Restricted Subsidiary, provided that (a) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (b) the subordination of (including the application of any standstill period to) loans or advances made to the Parent or any Subsidiary to other Indebtedness Incurred by the Parent or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

5.6.2 The preceding restrictions will not apply to encumbrances or restrictions arising under or by reason of:

(A) any encumbrance or restriction pursuant to an agreement in effect at on the Issue Date;

(B) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement relating to any Indebtedness or Capital Stock of a Person acquired by the Parent or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition);

(C) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Condition 5.2 (*Incurrence of Indebtedness*) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favourable to the Noteholders than (1) the encumbrances and restrictions contained in the Notes Documents or Indebtedness of the Parent or any Restricted Subsidiary, in each case, as in effect on the Issue Date (as determined in good faith by the Parent) or (2) is customary in the Group's comparable financings, where such encumbrances or restrictions will not materially impair the Issuer's ability to make principal or interest payments on the Notes or comply with the respective obligations of the Issuer or any Guarantor under the Notes Documents (as determined in good faith by the Parent);

(D) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in paragraph (A) to (C) above or this paragraph (D) or contained in any amendment, modification, restatement, renewal, extension, supplement, refunding, replacement or refinancing to or of an agreement referred to in paragraph (A) to (C) above or this paragraph (D); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement, taken as a whole, are no less favourable to the Noteholders in any material respect than (1) encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreements or (2) is customary in the Group's comparable financings, where such encumbrances or restrictions will not materially impair the Parent's ability to make principal or interest payments on the Notes or comply with the respective obligations of the Issuer or any Guarantor under the Notes Documents (as determined in good faith by the Issuer);

(E) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(F) existing under or by reason of applicable law, rule, regulation, decree or order of any governmental, local or regulatory authority or the terms of any license, authorisation, concession or permit;

(G) customary limitations on the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business and in good faith; provided that (1) the encumbrance or restriction is not materially more disadvantageous to Noteholders than is customary in comparable financings and (2) such encumbrances or restrictions will not materially impair the Issuer's ability to make principal or interest payments on the Notes or comply with the respective obligations of the Issuer or any Guarantor under the Notes Documents (as determined in good faith by the Parent); and

(H) any encumbrance or restriction consisting of customary non-assignment provisions in contracts, leases and licenses entered into in the ordinary course of business;

(I) any encumbrance or restriction contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages;

(J) purchase money obligations and Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Condition 5.6.1;

(K) Liens permitted to be Incurred under Condition 5.1 (*Limitation on Liens*) that limit the right of the debtor to dispose of the assets subject to such Liens.

5.7 **Limitation on Layering:**

Neither the Issuer nor any Guarantor will Incur any Indebtedness that is or purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated in right of payment to any Senior Indebtedness of the Issuer or such Guarantor, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made subordinated in right of payment to the Notes and the applicable Guarantee; provided that the foregoing limitation shall not apply to distinctions between categories of Senior Indebtedness that exist by reason of (x) any Liens or guarantees arising or created in respect of some but not all such Senior Indebtedness or (y) being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness or (z) being unsecured.

5.8 **Mergers and Similar Transactions:**

5.8.1 The Issuer will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all of the assets of the Parent and its Restricted Subsidiaries taken as a whole to, any Person, unless:

(A) either (x) the Issuer will be the surviving entity or (y) the resulting, surviving or transferee Person, if not the Issuer (the "**Successor Company**"), shall be a Person organised in an Approved Jurisdiction and the Successor Company (if not the Issuer) shall expressly assume, by documentation supplemental thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Issuer under the Notes, the Trust Deed and the Agency Agreement;

(B) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary of the Successor Company as a result of such transaction as having been Incurred by such Successor Company or such Restricted Subsidiary at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing;

(C) immediately after giving pro forma effect to such transaction, the Parent would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions, be able to Incur an additional €1.00 of Indebtedness pursuant to Condition 5.2.1 or (2) have a Consolidated Leverage Ratio no more than it was immediately prior to giving pro forma effect to such transaction; and

(D) the Parent shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, lease or transfer and such supplemental trust deed (if any) comply with the provisions of this Condition 5.8.1 and the Trust Deed and upon each of which the Trustee shall be entitled to rely without further investigation and without liability to any Person.

provided, *however*, that (C) will not be applicable to (x) a Restricted Subsidiary consolidating with, merging into or selling, leasing, assigning, transferring or otherwise disposing of all or part of its properties and assets to the Issuer (so long as no Capital Stock of the Issuer is distributed to any Person) or (y) the Issuer disposing all or substantially all of its assets or merging with an Affiliate of the Issuer solely for the purpose and with the sole effect of reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

The Successor Company will be the successor to the Issuer and shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Trust Deed and the Agency Agreement, and the predecessor Issuer, except in the case of a lease (in which case such predecessor Issuer shall become a Guarantor pursuant to Condition 3.2 (*Limitation on Liens*)), shall be released from the obligation to pay the principal of and interest on the Notes.

5.8.2 The Parent will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all of the assets of the Parent and its Restricted Subsidiaries taken as a whole to, any Person, unless:

(A) either (x) the Parent will be the surviving entity or (y) the resulting, surviving or transferee Person, if not the Parent (the "**Successor Company**"), shall be a Person organised in an Approved Jurisdiction and the Successor Company (if not the Parent) shall expressly assume, by documentation supplemental thereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Parent under the Notes, the Trust Deed and the Agency Agreement;

(B) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Restricted Subsidiary of the Successor Company as a result of such transaction as having been Incurred by such Successor Company or such Restricted Subsidiary at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing;

(C) immediately after giving pro forma effect to such transaction, the Successor Company would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions, be able to Incur an additional €1.00 of Indebtedness pursuant to Condition 5.2.1 or (2) have a Consolidated Leverage Ratio no more than it was immediately prior to giving pro forma effect to such transaction; and

(D) the Parent shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, lease or transfer and such supplemental trust deed (if any) comply with the provisions of this Condition 5.8.2 and the Trust Deed and upon each of which the Trustee shall be entitled to rely without further investigation and without liability to any Person.

provided, *however*, that (C) will not be applicable to (x) a Restricted Subsidiary consolidating with, merging into or selling, leasing, assigning, transferring or otherwise disposing of all or part of its properties and assets to the Parent (so long as no Capital Stock of the Parent is distributed to any Person) or (y) the Parent disposing all or substantially all of its assets or merging with an Affiliate of the Parent solely for the purpose and with the sole effect of reincorporating the Parent in another jurisdiction, or changing the legal form of the Parent.

The Successor Company will be the successor to the Parent and shall succeed to, and be substituted for, and may exercise every right and power of, the Parent under the Trust Deed and the Agency Agreement, and the predecessor Parent, except in the case of a lease (in which case such predecessor Parent shall become a Guarantor pursuant to Condition 3.2 (*Addition of Sureties*)), shall be released from the obligation to pay the principal of and interest on the Notes.

5.8.3 The Parent will not permit any Surety (other than any Surety whose Guarantee is to be released in connection with such transaction in accordance with the terms of these Conditions) to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

(A) where the resulting, surviving or transferee Person is a Non-Surety Subsidiary, such Non-Surety Subsidiary shall be organised and existing under the laws of the jurisdiction under which such Surety was organised or under the laws of Ukraine, and such Non-Surety Subsidiary shall expressly assume, by executing and delivering to the Trustee a Surety Agreement, all the obligations of such Surety, if any, under its Guarantee; and

(B) where the resulting, surviving or transferee Person is not the Parent or a Restricted Subsidiary, either: (x) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes, by executing and delivering to the Trustee a Surety Agreement, all the obligations of such Surety, if any, under its Guarantee; or (y) such sale or other disposition is otherwise not prohibited by these Conditions; and

(C) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing; and

(D) the Parent delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, lease or transfer and such Surety Agreement, if any, complies with the provisions of this Condition 5.8.3 and the Trust Deed and upon each of which the Trustee shall be entitled to rely without further investigation and without liability to any person.

This Condition 5.8.3 will not apply to any Surety consolidating with or merging with or into or selling, conveying, assigning, transferring, leasing or otherwise disposing of all or substantially all of its assets to the Parent or another Surety.

5.8.4 For the purposes of this Condition 5.8, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Restricted Subsidiaries of the Parent or a Surety, which properties and assets, if held by the Parent or such Surety instead of such Restricted Subsidiaries, would constitute all or substantially all of the properties and assets of the Parent or such Surety on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer or such Surety.

5.9 **Maintenance of Authorisations:**

5.9.1 the Parent will, and will cause each Material Subsidiary to, take all necessary action to obtain and do or cause to be done all things necessary to ensure the continuance of its corporate existence, its business and intellectual property relating to its business, except, in respect of the continuation of its intellectual property only, where failure to do so does not and will not have a Material Adverse Effect.; and

5.9.2 the Parent will, and will cause each Guarantor to, obtain or make, and procure the continuance or maintenance of, all registrations, recordings, filings, consents, licences, approvals and authorisations, which may at any time be required to be obtained or made in any relevant jurisdiction for the purposes of the execution, delivery or performance of the Notes Documents and for the validity and enforceability thereof,

provided that, in any case, if the Parent or the relevant Material Subsidiary remedies any failure to comply with Conditions 5.9.1 and 5.9.2 within 90 days of such failure, then this covenant shall be deemed not to have been breached.

5.10 **Maintenance of Property:**

The Parent will, and will cause each Surety to, cause all property used in the conduct of its or their core business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements and improvements thereof, all as may be reasonably necessary so that the core business carried on in connection therewith may be properly conducted at all times, except where failure to do so does not and will not have a Material Adverse Effect.

5.11 **Payment of Taxes and Other Claims:**

The Parent will, and will cause each Material Subsidiary to, pay or discharge, or cause to be paid and discharged, before the same shall become overdue and without incurring penalties, (a) all Taxes levied or imposed upon, or upon the income, profits or property of, respectively, the Parent or the Material Subsidiary and (b) all lawful claims for labour, materials and supplies which, if unpaid, might by law become a Lien (other than a Permitted Lien) upon the property of, respectively, the Parent or the Material Subsidiary; provided that none of the Parent or the Material Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such Tax or claim (i) whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Accounting Standards as consistently applied or other appropriate provisions have been made or (ii) whose amount, together with all such other unpaid or undischarged taxes, assessments, charges and claims of the Parent and its Material Subsidiaries, not so contested and for which adequate reserves, if necessary, in accordance with Accounting Standards as consistently applied or other appropriate provisions have been or will be made does not in the aggregate exceed €25 million.

5.12 **Maintenance of Insurance:**

The Parent will, and will cause each Material Subsidiary to, obtain and maintain insurance with an insurer or insurers of sufficient standing (in the reasonable judgment of the Parent or the relevant Material Subsidiary) against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged in the jurisdiction(s) where it operates, except where failure to do so does not, and could not reasonably be expected to have, a Material Adverse Effect.

5.13 **Environmental Compliance:**

The Parent will, and will cause each Material Subsidiary to, comply with all Environmental Laws and obtain and maintain any Environmental Licences and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, except where failure to do so does not and will not have a Material Adverse Effect.

5.14 **Change of Business:**

The Parent shall not, and shall cause the Material Subsidiaries not to, make any material change to the Core or Related Business.

5.15 **Additional Sureties and Limitations on Guarantees:**

5.15.1 The Parent (A) may from time to time appoint any of its Restricted Subsidiaries as an Additional Surety; (B) within 60 days after the date on which the proceeds from the offering of the Notes are first applied by any Restricted Subsidiary to purchase property, plant or equipment in accordance with the description under the heading "*Green Bond Framework*" in the Listing Particulars, shall appoint such Restricted Subsidiary as an Additional Surety; and (C) shall appoint Windpower to become an Additional Surety, which appointment shall be effective on the date of final repayment of the Windpower ECA Facilities.

5.15.2 The Parent shall not permit any Non-Surety Subsidiary, directly or indirectly, to guarantee (or grant a surety in respect of) any other Indebtedness of the Parent or any Guarantor which such Non-Surety Subsidiary is not otherwise permitted to Incur under Condition 5.2 (*Incurrence of Indebtedness*), unless such Non-Surety Subsidiary is also appointed by the Parent, and becomes, an Additional Surety, such Guarantee of such Additional Surety ranking equal with or senior to, its guarantee in respect of such other Indebtedness. If such other Indebtedness being guaranteed (or in respect of which a surety is granted) by such Restricted Subsidiary is a Subordinated Obligation, such guarantee of a Subordinated Obligation shall be subordinated in right of payment to the Guarantee of the Notes to at least the same extent that such Subordinated Obligation is subordinated to the Notes.

5.15.3 The Parent will cause any Restricted Subsidiary designated as an Additional Surety pursuant to Conditions 5.15.1 and 5.15.2 to (A) execute and deliver to the Trustee a Surety Agreement and will become vested with all the duties and obligations of a Guarantor and (B) waive and not in any manner whatsoever claim or take the benefit or advantage of any rights of reimbursement, indemnity or subrogation or any other rights against the Parent or another Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee. The Trustee shall (at the expense of the Issuer) enter into such Surety Agreement or such other document as may be reasonably required to be executed pursuant to this Condition 5.15 in a form and manner satisfactory to the Trustee and provided that such Surety Agreement shall not impose any personal obligations on the Trustee or adversely affect the personal rights, protections, duties liabilities, indemnifications or immunities of the Trustee.

5.15.4 Notwithstanding Conditions 5.15.1 to 5.15.3, the Parent shall not be required to cause any Restricted Subsidiary, and no Restricted Subsidiary shall be required, to grant a Guarantee in respect of the Notes to the extent that (A) such Guarantee would reasonably be expected to give rise to or result in (x) any violation of applicable law or regulation which cannot be avoided or otherwise prevented through measures reasonably available to the Parent or such Restricted Subsidiary (including, but not limited to 'whitewash' or similar procedures) or (y) liability or criminal sanctions for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, the directors or shareholders of the partners of such partnership).

5.15.5 Condition 5.15.2 will not be applicable to any guarantees of any Restricted Subsidiary (a) existing on the Issue Date or pursuant to an amendment, modification, refinancing, replacement, exchange, renewal or extension to any such guarantee existing on the Issue Date, so long as such amendment, modification, refinancing, replacement, exchange, renewal or extension, taken as a whole, is not more disadvantageous to the holders of the Notes in any material respect than the original guarantee as in effect on the Issue Date or (b) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such guarantee was given, of at least BBB+ or the equivalent thereof by Fitch, BBB+ or the equivalent thereof by Standard & Poor's and at least Baa1 or the equivalent thereof by Moody's, in connection with the operation of cash management programmes established in the ordinary course of business for the benefit of the Parent or any of its Restricted Subsidiaries.

5.15.6 Notwithstanding Conditions 5.15.1 to 5.15.3, each Guarantee may be limited as necessary to recognise certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law.

5.15.7 A Guarantor will be automatically and unconditionally released and discharged from its Guarantee:

(A) upon any sale, exchange, transfer or other disposition of Capital Stock of such Guarantor or any holding company of such Guarantor to a Person that is not the Parent or a Restricted Subsidiary (which sale, exchange, transfer or other disposition is not prohibited by these Conditions) and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale, exchange, transfer or other disposition;

(B) upon any sale, exchange, transfer or other disposition of all or substantially all of the assets of such Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not the Parent or a Restricted Subsidiary (which sale, exchange, transfer or other disposition is not prohibited by these Conditions);

(C) if the Parent designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with these Conditions;

(D) upon the payment in full of principal, interest and all other obligations on the Notes (or the Notes have otherwise been purchased and cancelled in whole, and not in part, in accordance with these Conditions);

(E) as a result of a transaction permitted by Condition 5.8 (*Mergers and Similar Transactions*); or

(F) with respect to the Guarantee of any Guarantor that was required to provide such Guarantee pursuant to Condition 5.15.2, upon such Guarantor being unconditionally released and discharged from its liability with respect to the Indebtedness giving rise to the requirement to provide such Guarantee so long as no Potential Event of Default or Event of Default would arise as a result and no other Indebtedness is at that time guaranteed by the relevant Guarantor that would result in the requirement that such Guarantor provide a Guarantee pursuant to Condition 5.15.2.

5.15.8 The Issuer will give written notice to the Trustee in accordance with the Trust Deed of any Guarantor becoming or ceasing to be a Guarantor (upon which the Trustee shall be entitled to rely without further enquiry or liability) and, so long as the Notes are listed on Euronext Dublin and/or any other stock exchange on which the Notes may be listed or quoted from time to time, shall comply with applicable rules of Euronext Dublin and/or such other exchange in relation to any Guarantor becoming or ceasing to be a Guarantor.

5.15.9 The Issuer shall maintain an updated list of Guarantors and provide such list to the Trustee which shall be available for inspection by Noteholders at the registered office of the Trustee upon request during normal business hours on any Business Day.

5.16 **Designation of Restricted and Unrestricted Subsidiaries:**

5.16.1 The Board of Directors of the Issuer may designate any Restricted Subsidiary (including any newly acquired or newly formed Restricted Subsidiary) to be an Unrestricted Subsidiary if that designation would not cause a Potential Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Parent and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Condition 5.3 (*Limitation on Restricted Payments*) or under one or more clauses of the definition of Permitted Investments, as determined by the Parent. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Parent may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Potential Event of Default.

5.16.2 Any designation of a Subsidiary of the Parent as an Unrestricted Subsidiary will be evidenced to the Trustee by delivering to the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the conditions set forth in Condition 5.16.1 and was permitted by Condition 5.3 (*Limitation on Restricted Payments*). The Trustee shall be entitled to rely on any such Officers' Certificate and resolution without further investigation and without liability to any person. If, at any time, any Unrestricted Subsidiary would fail to meet the requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of these Conditions and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Condition 5.2 (*Incurrence of Indebtedness*) the Parent will be in default of such covenant. The Board of Directors of the Parent may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (A) such Indebtedness is permitted under Condition 5.2 (*Incurrence of Indebtedness*), calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (B) no Potential Event of Default or Event of Default would be in existence following such designation.

5.17 **Financial Information:**

5.17.1 The Parent shall deliver to the Trustee as soon as the same become available, but in any event within 150 days after the end of each of its financial years, commencing with the financial year ending 31 December 2019, the Parent's consolidated financial statements for such financial year, with accompanying notes, audited by the Auditors and accompanied by a report thereon of the Auditors and prepared in accordance with Accounting Standards consistently applied with the corresponding financial statements for the preceding period prepared in accordance with Accounting Standards.

5.17.2 The Parent shall deliver to the Trustee as soon as the same become available, but in any event within 120 days after the end of the first half of each of its financial years, commencing with the six months ending 30 June 2020, the Parent's unaudited consolidated financial statements for such period, with accompanying notes, reviewed by the Auditors and accompanied by a review report thereon of the Auditors.

5.17.3 Contemporaneously with the furnishing of the financial statements discussed in 5.17.1 and 5.17.2 above, the Parent shall deliver to the Trustee (i) supplemental disclosure of the Consolidated Leverage Ratio and Consolidated Secured Leverage Ratio as at the end of the period for which such financial statements are delivered; and (ii) unaudited financial information comprising a statement of income, calculation of EBITDA and statement of financial position of the Sureties on a combined basis for such financial period, prepared in accordance with IFRS, provided that information delivered pursuant to this paragraph may, at Parent's option, be included in the explanatory notes to the financial statements provided pursuant to Conditions 5.17.1 and 5.17.2 above).

5.17.4 The Parent will, by no later than the date on which the respective financial statements and reports are delivered to the Trustee pursuant to Conditions 5.17.1 and 5.17.2 above, publish such financial statements and supplementary information delivered to the Trustee pursuant to Condition 5.17.3 on the Parent's website and maintain their availability on such website for so long as any Note remains outstanding. In addition, if and so long as the Notes are listed on Euronext Dublin and the rules of Euronext Dublin so require, the Parent will also make available copies of all such financial statements and reports at the specified office of the listing agent in Ireland.

5.17.5 The Parent hereby undertakes that it will deliver to the Trustee, without undue delay, such additional information regarding the financial position or the business of the Parent and the Sureties (or, so far as permitted by applicable law, any information, and in such form, as it requires for the purposes of the discharge of the duties and discretions vested in it under the Trust Deed or by operation of law) as the Trustee may reasonably request.

5.17.6 The Parent shall deliver to the Trustee at the time of delivery of any financial statements pursuant to Condition 5.17.1 above and within 14 days of any request by the Trustee, an Officers' Certificate (A) stating whether or not to the best of the knowledge of the signatories thereof an Event of Default or Potential Event of Default has occurred and is continuing, and, if so, specifying all such Events of Default or Potential Events of Default, the nature and status thereof of which the signatories may have knowledge and what action the Issuer is taking or proposes to take with respect thereto, (B) stating whether or not to the best of the knowledge of the signatories thereof a Change of Control has occurred; and (C) certifying which Restricted Subsidiaries are Material Subsidiaries. The Trustee may rely on such Officers' Certificate absolutely without liability to any person for so doing and without further enquiry.

5.17.7 The Parent undertakes to furnish to the Trustee such information as Euronext Dublin (or any other or further stock exchange or stock exchanges or any relevant authority or authorities on which the Notes may, from time to time, be listed or admitted to trading) may require as necessary in connection with the listing or admission to trading on such stock exchange or relevant authority of such instruments at the same time as such information is provided to Euronext Dublin.

5.17.8 For so long as any Notes remain outstanding and during any period in which the Parent is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Parent agrees that it will furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

6 Interest

6.1 Interest Rate:

The Notes bear interest on their outstanding principal amount from and including the Issue Date and for so long as any Notes remain outstanding at the rate of 8.50 per cent. per annum, payable in equal instalments semi-annually in arrear on 12 May and 12 November in each year (each, an "**Interest Payment Date**"), commencing on 12 May 2020. Each Note will cease to bear interest from and including the due date for redemption, unless, upon surrender of the Definitive Certificate representing such Note (if applicable), payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the rate of 8.50 per cent. per annum (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6.2 **Calculation of Interest:**

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the interest payable shall be calculated on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) the number of Interest Periods normally ending in any year.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

7 Redemption, Purchase and Options

7.1 **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date at its then outstanding principal amount.

7.2 **Redemption at the Option of the Issuer**

7.2.1 *Redemption at Make-Whole.* At any time prior to 12 November 2021, the Issuer may, at its option, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 18 (*Notices*) and copied to the Trustee (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or part only of the Notes at a redemption price equal to 100 per cent. of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to (but excluding) the date of redemption.

7.2.2 *Optional redemption.* On and after 12 November 2021, the Issuer may redeem all or part only of the Notes upon not less than 30 nor more than 60 days' notice to the Noteholders, at the redemption prices (expressed as a percentage of the principal amount of the Notes) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, to (but excluding) the applicable redemption date, if redeemed during the twelve-month period beginning on 12 November of the years indicated below:

Year	**Percentage**
2021	104.250%
2022	102.125%
2023 and thereafter	100%

7.2.3 If the optional redemption date is on or after a Record Date and on or before the related Interest Payment Date, then the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such Record Date.

7.2.4 Notices of redemption delivered in accordance with this Condition 7.2 will specify (i) the date fixed for redemption, (i) the amount to be redeemed and (ii) the applicable redemption price. No such notice of redemption may be given by the Issuer unless it shall have delivered to the Trustee and the Principal Paying Agent an Officers' Certificate (upon which the Trustee and the Principal Paying Agent may rely absolutely and without liability to, or further enquiry of, any person) that it will have the funds, not subject to the interest of any other person, required to redeem the Notes at the redemption price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, on the date specified for redemption. Upon the expiry of any notice of redemption delivered in accordance with this Condition 7.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 7.2.

7.2.5 Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

7.2.6 Any redemption may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

7.3 **Redemption at the Option of the Noteholders Upon a Change of Control:**

7.3.1 Upon the occurrence of any of the following events (each a "**Change of Control**"), each Noteholder shall have the right to require that the Issuer repurchase all or any part of such Noteholder's Notes at a purchase price in cash equal to 101 per cent. of the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, to (but excluding) the date of purchase:

(A) any "person" or "group" (within the meaning of Sections 13(d) or 14(d) of the U.S. Exchange Act) other than Permitted Holders has become, directly or indirectly, the beneficial owner, by way of merger, consolidation or otherwise, of more than 50% of the voting power of the Voting Stock of the Parent (measured by voting power rather than number of shares) on a fully diluted basis, after giving effect to the conversion and exercise of all outstanding warrants, options and other securities of the Parent convertible into or exercisable for Voting Stock of the Parent (whether or not such securities are then currently convertible or exercisable);

(B) during any consecutive two-year period following the date the Permitted Holders cease to beneficially own, directly or indirectly, at least 50% of the voting power of the Voting Stock of the Parent, the Continuing Directors cease to constitute a majority of the members of the supervisory board of the Parent;

(C) the adoption of a plan relating to the liquidation or dissolution of the Parent; or

(D) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent and its Subsidiaries, taken as a whole, to any Person (including any "person" as defined above) other than one or more Permitted Holders.

7.3.2 Unless the Issuer has unconditionally exercised its right to redeem all the Notes pursuant to Condition 7.2 (*Redemption at the Option of the Issuer*) or all conditions to such redemption have been satisfied or waived, within 60 days following any Change of Control, the Issuer will give notice in accordance with Condition 18 (*Notices*) to the Noteholders with a copy to the Trustee (the "**Change of Control Offer**") stating:

(A) that a Change of Control has occurred and that the Noteholders have the right to require the Issuer to purchase their Notes at a purchase price in cash equal to 101 per cent. of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to (but excluding) the date of purchase;

(B) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalisation, in each case after giving effect to such Change of Control);

(C) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is deemed to be given pursuant to Condition 18 (*Notices*)); and

(D) the instructions, as determined by the Issuer, consistent with the covenant described hereunder, that a Noteholder must follow in order to have its Notes purchased.

7.3.3 The Issuer will not be required to make a Change of Control Offer following a Change of Control if (A) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set out in the Trust Deed applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (B) a notice of redemption has been given pursuant to Condition 7.2 (*Redemption at the Option of the Issuer*), unless and until there is a default in payment of the applicable redemption price.

7.3.4 Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made by the Issuer in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

7.3.5 If the date of purchase of the Notes pursuant to a Change of Control Offer is on or after a Record Date and on or before the related Interest Payment Date, then the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such Record Date.

7.3.6 The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the covenant described hereunder by virtue of its compliance with such securities laws or regulations.

7.4 **Redemption for Changes in Taxes:**

7.4.1 The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 30 nor more than 60 days' prior notice to the holders of the Notes (in accordance with Condition 18 (*Notices*)) and to the Trustee, at a redemption price equal to 100 per cent. of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant Interest Payment Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes or any Guarantee, the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or relevant Guarantor, as applicable, cannot avoid any such payment obligation by taking reasonable measures available (including making payment through a paying agent located in another jurisdiction) (provided that changing the jurisdiction of the Issuer or the relevant Guarantor is not a reasonable measure for the purposes of this Condition 7.4) and the requirement arises as a result of:

(A) any amendment to, or change in, the laws, treaties or any regulations, protocols or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or

(B) any amendment to, or change in, an official written interpretation or application of such laws, treaties, regulations, protocols or rulings (including by virtue of a holding, judgment, order by a court of competent jurisdiction or a change in published practice) which amendment or change has not been publicly announced as formally proposed before and which becomes effective on or after the Issue Date, (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date),

(each of the foregoing paragraphs (A) and (B), a "**Change in Tax Law**").

7.4.2 The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or any Guarantor, as applicable, would be obliged to make such payment or withholding if a payment in respect of the Notes were then due, and the obligation to pay Additional Amounts must be in effect (or be scheduled to come into effect on or prior to the next date on which any amount would be payable under or in respect of the Notes or any Guarantee) at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Parent will deliver to the Trustee (a) an Officers' Certificate stating that the obligation to pay such Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it (including in the case of a Guarantor, that such amount cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts); and (b) a written opinion of independent tax counsel of recognised standing qualified under the laws of the relevant Tax Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer or the relevant Guarantor has or will become obliged to pay such Additional Amounts as a result of the Change in Tax Law.

7.4.3 The Trustee will accept and shall be entitled to rely on such Officers' Certificate and Opinion of Counsel (without further enquiry and without liability to any person) as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders.

7.4.4 The foregoing provisions shall apply (a) to a Guarantor only on or after such time as such Guarantor is obliged to make at least one payment on the Notes; and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Trust Deed and for the Surety Agreement, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Trust Deed and for the Surety Agreement.

7.5 **Selection and Notice:**

In the case of a partial redemption, the Notes shall be selected by the Principal Paying Agent or the Registrar for redemption either (a) in accordance with the procedures of the relevant Clearing Systems; or (b) if the Notes are not held in a Clearing System, the Notes to be redeemed shall be selected by drawing of lots in such place and in such manner as is fair and reasonable in the circumstances taking account of prevailing market practices; or (c) if the relevant Clearing Systems prescribe no method of selection, the Notes shall be redeemed on a *pro rata* basis according to the holding of each Noteholder; subject, in each case, to compliance with any applicable laws and stock exchange or other relevant regulatory requirements. None of the Principal Paying Agent, the Trustee nor the Registrar will be liable for any selections made in accordance with this paragraph.

No notes of €100,000 in principal amount or less shall be redeemed in part; provided that the Notes in excess of €100,000 may be redeemed in part in integral multiples of €1,000.

If the series of Notes is to be redeemed in part only, the notice of redemption that relates to the Notes shall state the portion of the principal amount thereof to be redeemed. In the case of a Note represented by Definitive Certificate, a new Definitive Certificate in a principal amount equal to the unredeemed portion of any Definitive Certificate redeemed in part will be issued in the name of the Noteholder thereof upon cancellation of the original Definitive Certificate. In the case of a Note represented by a Global Note Certificate, an appropriate notation will be made on such Global Note Certificate to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice may, for the avoidance of doubt, state that, in the Issuer's discretion, the redemption date may be automatically delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was sent), or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed.

7.6 **Purchases:**

The Issuer, the Guarantors or any Restricted Subsidiary may at any time purchase Notes (in any manner and at any price). The Notes so purchased, while held by or on behalf of any of them, shall not entitle them to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 11 (*Events of Default*), 12 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and 14 (*Enforcement*).

7.7 **Cancellation:**

All Notes purchased by or on behalf of or otherwise transferred to the Issuer, any Guarantor or any Restricted Subsidiary may be surrendered for cancellation to the Principal Paying Agent by surrendering the Definitive Certificate representing such Notes to the Registrar and, in each case shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantors in respect of any such Notes shall be discharged.

8 Payments

8.1 **Method of Payment:**

Payments of principal, premium, interest and fees shall be made by Euro cheque drawn on (or, upon application by a holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Euro account (or any account to which Euro may be credited or transferred) maintained by the payee with) a bank in a city in which banks have access to the TARGET System (as defined below) and, in the case of payments of principal and premium, if any, in respect of the Notes and accrued interest payable on a redemption of the Notes otherwise than on an Interest Payment Date, shall only be made upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of the Principal Paying Agent.

8.2 **Payments subject to laws:**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

8.3 **Payments on business days:**

Where payment is to be made by transfer to a Euro account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by Euro cheque, the cheque will be mailed (i) (in the case of payments of principal, premium, if any, and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of the Principal Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 7 arriving after the due date for payment or being lost in the mail.

In this paragraph:

"**business day**" means any day (i) on which banks are open for general business (including dealings in foreign currencies) in London and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note, in the place in which the Note is surrendered (or, as the case may be, endorsed) and (ii) which is a TARGET Business Day.

"**TARGET Business Day**" means a day on which the TARGET System is open for the settlement of payments in Euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

8.4 **Partial payments:**

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and the date of such payment is endorsed on the schedule to the Global Note Certificate or the Definitive Note.

8.5 **Record date:**

Save where the following paragraph applies, each payment in respect of a Note will be made to the Person shown as the holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the close of business on the relevant Record Date.

So long as a Global Note Certificate is held on behalf of Euroclear or Clearstream, Luxembourg (as the case may be), the Record Date shall instead be the close of business on the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each Clearing System for which the Note is being held is open for business.

8.6 **Agents:**

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that they will maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Paying Agent (which may be the Principal Paying Agent) and a Transfer Agent (which may be the Principal Paying Agent and/or the Registrar) having specified offices in at least one major European city and (iv) such other agents as may be required by Euronext Dublin or any other stock exchange on which the Notes may be listed (in the case of paragraphs (iii) and (iv) above, as approved in writing by the Trustee).

Notice of any change in the Agents or their specified offices will promptly be given to the Noteholders.

9 Taxation

All payments of the principal of, premium on, if any, and interest on the Notes or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the relevant Tax Jurisdiction or any political or governmental subdivision or authority thereof or therein having power to tax ("**Taxes**"), unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer (or, as the case may be, the relevant Guarantor) shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required ("**Additional Amounts**"), except that no such Additional Amounts shall be payable with respect to any Note:

9.1.1 to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the relevant Tax Jurisdiction other than the mere holding of the Note; or

9.1.2 in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date, except to the extent that the holder of it would have been entitled to Additional Amounts on presenting such Certificate for payment on the thirtieth day.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes or under the Guarantees by or on behalf of the Issuer or Guarantors will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). None of the Issuer, the Guarantors nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

Any reference in these Conditions to principal, premium and/or interest shall be deemed to include, without duplication, any Additional Amounts in respect of principal, premium or interest (as the case may be) which may be payable under this Condition 9 or any undertaking given in addition to or substitution for it under the Trust Deed.

10 Prescription

Claims in respect of principal, premium and interest will become void, unless presentation for payment is made as required by Condition 8 (*Payments*) within a period of 10 years, in the case of principal and premium, and five years, in the case of interest, from the appropriate Relevant Date.

11 Events of Default

11.1 If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their outstanding principal amount together with accrued interest:

11.1.1 **Non-Payment**: the Issuer or the Guarantors fail to pay principal or interest on the Notes when due and, in the case of interest, such failure continues for a period of 30 days; or

11.1.2 **Breach of certain Limitations on Liens or Mergers:** the Issuer does not comply with its obligations under Condition 4 (*Interest Reserve Account and Security Arrangements*) or Condition 5.1 (*Limitation on Liens*) or (b) any of the Guarantors does not perform or comply with their respective obligations set out Condition 5.8 (*Mergers and Similar Transactions*); or

11.1.3 **Breach of Other Obligations**: the Issuer or any of the Guarantors does not perform or comply with any one or more of its other obligations under the Notes or the Notes Documents, which default is incapable of remedy or, if in such default is capable of remedy, is not remedied within 45 days after written notice requiring the same shall have been given to the Issuer or the relevant Guarantor(s) by the Trustee; or

11.1.4 **Cross-Payment Default and Cross-Acceleration**: default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent or any Material Subsidiary or the payment of which is guaranteed by the Parent or any Material Subsidiary, for purposes of clause (A) below only, any Intra-Group Debt), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, which default:

(A) is caused by a failure to pay principal of such Indebtedness at maturity prior to the expiration of the grace period provided in such Indebtedness ("**payment default**"); or

(B) results in the acceleration of such Indebtedness prior to its maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been such a payment default or the maturity of which has been so accelerated, aggregates €25 million or more; or

11.1.5 **Enforcement Proceedings**: a distress, attachment, execution or other similar legal process is levied, enforced or sued on or against any material part of the assets or revenues of the Issuer or any Guarantor or substantially all of the assets or revenues of any other Material Subsidiary, and is not discharged or stayed within 60 days; or

11.1.6 **Security Enforced**: an encumbrancer takes possession of or sells or otherwise enforces, or any expropriation or sequestration is levied against the whole or any material part of, the revenues or assets of the Issuer or any Guarantor or substantially all of the assets or revenues of any other Material Subsidiary (such expropriation, an "**Expropriation**"); or

11.1.7 **Judgment Default**: any one or more final, non-appealable judgments or orders (and, in the case of a Ukrainian judgment, no longer eligible to be the subject of a petition of cassation) is made against the Issuer or any Guarantor or any Material Subsidiary involving an aggregate liability not paid or fully covered by insurance in respect of a matter (or a series of related matters) greater than €25 million unless all those judgments and orders are paid, vacated or discharged within 60 days of their being made; or

11.1.8 **Insolvency**:

(A) (1) the Issuer, Parent, any Guarantor or any Material Subsidiary seeking, consenting or acquiescing in the introduction of proceedings for its liquidation or bankruptcy or the appointment to it of a liquidation commission or a similar officer; (2) the commencement of any proceedings in respect of the Issuer, any Guarantor or any Material Subsidiary in any court, arbitration court or before any agency for its bankruptcy, insolvency, dissolution or liquidation which, in the case of any proceedings that are commenced pursuant to a petition presented or filed by a Person other than the Issuer, such Guarantor or such Material Subsidiary, as the case may be, is not dismissed within 60 days; (3) the institution of supervision, external management or bankruptcy management to the Issuer, any Guarantor or any Material Subsidiary; (4) the convening of a meeting of creditors generally of the Issuer, any Guarantor or any Material Subsidiary for the purposes of considering an amicable settlement with its creditors generally; and/or (5) any extra-judicial liquidation or analogous act in respect of the Issuer, any Guarantor or any Material Subsidiary by any applicable governmental agency, except, in the case of (1) and (2) any liquidation for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (x) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (y) in the case of a Material Subsidiary, whereby the undertaking and assets of the relevant Material Subsidiary are transferred to or otherwise vested in the Issuer, any Guarantors or any of their respective Restricted Subsidiaries;

(B) the Issuer, any Guarantor or any Material Subsidiary: (1) fails or is unable to pay its debts generally as they become due; (2) consents by answer or otherwise in writing to the commencement against it of an involuntary case in bankruptcy or to the appointment of a custodian of it or of a material part of its property; or

(C) the shareholders of the Issuer or any Guarantor approve any plan for the liquidation or dissolution of the Issuer or any Guarantor; or

11.1.9 **Winding-up**: (A) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Guarantor or any Material Subsidiary; or (B) the Issuer or any of the Guarantors or any Material Subsidiary ceases or threatens in writing to cease to carry on all or substantially all of its business or operations, in each case (1) except as a result of a disposal permitted under Condition 5.5 (*Asset Sales*) and (2) except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (x) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (y) in the case of a Material Subsidiary, whereby the undertaking and assets of the relevant Material Subsidiary are transferred to or otherwise vested in the Issuer, any Guarantors or any Restricted Subsidiary; or

11.1.10 **Nationalisation**: all or a material part of the assets of the Issuer or any Guarantor or all or a material part of the Parent and its Material Subsidiaries' assets, taken as a whole, held by any of the respective Material Subsidiaries of the Issuer or the Guarantors are seized or nationalised or Expropriated by or on behalf of any governmental, regulatory or other authority recognised by the United Nations (such seizure, Expropriation or nationalisation, a "**Nationalisation**") and such Nationalisation would result in a Material Adverse Effect; or

11.1.11 **Authorisation and Consents**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (A) to enable the Issuer and the Guarantors lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Notes Documents, (B) to ensure that those obligations are legally binding and enforceable and (C) to make the Notes and the Notes Documents admissible in evidence in the courts of Ukraine, the Netherlands, the jurisdiction of incorporation of any Guarantor or England is not taken, fulfilled or done; or

11.1.12 **Illegality**: it is or will become unlawful for the Issuer or any of the Guarantors to perform or comply with any one or more of its obligations under the Notes or the Notes Documents, as applicable; or

11.1.13 **Security Ceasing to be in Full Force and Effect**: any security interest under the Security Documents in the Interest Reserve Account ceases to be in full force and effect (other than in accordance with the terms of the relevant Notes Documents) for any reason other than the satisfaction in full of all obligations under the Trust Deed or the release or amendment of any such security interest in accordance with the terms of the Notes Documents, or the Issuer or any Subsidiary of the Issuer asserts in writing that any such security interest is invalid or unenforceable, provided that if a failure of the sort described in this clause is susceptible of cure, no Event of Default shall arise under clause with respect thereto until 30 days after such a failure has occurred and is continuing; or

11.1.14 **Guarantees**: the Guarantees are not (or are claimed by any Guarantor not to be) in full force and effect (except Guarantees released in accordance with Condition 5.15.7); or

11.1.15 **Actions Undermining Guarantees**: any member of the Group takes any action or omits to take any action (acting reasonably and in good faith in the circumstances and to the extent within its reasonable control) where that action or omission would undermine the legality, enforceability or priority of any of the Guarantees granted by the Guarantors, provided that if a failure of the sort described in this clause is susceptible of cure, no Event of Default shall arise under clause with respect thereto until 30 days after such a failure has occurred and is continuing; or

11.1.16 **Ownership of the Issuer**: the Issuer ceases to be a wholly-owned (100 per cent.) subsidiary of the Parent; or

11.1.17 **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 11.1.

11.2 The holders of a majority in aggregate principal amount of the Notes then outstanding (a) may by notice to the Issuer and the Trustee in writing waive any existing Potential Event of Default or Event of Default and its consequences under the Trust Deed (other than a continuing Event of Default specified in Condition 11.1.1, which may only be waived by an Extraordinary Resolution passed in accordance with Condition 12.1.1 or Condition 12.1.2) and (b) after any acceleration pursuant to Condition 11.1, but before a judgment or decree based on acceleration has been issued, may by notice to the Issuer and the Trustee in writing rescind and annul an Acceleration Notice (as defined in the Trust Deed) (or instruct the Trustee to do so) if all Events of Default, other than the non-payment of accelerated principal, interest and other amounts due, have been cured or waived. Upon the receipt of any such notice, the Issuer shall procure that notice thereof is given to Noteholders in accordance with Condition 18 (*Notices*).

11.3 In the event of a declaration of acceleration of the Notes because an Event of Default described in Condition 11.1.4 has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to Condition 11.1.4 shall be remedied or cured by the Issuer, the Parent or a Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 10 Business Days after the declaration of acceleration with respect thereto and if (A) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (B) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

12 Meetings of Noteholders, Modification, Waiver and Substitution

12.1 **Meetings of Noteholders:**

12.1.1 The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or any Notes Document. Such a meeting may be convened by the Issuer, any Guarantor or the Trustee at any time and shall be convened by the Issuer if requested by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution (other than an Extraordinary Resolution for a modification of a Core Term (as defined below)) shall be one or more Persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented. If the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) to modify the circumstances in which the Issuer or Noteholders are entitled to redeem the Notes pursuant to Condition 7 (*Redemption, Purchase and Options*) (other than the provisions in Condition 7.3 (*Redemption at the Option of the Noteholders Upon a Change of Control*)), (iii) to modify or cancel the Guarantees except in accordance with the Conditions and the Surety Agreements, (iv) to reduce or cancel the principal amount of, or any premium payable on redemption of, or interest on, the Notes, (v) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest, (vi) to change the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or sign a resolution in writing, (viii) to waive an Event of Default specified in Condition 11.1.1 (*Non payment*), (ix) to modify the provisions of Conditions 4 or 5 and the relevant provisions of the Trust Deed or (x) that are otherwise listed in Schedule 4 of the Trust Deed as being those to which the special quorum provisions apply (each of paragraphs (i) to (x) above, a "**Core Term**"), the necessary quorum shall be one or more Persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

12.1.2 The Trust Deed provides that a resolution in writing signed, or an approval given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s), in each case, by or on behalf of holders of not less than 75 per cent. of the aggregate outstanding principal amount of Notes shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

12.2 **Modification and Waiver:**

12.2.1 Notwithstanding Condition 12.1 (*Meetings of Noteholders*), without the consent of the Noteholders, the Issuer and the Trustee may amend or supplement any Notes Document:

(A) to provide for the assumption of the Issuer's or a Guarantor's obligations under the Notes and the Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(B) to make any change that would provide any additional rights or benefits to the Noteholders;

(C) to allow (1) any Restricted Subsidiary to execute and deliver to the Trustee a Surety Agreement (and, thus, become a Guarantor) with respect to the Notes or (2) any Guarantor to be released from its Guarantees in accordance with the terms of these Conditions, the Trust Deed and the Surety Agreements;

(D) to secure the Notes and the Guarantees;

(E) to evidence and provide for the acceptance and appointment under the Trust Deed of a successor trustee or under the Agency Agreement of a successor agent in any role;

(F) to add additional parties to the Agency Agreement to the extent permitted by the Trust Deed; or

(G) to provide for the issuance of Additional Notes in accordance with the limitations set forth in these Conditions.

12.2.2 The Trustee may agree, without the consent of the Noteholders, to (A) any modification of any of the provisions of the Notes Documents which is of a formal, minor or technical nature or is made to correct a manifest error or an error which in is proven and (B) any other modification (except as mentioned in the Trust Deed), and, without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes Documents or determine that an Event of Default or Potential Event of Default shall not be treated as such if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced hereby, provided that the Trustee shall not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 11 (*Events of Default*). No such direction or request shall affect a previous waiver, authorisation or determination.

12.2.3 Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders by the Issuer as soon as practicable and in accordance with Condition 18 (*Notices*). The power of the Trustee under Condition 12.2.2 above does not extend to any such modification, authorisation or waiver to the extent such modification, authorisation or waiver constitutes a Core Term.

12.2.4 The Trustee shall be entitled to request an Officers' Certificate and Opinion of Counsel each stating that all conditions precedent to such modification under this Condition 12.2 have been satisfied and that such modification is authorised and permitted under the Trust Deed. The Trustee shall be entitled to rely on such Officers' Certificate and Opinion of Counsel absolutely and without further enquiry as sufficient evidence of the matters stated therein.

12.3 **Substitution:**

Subject to the terms of the Trust Deed, the Trustee may, without the consent of the Noteholders, agree to the substitution:

12.3.1 of the Issuer's successor in business or the Parent (or of any previous substitute under this Condition 12.3) as the principal debtor under the Trust Deed and the Notes; or

12.3.2 of any Surety's successor in business or any Restricted Subsidiary in place of such Surety (or any previous substitute under this Condition 12.3) as a Surety under the respective Surety Agreements.

Prior to providing its consent, the Trustee shall be entitled to request an Officers' Certificate and Opinion of Counsel each stating that such substitution is authorised and permitted under the Trust Deed and that all conditions precedent to such substitution have been satisfied. The Trustee shall be entitled to rely on such Officers' Certificate and Opinion of Counsel absolutely and without further enquiry as sufficient evidence of the matters stated therein.

12.4 **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

13 Trustee Reliance

The Trustee shall be entitled to rely on any certificate delivered to it pursuant to these Conditions and shall not be obliged to monitor independently compliance by the Issuer or the Guarantors with the covenants set forth in Conditions 4 (*Interest Reserve Account*) and 5 (*Covenants*), nor shall it be liable to any person for not so doing and the Trustee need not enquire further as regards to circumstances existing on the date of such certificate.

14 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer and/or any of the Guarantors as it may think fit to enforce the terms of the Notes Documents and the Notes, but it need not take any such steps, actions or proceedings, unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding and (b) the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction. The Trustee shall not be liable to any Noteholder or other person for its acts or omission except to the extent that the act or omission amounts to fraud, gross negligence or wilful misconduct. No Noteholder may proceed directly against the Issuer and/or any of the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period of becoming so bound and such failure is continuing.

Until the Trustee has actual or express knowledge to the contrary, the Trustee may assume that no Event of Default or Potential Event of Default has occurred.

15 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity related to the Issuer or the Guarantors without accounting for any profit.

The Trustee may rely without further enquiry and without liability to Noteholders or any other person on any report, confirmation, Opinion of Counsel or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to the Trustee and whether or not liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to monetary cap, methodology or otherwise.

16 Replacement of Notes

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Certificate is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Certificate) and otherwise as the Issuer and the Registrar may require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

17 Further Issues

The Issuer may from time to time without the consent of the Noteholders, but subject always to compliance with the provisions of the Notes Documents, create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 and forming a single series with the Notes. Any further securities forming a single series with the Notes constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

The Issuer shall, with respect to any Additional Notes forming a single series with the outstanding Notes, ensure that an amount equal to the aggregate payments of interest which shall be payable in respect of such Additional Notes on the next upcoming Interest Payment Date shall be credited to the Interest Reserve Account by no later than the issue date of such Additional Notes.

18 Notices

Notices required to be given to the Noteholders pursuant to these Conditions will be sent to them by first-class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the Register. Any such notice shall be deemed to have been given on the fourth weekday (being a day other than Saturday or Sunday) after the date of mailing. In addition, notices to Noteholders will (so long as the Notes are admitted to trading on the Global Exchange Market of Euronext Dublin and the rules of Euronext Dublin so require) be published either on the website of Euronext Dublin or in a leading newspaper having general circulation in Dublin. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

So long as the Notes are represented by a Global Note Certificate and the Global Note Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices required to be given to Noteholders pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg (as the case may be) for communication by it to entitled accountholders in substitution for mailing as required by the foregoing. Any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

So long as the Notes are represented by a Global Note Certificate and the Global Note Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices to be given by Noteholders may be given by any such Noteholder to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such a manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

19 Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

20 Governing Law and Jurisdiction

20.1 Governing Law:

The Trust Deed, the Notes, the Surety Agreements and the Guarantees, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

20.2 Arbitration:

Subject to Condition 20.3 (*Jurisdiction*), any dispute arising out of or in connection with the Trust Deed, the Notes, the Surety Agreements or the Guarantees shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"). The arbitral tribunal shall consist of three arbitrators. The seat of arbitration shall be London, England and the language of the arbitration shall be English.

20.3 Jurisdiction:

Before the Trustee has filed a Request for Arbitration or Response as defined in the LCIA Rules (as the case may be), the Trustee may, by notice in writing to all other parties, require that any dispute or disputes be heard by a court of law. If the Trustee gives such notice, any such dispute to which such notice refers shall be determined as follows: (i) the courts of England shall have exclusive jurisdiction in respect of all such disputes and (ii) each of the Issuer, the Guarantors and the Trustee, in the Trust Deed and/or the relevant Surety Agreement, as applicable, has agreed that the courts of England are the most appropriate and convenient courts to settle such disputes and accordingly no party will argue to the contrary. These submissions are for the benefit of the Trustee and the Noteholders only and shall not limit the right of any of them to take concurrent proceedings in any number of jurisdictions.

20.4 Agent for Service of Process:

Each of the Issuer and the Guarantors has irrevocably appointed an agent in England to receive service of process in any proceedings in England based on any of the Trust Deed, the Notes, the Surety Agreements and the Guarantees.

21 Definitions

In these Conditions, the following terms have the meanings given to them in this Condition 21.

"**Accounting Standards**" means IFRS or any other internationally recognised set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time; provided however, that where such term is used with respect to the financial statements of the Restricted Subsidiaries, it shall, where financial statements prepared in accordance with IFRS are not available, be deemed to include Ukrainian GAAP or any other generally accepted accounting standards of the jurisdiction of incorporation of the relevant Restricted Subsidiary from time to time.

"**Account Bank**" means The Bank of New York Mellon, London Branch in its capacity as account bank pursuant to the Account Bank Agreement.

"**Account Bank Agreement**" means the agreement dated on or before the date of the Trust Deed between the Issuer, the Account Bank and the Trustee, as amended from time to time.

"**Additional Amounts**" has the meaning given to it in Condition 9 (*Taxation*).

"**Additional Assets**" means:

(a) any assets (other than Capital Stock, cash or Cash Equivalents) that are used or useful in a Core or Related Business;

(b) the Capital Stock of a Person that becomes a Restricted Subsidiary engaged in a Core or Related Business as a result of the acquisition of such Capital Stock by the Parent or a Restricted Subsidiary; or

(c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary engaged in a Core or Related Business;

provided, *however*, that, in the case of paragraphs (b) and (c) above, such Restricted Subsidiary is engaged in a Core or Related Business.

"**Additional Surety**" means any Person who become guarantors pursuant to Condition 5.15 (*Additional Sureties and Limitations on Guarantees*).

"**Affiliate**" of any specified Person means any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. For the purposes of this definition, "**control**" (including, with correlative meanings, the terms "**controlling**", "**controlled by**" and "**under common control with**"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, provided that ownership of 30 per cent. or more of the voting securities of any Person shall be deemed to be control.

"**Agency**" means any agency, authority, central bank, department, committee, government, legislature, minister, ministry, official or public or statutory person (whether autonomous or not).

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of:

(a) the amount equal to 1.0 per cent. of the principal amount of such Note; and

(b) the excess (to the extent positive) of:

(i) the present value of the remaining scheduled payments of principal and interest due on such Note to and including the Maturity Date (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(ii) the outstanding aggregate principal amount of the Note at the date of redemption.

for the purposes of which, "**Bund Rate**" means "as of any redemption date, the yield to maturity as of such redemption date of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days prior to such redemption date (or, if such financial statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the Maturity Date; provided, however, that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year will be used.

For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation of the Trustee or any Agent.

"**Approved Jurisdiction**" means any member state of the European Union as of 1 January 2004 (including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom), Norway, Switzerland, the United Kingdom, the United States of America, any state thereof, the District of Columbia and Ukraine.

"**Asset Acquisition**" means (i) an investment by the Parent or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be consolidated or merged with the Parent or any Restricted Subsidiary or (ii) the acquisition by the Parent or any Restricted Subsidiary of assets of any Person which constitute all or substantially all of the assets of such Person or which comprise a division or line of business of such Person.

"**Asset Sale**" means any lease, sale, sale and lease-back, transfer or other disposition either in one transaction or in a series of related transactions, by the Parent or any of its Restricted Subsidiaries to a Person that is not the Parent or a Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction, of any of its assets (including any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Parent or a Restricted Subsidiary)) or properties, other than:

(a) the sale, lease, transfer or other disposition of any asset or property in a single transaction or a series of related transactions with an aggregate Fair Market Value of less than €5.0 million;

(b) a disposition of all or substantially all the assets of the Parent, the Issuer or any Surety in accordance with Condition 5.8 (*Mergers and Similar Transactions*);

(c) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien) in compliance with Condition 5.1 (*Limitation on Liens*);

(d) the licensing or sublicensing of rights to software, intellectual property or other intangibles in the ordinary course of business;

(e) the abandonment, sale, lease or other disposition of obsolete, redundant, written-off (in accordance with Accounting Standards), damaged, worn out, negligible, surplus or outdated plant, equipment or machinery or other assets, in each case which is no longer used or useful in the conduct of the business of the Parent and its Restricted Subsidiaries;

(f) the lease, assignment or sublease of any property in the ordinary course of business (including any operating lease);

(g) sales or other dispositions of assets or property received by the Parent or any Restricted Subsidiary upon the foreclosure on a Lien granted in favour of the Parent or any Restricted Subsidiary or any other transfer of title with respect to any ordinary course secured investment in default;

(h) the foreclosure, condemnation or any similar action with respect to any property or other assets or the surrender or waiver of contract rights or the settlement, release, or surrender of contract, tort or other claims, in the ordinary course of business;

(i) sales of energy, inventory, stock-in-trade, goods, services and other current assets (including accounts receivable) in the ordinary course of business;

(j) sales and dispositions of cash and Cash Equivalents;

(k) a Restricted Payment that does not violate Condition 5.3 (*Limitation on Restricted Payments*) or a Permitted Investment; and

(l) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements.

(m) the disposition of securities acquired in connection with a settlement of VAT (or other tax reimbursement) receivables from the government of Ukraine;

(n) any lease of assets without a transfer of title corresponding to such assets (*orenda*) in the ordinary course of business; and

(o) any sale or other disposition of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary, for so long as such entities are Unrestricted Subsidiaries.

"**Assignment**" has the meaning provided in Condition 4.3.

"**Auditors**" means any of any of PricewaterhouseCoopers LLC, KPMG LLC, Deloitte & Touche LLP, Ernst & Young LLP as the auditors for the time being of the Parent and its Subsidiaries if they are unable or unwilling to carry out any action requested of them under the Trust Deed, any other firm of chartered accountants of internationally recognised standing appointed by the Parent.

"**Board of Directors**" means, as to any Person, the board of directors, supervisory board or other equivalent executive body of such Person (including, without limitation, a general director) or any duly authorised committee thereof.

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Kyiv, Amsterdam and London.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) of such Person's equity, including any Preferred Stock of such Person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into or exchangeable for such Capital Stock.

"**Cash Equivalents**" means:

(a) securities issued or directly and fully guaranteed or insured by the government of any of the United States of America or any member state of the European Union or Ukraine or any agency or instrumentality of any of the foregoing (provided that the full faith and credit of the relevant jurisdiction is pledged in support thereof) or by any European Union central bank, and in each case having maturities of not more than one year from the date of acquisition;

(b) certificates of deposit, time deposits and money market deposits denominated in Hryvnia, Russian Roubles, Euro, U.S. dollars or British pound sterling with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with a commercial bank or trust company (or with any Ukraine-based Subsidiary of such commercial bank or trust company) which commercial bank or trust company has one of the three highest rating categories obtainable from Moody's, Fitch or S&P, or with FUIB or any Ukrainian commercial bank or trust company having one of the two highest rating categories obtainable by Ukrainian banks from Moody's, Fitch or S&P;

(c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (a) and (b) above entered into with any commercial bank or trust company or with any Ukraine-based Subsidiary of such commercial bank or trust company) which commercial bank or trust company has one of the three highest rating categories obtainable from Moody's, Fitch or S&P, or with any Ukrainian commercial bank or trust company having one of the two highest rating categories obtainable by Ukrainian banks from Moody's, Fitch or S&P;

(d) commercial paper having a rating at the time of the investment of at least "P-l" from Moody's or "A-l" from S&P (or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating) and in each case maturing within one year after the date of acquisition; and

(e) money market funds at least 95.0% of the assets of which constitute Cash Equivalents of the kinds described in paragraphs (a) through (d) of this definition.

For purposes of this definition of "Cash Equivalents", a Subsidiary of an international bank or financial institution will be attributed the same rating as its parent.

"**Change in Tax Law**" has the meaning set out in Condition 7.4.1.

"**Change of Control**" has the meaning set out in in Condition 7.3.1.

"**Change of Control Offer**" has the meaning set out in in Condition 7.3.2.

"**Clearing System**" means Euroclear, Clearstream, Luxembourg or any successor thereof.

"**Clearstream, Luxembourg**" has the meaning set out in Condition 1.1 (*Form and denomination*).

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period:

(a) before deducting any expense or provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period;

(b) before deducting any interest, commission, fees, discounts, prepayments, fees, premiums or charges and other finance payments, whether paid, payable or capitalised in respect of that period;

(c) excluding any transaction costs incurred in connection with the issuance of the Notes;

(d) after adding back any amount attributable to the amortization, depreciation or depletion of assets, in each case, without duplication and solely to the extent increasing or decreasing Consolidated Net Income for such period and determined on a consolidated basis in accordance with the Accounting Standards for such period.

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net profit (or loss) of such Person for such period, on a consolidated basis, determined in accordance with the Accounting Standards; provided that there shall be excluded therefrom:

(a) any net gain (or loss) realized upon the sale or other disposition of any asset, disposed operations or abandonments or reserves relating thereto of the Parent Guarantor or any Restricted Subsidiaries) which is not sold or otherwise disposed of in the ordinary course of business;

(b) any extraordinary, exceptional, unusual or non-recurring gain, loss or charge;

(c) solely for purposes of determining compliance with Condition 5.3 (Limitation on Restricted Payments), the net income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders (other than (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Notes or these Conditions, (iii) restrictions in effect on the Issue Date with respect to a Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole are not materially less favourable to the holders of Notes than such restrictions in effect on the Issue Date and (iv) restrictions specified in clause (x) of the second paragraph of the covenant described under Condition 3.9 (Limitations on Restrictions on Distributions from Restricted Subsidiaries); provided that Consolidated Net Income will be increased by the amount of dividends or distributions or other payments actually paid in cash (or to the extent converted into cash) to the Parent Guarantor or a Restricted Subsidiary in respect of such period, to the extent not already included therein (provided that the Parent Guarantor's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining Consolidated Net Income);

(d) the net income or loss of any Person that is not a Restricted Subsidiary of the Parent Guarantor or that is accounted for by the equity method of accounting, except to the extent of the amount of dividends or distributions actually paid in cash by such Person to the Parent Guarantor or a Restricted Subsidiary;

(e) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(f) non-cash foreign exchange gains or losses;

(g) non-cash gains or losses with respect to Hedging Obligations attributable to mark-to-market valuation of Hedging Obligations;

(h) any goodwill or other intangible asset impairment charge;

(i) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

(j) any income or charge attributable to a post-employment benefit scheme other than the current service costs attributable to the scheme; and

(k) the cumulative effect of a change in accounting principles during such period,

in each case, without duplication and solely to the extent increasing or decreasing Consolidated Net Income for such period and determined on a consolidated basis in accordance with the Accounting Standards for such period.

"**Consolidated Leverage Ratio**" as of any date of determination means the ratio of (x) Total Debt at such date to (y) Consolidated EBITDA for the Relevant Period, after giving effect on a pro forma basis to, if applicable:

(a) the Incurrence of any Indebtedness the permissibility of which is then being measured, the Incurrence, repayment or discharge of any other Indebtedness during the Relevant Period or subsequent to the Relevant Period and on or prior to the relevant date of determination and, in each case, the receipt and application of the proceeds therefrom (but not giving effect to (i) any Indebtedness Incurred on the relevant date of determination pursuant to Condition 5.2.2 or (ii) the repayment or other discharge of any Indebtedness on the relevant date of determination, to the extent that such repayment or other discharge is made with the proceeds of Indebtedness Incurred pursuant to Condition 5.2.2), as if the same had occurred on the first day of the Relevant Period;

(b) the exclusion of EBITDA associated with any Asset Sale or the inclusion of earnings before interest, tax, depreciation and amortisation of the Person subject to any Asset Acquisition ("**Acquired EBITDA**") (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the incurrence or assumption of Indebtedness) made during the Relevant Period or subsequent to the Relevant Period and on or prior to the relevant date of determination, as if the same had occurred on the first day of the Relevant Period; provided, however, that any such pro forma Acquired EBITDA in respect of an Asset Acquisition may only be so included if such pro forma Acquired EBITDA shall have been derived from (i) financial statements of, or relating to or including, such acquired entity, that have been prepared in accordance with Accounting Standards or (ii) such other financial statements or financial reports of the acquired entity that the chief financial officer of the Parent believes in good faith to present fairly the financial position and results of operations of the acquired entity so as to permit such a pro forma Acquired EBITDA to be prepared on the basis of reasonable assumptions and estimates;

(c) any Person that is a Restricted Subsidiary on the relevant date of determination will be deemed to have been a Restricted Subsidiary at all times during the Relevant Period; and

(d) any Person that is not a Restricted Subsidiary on the relevant date of determination will be deemed not to have been a Restricted Subsidiary at any time during the Relevant Period.

"**Consolidated Secured Leverage Ratio**" means the Consolidated Leverage Ratio, but calculated by excluding all Indebtedness other than Secured Indebtedness.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(a) to purchase any such primary obligations or any property constituting direct or indirect security therefor;

(b) to advance or supply funds:

(i) for the purchase or payment of any such primary obligation; or

(ii) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligations of the ability of the primary obligor to make payment of such primary obligations against loss in respect thereof.

"**Continuing Director**" means, for any period, any member of the supervisory board of the Parent:

(a) who was a member of such supervisory board at the beginning of such period; or

(b) whose nomination for appointment or appointment to such supervisory board was approved by a necessary majority of the Permitted Holders.

"**Core or Related Business**" means the production and development of wind power, solar power, hydroelectric power and other renewable energy generation and related technologies and any business related, ancillary or complementary to any of the foregoing.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

"**Definitive Certificate**" has the meaning set out in Condition 1.1 (*Form and denomination*).

"**Disinterested Director''** means, with respect to any Affiliate Transaction or Asset Sale, a member of the Board of Directors of the Parent or the relevant Restricted Subsidiary having no material direct or indirect financial interest in or with respect to such Affiliate Transaction or Asset Sale and who is not an officer or director of the Affiliate that is the counterparty to the Affiliate Transaction or Asset Sale. For the avoidance of doubt, the members of the Board of Directors will not be deemed to have such a financial interest solely by virtue of having been appointed to such position by a Permitted Holder or by reason of such member's holding Capital Stock of the Parent or a Restricted Subsidiary of the Parent or any options, warrants or other rights in respect of such Capital Stock.

"**Disposal Proceeds**" means the aggregate cash proceeds received by the Parent or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale, conversion or other disposition of other consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Asset Sale), net of the direct costs relating to such Asset Sale or other consideration received in non-cash form, including, without limitation:

(a) brokerage or sales commissions and other fees and expenses (including fees and expenses of accounting and/or legal advisers and/or investment bankers), title and recording tax expenses, commissions and other fees and expenses relating to such Asset Sale;

(b) provision for all taxes required to be paid or payable, or required to be accrued as a liability determined in conformity with Accounting Standards as a result of such Asset Sale;

(c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either is secured by a Lien on the property or assets sold, or is required to be paid as a result of such sale;

(d) all distribution and other payments required to be made to minority interest holders in Restricted Subsidiaries of the Parent as a result of such Asset Sale;

(e) any relocation expenses incurred as a result of the Asset Sale;

(f) any portion of the purchase price from an Asset Sale placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Sale or otherwise in connection with that Asset Sale; provided, however, that upon the termination of that escrow, Disposal Proceeds will be increased by any portion of funds in the escrow that are released to the Parent or any Restricted Subsidiary; and

(g) appropriate amounts to be provided by the Parent or any of its Restricted Subsidiaries as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligation associated with such Asset Sale, all as determined in conformity with Accounting Standards.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(a) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(c) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the date that is six months after the final maturity of the Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the six-month anniversary of the final maturity of the Notes shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Condition 5.3 (*Limitation on Restricted Payments*).

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Trust Deed; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**Dutch Banking Association**" means the *Nederlandse Vereniging van Banken* of the Netherlands.

"**Dutch Civil Code**" means the *Burgerlijk Wetboek* of the Netherlands.

"**EBITDA**" means the earnings before interest, tax, depreciation and amortisation of the relevant Restricted Subsidiary after allocation of the Parent's consolidation adjustments, prepared in accordance with Accounting Standards, consistently applied.

"**Environment**" means living organisms including the ecological systems of which they form part and the following media:

(a) air (including air within natural or man-made structures, whether above or below ground);

(b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and/or

(c) land (including land under water).

"**Environmental Laws**" means all laws and regulations of any relevant jurisdiction which:

(a) have as a purpose or effect the protection of, and/or prevention of harm or damage to, the Environment;

(b) provide remedies or compensation for harm or damage to the Environment; and

(c) relate to hazardous substances or health or safety matters.

"**Environmental Licences**" means any authorisation, consent, approval, resolution, licence, exemption, filing or registration required at any time under Environmental Law for the operation of the business of the Parent and its Material Subsidiaries conducted on or from the properties owned or used by the Parent and its Material Subsidiaries.

"**Escrowed Property**" means the proceeds from the offering of any debt securities or other Indebtedness paid into segregated escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Property" shall include any interest earned on the amounts held in escrow.

"**Event of Default**" has the meaning set out in Condition 11 (*Events of Default*).

"**Euro Equivalent**" means with respect to any amount denominated in a currency other than Euro, at any time for the determination thereof, the amount of Euro obtained by converting such other currency involved into Euro at the spot rate for the purchase of Euro with the applicable foreign currency as quoted by Reuters at approximately 11:00 am (London time) on the date not more than two Business Days prior to the date of determination.

"**Euroclear**" has the meaning set out in Condition 1.1 (*Form and denomination*).

"**Excess Proceeds**" has the meaning set out in Condition 5.5.4.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Expropriation**" has the meaning set out in Condition 11.1.6 (*Security Enforced*).

"**Extraordinary Resolution**" means a resolution passed (a) at a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution (as defined in the Trust Deed) or (c) by an Electronic Consent (as defined in the Trust Deed).

"**Fair Market Value**" means with respect to any property, asset or Investments, the fair market value of such property, asset or Investment at the time of the event requiring such determination, as determined in good faith by the competent senior management body of the Parent or the relevant Restricted Subsidiary, as applicable, or, with respect to any property, asset or Investments in excess of $10.0 million (other than cash or Cash Equivalents), as determined in good faith by the Board of Directors of the Parent.

"**Fitch**" means Fitch Ratings Inc. and any successor to its rating agency business.

"**FUIB**" means Public Joint Stock Company "First Ukrainian International Bank", a company organised and existing under the laws of Ukraine, identification code 14282829, whose registered office is at 4 Andriivska Street, Kyiv, 04070 Ukraine.

"**General Loan Agreement**" means the General Loan Agreement No. 231/2019/КОД-КБ-ГКД dated 9 August 2019 entered into between Orlovka WEP, as borrower and PJSC "Ukrgazbank" as lender.

"**Global Note Certificate**" has the meaning set out in Condition 1.1 (*Form and denomination*).

"**Group**" means the Parent and its Subsidiaries.

"**Guarantees**" means the guarantee of the Parent under the Trust Deed and/or the suretyships of the Sureties under the Surety Agreements, as the context requires.

"**Guarantors**" means the Parent and the Sureties, and "**Guarantor**" means any of them, but which expressions exclude any entity released for the time being from being a Guarantor pursuant to these Conditions.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement or any other derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (including but not limited to fluctuations with respect to any index or the price of any commodity), with the amount of obligations in respect of any such derivative transaction determined with reference to the marked to market value thereof (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount), without set off for any cash collateral in respect of such obligations.

"**holder**" has the meaning set out in Condition 1.2 (*Register*).

"**IFRS**" means International Financial Reporting Standards.

"**Incur**" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion or exchange, but for the avoidance of doubt, excluding extensions of maturity), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation of such Person (and "**Incurrence**", "**Incurred**" and "**Incurring**" shall have meanings correlative to the preceding). Indebtedness of any acquired Person or any of its Restricted Subsidiaries existing at the time such acquired Person becomes a Restricted Subsidiary (or is merged into or consolidated with the Parent or any Restricted Subsidiary), whether or not such Indebtedness was Incurred in connection with, as a result of, or in contemplation of, such acquired Person becoming a Restricted Subsidiary (or being merged into or consolidated with the Parent or any Restricted Subsidiary), shall be deemed Incurred at the time any such acquired Person becomes a Restricted Subsidiary (or merges into or consolidates with the Parent or any Restricted Subsidiary). Notwithstanding the foregoing, the following will not be deemed to be an Incurrence:

(a) the accrual of interest or preferred stock dividends or the accretion or amortisation of original issue discount;

(b) the amortisation of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(c) the payment of interest in the form of additional Indebtedness or the payment of dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms;

(d) the reclassification of preferred stock as Indebtedness due to a change in accounting principles; and

(e) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of the notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

"**Indebtedness**" means, with respect to any Person at any date of determination (without duplication):

(a) indebtedness for, or in respect of, moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility;

(c) any amount raised pursuant to any note purchase facility or issue of bonds, notes, debentures, loan stock or other similar instruments, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(d) any amounts raised pursuant to any issue of shares which are expressed to be redeemable, including any Disqualified Stock (for the avoidance of doubt, excluding any issue of Preferred Stock of the Parent);

(e) representing Lease Obligations;

(f) the amount of any liability in respect of any advance or deferred purchase agreement if the primary reason for entering into such agreement is to raise finance;

(g) all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement, if one of the primary reasons for entering into such obligations is to raise finance (but excluding any accounts payable or other liability to trade creditors arising in the ordinary course of business);

(h) all obligations of such Person in respect of letters of credit or similar instruments (other than obligations with respect to documentary facilities, including without limitation, letters of credit, performance guarantees, documentary credits and advance payment bonds, provided by or at the request of such Person, in the ordinary course of business of such Person to the extent such documentary facilities, letters of credit, performance guarantees, documentary credits and advance payment bonds are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the 30 days following receipt by such Person of a demand for reimbursement following payment on such documentary facilities, letters of credit, performance guarantees, documentary credits and advance payment bonds);

(i) all obligations of the type referred to in paragraphs (a) through (h) above and (j) through (l) below of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such outstanding obligation being deemed to be the lesser of the Fair Market Value of such property or assets at the date of determination and the amount of the obligation so secured;

(j) to the extent not otherwise included in this definition, Hedging Obligations of such Person;

(k) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and

(l) the amount of any liability in respect of any guarantee, suretyship or indemnity for any of the items referred to in paragraphs (a) to (k) above (other than the Guarantees).

if and to the extent any of the preceding items (other than Hedging Obligations and the items specified in paragraphs (h), (i) and (l) above) would appear as a liability upon a balance sheet (excluding the notes thereto) of the specified Person prepared in accordance with the Accounting Standards. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations as described above, the liability upon the occurrence of the contingency giving rise to the obligation.

The term "Indebtedness" shall not include:

(a) Subordinated Shareholder Funding;

(b) Contingent Obligations in the ordinary course of business; and

(c) (i) trade payables (including any financial liabilities that constitute restructured trade payables) and accrued expenses and (ii) deferred or prepaid revenues including prepayments or deposits received from clients or customers, in each case, in the ordinary course of business.

"**Independent Financial Adviser**" means any investment banking, accountancy, appraisal or financial advisory firm, in each case of international standing, appointed, at the expense of the Parent, by the competent management body of the Parent or the relevant Restricted Subsidiary, provided it is not an Affiliate of the Parent or any Restricted Subsidiary; provided further that if the Parent fails to make such appointment and such failure continues for a reasonable period (as determined by the Trustee) and the Trustee has been indemnified and/or secured and/or prefunded to its satisfaction in connection with such appointment, such firm may be appointed by the Trustee (at the cost of the Parent without liability for so doing), and notified to the Parent.

"**Interest Payment Date**" has the meaning set out in Condition 6.1 (*Interest Rate*).

"**Interest Period**" has the meaning set out in Condition 6.2 (*Calculation of Interest*).

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

"**Interest Reserve Account**" has the meaning set out in Condition 4.1 (*Establishment of Interest Reserve Account*).

"**Intra-Group Debt**" means any Indebtedness for money borrowed owed to, or advanced by, or the payment of which is guaranteed by the Parent or any Restricted Subsidiary to the Parent or another Restricted Subsidiary, as applicable.

"**Investment Grade Rating**" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by Fitch or Standard & Poor's.

"**Investment Grade Status**" shall occur when the Notes have an Investment Grade Rating from at least two of Moody's, Fitch or Standard & Poor's (or, if any such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other Nationally Recognised Statistical Rating Organisation).

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extension of credit (excluding advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person made in the ordinary course of business and rent deposits), or capital contribution to (including by means of any transfer of cash or other property to others, but excluding commission, travel and similar advances to officers and employees made in the ordinary course of business and further excluding any capital expenditure), or the incurrence of any guarantee of any obligation of, or any purchase or other acquisition of Capital Stock, Indebtedness or other securities issued by, such other Persons, together with all items that are or would be classified as investments on a balance sheet (excluding the footnotes) prepared in accordance with Accounting Standards. If the Parent or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Parent shall be deemed to have made an

Investment on the date of any such sale or disposition equal to the Fair Market Value of the Parent's Investments in such Restricted Subsidiary that were not sold or disposed of. The acquisition by the Parent or any Restricted Subsidiary of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Parent or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Parent's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Issue Date**" means 12 November 2019.

"**Issuer**" means the party named as such above until a successor replaces it in accordance with Condition 12.3 (*Substitution*) and thereafter means such successor.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of any lease that would at that time would be required to be treated as a balance sheet liability in accordance with IFRS. The Stated Maturity of any Lease Obligation shall be the date of the last payment of rent or any other amount due under the relevant lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any Affiliate of the seller, or any agreement to give any security interest) securing any obligation of any Person.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Parent or any Restricted Subsidiary:

(a) in respect of travel, entertainment or moving-related expenses incurred in the ordinary course of business of the Parent or any of its Restricted Subsidiaries;

(b) in respect of moving-related expenses incurred in connection with any closing or consolidation of any facility or office of the Parent or any of its Restricted Subsidiaries; or

(c) any other such loans, advances or guarantees provided that they are made in the ordinary course of business of the Parent or any of its Restricted Subsidiaries and do not exceed €5 million in the aggregate outstanding at any time.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, results of operations, property, assets, condition (financial or otherwise) or prospects of the Parent or any of its Material Subsidiaries; or

(b) the Issuer's or any Guarantor's ability to perform its obligations under the Notes Document to which it is party; or

(c) the validity, legality or enforceability of the Trust Deed or the rights or remedies of the Noteholders or the Trustee under the Trust Deed or the validity, legality or enforceability of the Surety Agreements or the rights or remedies of the Noteholders or the Trustee under the Surety Agreements.

"**Material Subsidiary**" means at any relevant time a Restricted Subsidiary:

(a) whose total assets, EBITDA or revenue represent not less than 10 per cent. of the Total Assets, Consolidated EBITDA or consolidated revenue of the Group (determined by reference to the most recent publicly available annual or quarterly consolidated financial statements of the Group prepared in accordance with Accounting Standards and the latest annual or quarterly financial statements of the Restricted Subsidiary prepared in accordance with Accounting Standards);

(b) to which is transferred all or substantially all the assets and undertakings of a Restricted Subsidiary (the "**Original Material Subsidiary**") of the Parent which immediately prior to such transfer is a Material Subsidiary provided that (i) the transferee (the "**New Material Subsidiary**") shall cease to be a Material Subsidiary if upon delivery of any of the financial statements referred to in paragraph (a) above it no longer constitutes a Material Subsidiary under paragraph (a) above and (ii) the Original Material Subsidiary shall cease to be a Material Subsidiary on the date of such transfer until such time as it may constitute a Material Subsidiary again under paragraph (a) above; or

(c) that is a Surety.

"**Maturity Date**" means 12 November 2024.

"**Moody's**" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"**Nationalisation**" has the meaning set out in Condition 11.1.10 (*Nationalisation*).

"**Nationally Recognised Statistical Rating Organisation**" means a nationally recognised statistical rating organisation within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"**Net Cash Proceeds**", with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of legal fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Non-Surety Subsidiary**" means any Restricted Subsidiary of the Parent that is not a Surety.

"**Non-Recourse Debt**" means Indebtedness as to which neither the Parent nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), except as permitted under paragraph (bb) of the definition of Permitted Liens or (b) is directly or indirectly liable as a guarantor or otherwise.

"**Noteholder**" has the meaning set out in Condition 1.2.

"**Notes Documents**" means the Trust Deed, the Surety Agreements, the Account Bank Agreement and the Agency Agreement.

"**Note Security**" has the meaning set out in Condition 4.3.

"**Officers' Certificate**" means a certificate signed by such number of managing directors (*bestuurders*) of the Parent who are authorised to represent it in relation to the subject matter thereof.

"**Opinion of Counsel**" means a written opinion from legal counsel of international standing which is acceptable to the Trustee (acting reasonably).

"**Orlovka WEP**" means Orlovka WEP LLC, a limited liability company incorporated under the laws of Ukraine on 28 April 2017, registered with the Unified State Registry of Legal Entities, Individual Entrepreneurs and Civil Formations under the identification number 41310382, with its registered office at Lva Tolstogo Str., 57, Kyiv, 01032, Ukraine.

"**outstanding principal amount**" means, in respect of each Note, its nominal amount as reduced from time to time pursuant to Condition 7 (*Redemption, Purchase and Options*).

"**Parent**" means DTEK Renewables B.V., a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands on 10 September 2013, registered with the Netherlands Chamber of Commerce under the company number 58729011, with its registered office at Strawinskylaan 1531 Tower B, Lev el 15, grid TB-15-046/089, 1077XX, Amsterdam, Netherlands. It has its statutory seat (statutaire zetel) at Amsterdam, the Netherlands.

"**Permitted Debt**" has the meaning set out in Condition 5.2.2.

"**Permitted Holders**" means any and all of (i) Mr. Rinat Akhmetov, his legal representatives and the trustees of bona fide trusts of which he is the only beneficiary, (iii) any holding company or companies controlled directly or indirectly by the foregoing for the purpose of holding investments in the Parent. Any Person whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Trust Deed will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investments**" means:

(a) any Investment in the Parent or any Restricted Subsidiary;

(b) any Investment in cash, (for the avoidance of doubt, including cash held in any current account with any bank or financial institution) or Cash Equivalents;

(c) any Investment by the Parent or a Restricted Subsidiary in a Person, if as a result of such Investment: (i) such Person becomes a Restricted Subsidiary; or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Parent or a Restricted Subsidiary;

(d) any Investment made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Sale, in each case, that was made pursuant to and in compliance with Condition 5.5 (*Asset Sales*);

(e) any Investment to the extent made using Capital Stock of the Parent (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any parent entity as consideration;

(f) any Investments received in settlement of debts created in the ordinary course of business or in compromise or resolution of (x) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Parent or any Restricted Subsidiary, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (y) litigation, arbitration or other disputes;

(g) Investments in receivables owing to the Parent or any Restricted Subsidiary if created or acquired in the ordinary course of business;

(h) Investments represented by Hedging Obligations, which obligations are permitted by Condition 5.2.2(G);

(i) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Condition 5.1 (*Limitation on Liens*);

(j) (i) guarantees of Indebtedness not prohibited by Condition 5.2 (*Incurrence of Indebtedness*) hereof and (ii) (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(k) (x) Investments in the Notes; (y) any Investments pursuant to any loan or other instrument contributing the proceeds of the Notes and (z) any Investments in any other Indebtedness of the Parent or any Restricted Subsidiary;

(l) any Investment existing on, or made pursuant to legally binding commitments in existence on, the Issue Date and any extension, modification or renewal of any such Investment; provided that the amount of the Investment may be increased (i) as required by the terms of the Investment or (ii) as otherwise permitted under the Trust Deed;

(m) Investments consisting of (i) securities acquired in connection with a settlement of VAT (or other tax reimbursement) receivables from the government of Ukraine and (ii) any credit extended to the Ukrainian government as a result of the acquisition of securities referred to in the foregoing clause (i);

(n) Investments acquired after the Issue Date as a result of the acquisition by the Parent or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Parent or any of its Restricted Subsidiaries in a transaction that is not prohibited by Condition 5.8 (*Mergers and Similar Transactions*) after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(o) Management Advances;

(p) any performance, bid, completion, surety or appeal bonds or similar instruments, guarantees or obligations entered into in the ordinary course of business;

(q) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (o) of the definition of "Permitted Liens";

(r) any liability in respect of the Parent or any of its Restricted Subsidiaries incorporated in the Netherlands arising under a declaration of joint and several liability (*hoofdelijke aansprakelijkheid*) as referred to in Article 2:403 of the Dutch Civil Code;

(s) any liability arising as a result of a fiscal unity (*fiscale eenheid*) solely between or among the Parent and its Restricted Subsidiaries incorporated in the Netherlands; and

(t) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (t) that are at the time outstanding do not exceed 10 per cent. of Total Assets; provided that if an Investment is made pursuant to this paragraph (t) in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Condition 5.3 (*Limitation on Restricted Payments*), such Investment shall thereafter be deemed to have been made pursuant to paragraph (a) or (c) above and not this paragraph (t).

"**Permitted Liens**" means:

(a) Liens in favour of the Parent or any of its Restricted Subsidiaries;

(b) any Lien existing on the Issue Date;

(c) any Lien securing Indebtedness Incurred pursuant to Condition 5.2 (*Incurrence of Indebtedness*) provided that on the date of such Incurrence and after giving effect thereto on a pro forma basis (including a pro forma application of the net proceeds therefrom), the Consolidated Secured Leverage Ratio would be for any Relevant Period ending (i) on or prior to 31 December 2020, not more than 2.50 to 1.0 and (ii) from and after 1 January 2021, not more than 2.0 to 1.0, provided that such Liens may not be Incurred with respect to any property, assets or Capital Stock of any Surety or Windpower;

(d) Liens securing Indebtedness incurred pursuant to Condition 5.2.2(A) (*Incurrence of Indebtedness*), provided that any such Liens cover only the assets acquired, designed, constructed, installed or improved with or financed by such Indebtedness or assets or properties appurtenant or attached thereto;

(e) Liens imposed by law or by agreement having the same effect, including but without limitation, Liens of landlords and carriers, warehousemen, mechanics, suppliers, material men, repairmen or other similar Liens arising in the ordinary course of business;

(f) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Restricted Subsidiary of or is merged or consolidated with or into the Parent or any of its Restricted Subsidiaries; provided, however, that the Liens may not extend to any other property owned by the Parent or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(g) Liens on property at the time the Parent or any of its Restricted Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into the Parent or such Restricted Subsidiary; provided, however, that the Liens may not extend to any other property owned by the Parent or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(h) any Lien securing the Notes and the Guarantees;

(i) any Lien incurred, or pledges or deposits in connection with workers' compensation, unemployment insurance and other social security benefits and other obligations of like nature in the ordinary course of business;

(j) Liens (including deposits) to secure the performance of bids, trade contracts, government contracts, leases, statutory obligations, customs duties, guarantees, completion, surety and appeal bonds, performance or return-of-money bonds or liabilities to insurance carriers under insurance or self-insurance arrangements and other obligations of like nature, in each case so long as such Liens do not secure obligations constituting Indebtedness for money borrowed and are incurred in the ordinary course of business, including Liens to secure letters of credit or other documentary facilities issued to assure payment of such obligations;

(k) survey exceptions, easements, rights of way, restrictions (including zoning restrictions), reservations, permits, servitudes, defects or irregularities in title and other similar charges and encumbrances, and Liens arising under leases or subleases granted to others, in each case not interfering in any material respect with the business of the Parent or any of its Restricted Subsidiaries and existing, arising or incurred in the ordinary course of business incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not individually or in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(l) any Lien securing reimbursement obligations of the Parent or any of its Restricted Subsidiaries with respect to letters of credit or bank guarantees encumbering only documents and other property relating to such letters of credit or bank guarantees and the products or proceeds thereof in the ordinary course of business; provided that such letters of credit or bank guarantees do not constitute Indebtedness;

(m) Liens securing Hedging Obligations permitted to be Incurred under Condition 5.2.2(G)) provided that such Liens may not be Incurred with respect to any property, assets or Capital Stock of any Surety;

(n) (i) a right of set-off, right to combine accounts or any analogous right which any bank or other financial institution may have relating to any credit balance of the Parent or any of its Restricted Subsidiaries; provided, however, that (x) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Parent or any of its Restricted Subsidiaries and (y) such deposit account is not intended by the Parent or any Restricted Subsidiary to provide collateral to the depository institution and (ii) any Lien arising in the ordinary course of banking transactions, provided that the Lien is limited to the assets which are the subject of the relevant transaction;

(o) any Lien for taxes, assessments, customs or other governmental charges and similar charges or claims, including VAT, which either are not delinquent or are being contested in good faith by appropriate proceedings for which the Parent or relevant Restricted Subsidiary has set aside in its accounts reserves to the extent required by Accounting Standards;

(p) Liens to secure any Refinancing Indebtedness (excluding Liens to secure Refinancing Indebtedness initially secured pursuant to paragraph (m) above) permitted to be Incurred under these Conditions; provided, however, that:

  (i) the new Lien is limited to all or part of the same property and assets (or property or assets of equivalent value, excluding property, assets or Capital Stock of any Surety) under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof); and

  (ii) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (A) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness Refinanced with such Refinancing Indebtedness and (B) an amount necessary to pay any fees and expenses, including premiums, related to such Refinancing;

(q) any Liens arising under any retention of title, hire purchase, consignment or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Parent or any of its Restricted Subsidiaries in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Parent or any of its Restricted Subsidiaries;

(r) in respect of the Parent or any of its Restricted Subsidiaries, any Lien arising under clause 24 or 25 of the general banking conditions (*algemene bankvoorwaarden*) of any member of the Dutch Banking Association;

(s) Liens to secure any guarantee that is permitted by Condition 5.2.2(M), to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured by Permitted Liens pursuant to this definition of Permitted Liens, provided that such Liens may not be Incurred with respect to any property, assets or Capital Stock of any Surety;

(t) Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings or for which adequate reserves have been made;

(u) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(v) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(w) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(x) leases (including operating leases), licenses, subleases and sublicenses of assets in the ordinary course of business;

(y) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Parent or any Restricted Subsidiary has easement rights or on any real property leased by the Parent or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(z) Liens on property or assets under construction (and related rights) in favour of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(aa) Liens (including put and call arrangements) on Capital Stock or other securities of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(bb) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(cc) Liens on any proceeds loan made by the Parent, any Subsidiary of the Parent or a special purpose financing entity to the Parent or a Restricted Subsidiary in connection with, and in the amount not exceeding the proceeds of, any future Incurrence of Indebtedness and securing that Indebtedness, provided that the Incurrence of such Indebtedness and the Incurrence of such proceeds loan are permitted by these Conditions;

(dd) any interest or title of a lessor under any operating lease;

(ee) Liens (a) on Escrowed Property for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in the case of this paragraph (b) to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(ff) Liens Incurred in connection with a cash management program established in the ordinary course of business;

(gg) pledges of goods, the related document of title and/or other related documents arising or created in the ordinary course of the Parent's or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which the pledge exist;

(hh) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (gg); provided that any such extension, renewal or replacement shall not extend to any additional property or assets.

"**Person**" means any individual, corporation, partnership, joint venture, bank, financial institution, trust, unincorporated organisation or government or any Agency or political subdivision thereof or other entity.

"**Potential Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action, would constitute an Event of Default.

"**Preferred Stock**", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Refinance**" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease, discharge or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness of the Parent or any of its Restricted Subsidiaries that Refinances any Indebtedness of the Parent or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Trust Deed, including Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(a) such Refinancing Indebtedness has a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being Refinanced or (ii) after the final maturity date of the Notes;

(b) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced;

(c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus accrued interest, fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced;

(d) if the Indebtedness being Refinanced is contractually subordinated in right of payment to the Notes or any Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Notes and such Guarantee at least to the same extent as the Indebtedness being Refinanced; and

(e) if the Issuer or any Guarantor was the obligor on the Indebtedness being Refinanced, such Indebtedness is Incurred either by the Issuer or by a Guarantor.

Refinancing Indebtedness in respect of any credit facility, pre-export financing or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such credit facility, pre-export financing or other Indebtedness; provided that it is used to refinance amounts thereunder or other Indebtedness within six months of the relevant termination, disclosure or repayment date.

"**Register**" has the meaning set out in Condition 1.2 (*Register*).

"**Regulation S**" means Regulation S under the Securities Act.

“**Regulation S Definitive Certificates**” has the meaning set out in Condition 1.1 (*Form and denomination*).

“**Regulation S Global Note Certificate**” has the meaning set out in Condition 1.1 (*Form and denomination*).

“**Regulation S Notes**” mean the Notes initially issued to persons outside the United States in reliance on Regulation S.

“**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or related Certificate), being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“**Relevant Period**” means the most recently ended two semi-annual periods for which the Group’s financial statements are prepared in accordance with Accounting Standards and are delivered or deliverable to the Trustee pursuant to Conditions 5.17.1 and 5.17.2.

“**Restricted Investment**” means an Investment other than a Permitted Investment.

“**Restricted Payment**” with respect to any Person means:

(a) the declaration or payment of any dividends or any other distributions in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) to the direct or indirect holders of its Capital Stock (other than (A) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to purchase such stock or in Subordinated Shareholder Funding and (B) dividends or distributions payable solely to the Parent or a Restricted Subsidiary);

(b) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Parent held by any Person (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Parent that is not Disqualified Stock);

(c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Parent or any Guarantor (other than (A) any Intra-Group Debt or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement);

(d) the making of any payment (whether in respect of interest or principal), or the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(e) the making of any Restricted Investment.

“**Restricted Subsidiary**” means any Subsidiary of the Parent that is not an Unrestricted Subsidiary.

“**Rule 144A Definitive Certificates**” has the meaning set out in Condition 1.1 (*Form and denomination*).

“**Rule 144A Global Note Certificate**” has the meaning set out in Condition 1.1 (*Form and denomination*).

“**Rule 144A Notes**” means the Notes initially issued to persons located in the United States.

“**Securities Act**” has the meaning set out in Condition 2.1 (*Transfers*).

“**Secured Indebtedness**” means any Indebtedness secured by a Lien.

“**Secured Parties**” means the Trustee, any receiver or other Appointee (as defined in the Trust Deed) of the Trustee, the Noteholders and the Agents.

"**Secured Property**" has the meaning provided in Condition 4.3.

"**Senior Indebtedness**" means, whether outstanding on the Issue Date or thereafter incurred, all amounts payable by, under or in respect of all other Indebtedness of the Parent or any Restricted Subsidiary including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganisation relating to the Parent or such Restricted Subsidiary at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; provided, however, that Senior Indebtedness will not include:

(a) any obligation of the Parent or any Restricted Subsidiary to the Parent or any Restricted Subsidiary;

(b) any liability for taxes owed or owing by the Parent or any Restricted Subsidiary;

(c) any Indebtedness of the Parent or any Restricted Subsidiary in respect of Subordinated Obligations or Disqualified Stock;

(d) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities); and

(e) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of these Conditions.

"**Solar Farm 3**" means Solar Farm 3 – LLC, a limited liability company incorporated under the laws of Ukraine on 6 July 2017, registered with the Unified State Registry of Legal Entities, Individual Entrepreneurs and Civil Formations under the identification number 41442374, with its registered office at Lva Tolstogo Str., 57, Kyiv, 01032, Ukraine.

"**Standard & Poor's**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"**Stated Maturity**" means:

(a) with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final instalment of principal of such Indebtedness is due and payable; and

(b) with respect to any scheduled instalment of principal of or interest on any Indebtedness, the date specified in such Indebtedness as the fixed date on which such instalment is due and payable.

"**Subordinated Obligation**" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Notes or a Guarantee, pursuant to a written agreement to that effect.

"**Subordinated Shareholder Funding**" means, collectively, any funds provided to the Parent or any Restricted Subsidiary by any direct or indirect parent of the Parent or any Permitted Holder or any Affiliate of any Permitted Holder (other than (i) the Parent and its Restricted Subsidiaries and (ii) FUIB in respect of any Indebtedness Incurred by the Parent or any of its Restricted Subsidiaries permitted under Condition 5.2 (*Incurrence of Indebtedness*) and in compliance with Condition 5.4 (*Transactions with Affiliates*)) (whether outstanding on the Issue Date or thereafter Incurred) in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case, issued to and held by any of the foregoing Persons, provided that such Subordinated Shareholder Funding:

(a) does not mature or require any amortisation, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the final maturity of the Notes (other than (i) through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Parent or any funding meeting the requirements of this definition), and (ii) non-interest bearing loans provided in the form of 'financial aid', provided that any such loans are refinanced or replaced with equivalent 'financial aid', or converted into or replaced by other forms of Subordinated Shareholder Funding (with no repayment of principal in cash except (i) in connection with such refinancing, replacement or conversion or (ii) for any such payments made in compliance with Condition 5.3 (*Limitation on Restricted Payments*)) on one or more occasions until at least the date falling one year after the final maturity of the Notes;

(b) does not require, prior to the first anniversary of the final maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts, except for any such payments made in compliance with Condition 5.3 (*Limitation on Restricted Payments*);

(c) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(d) does not provide for or require any security interest or encumbrance over any property or asset of the Parent or any of its Restricted Subsidiaries; and

(e) is made to the Parent or any Restricted Subsidiary and pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to a written agreement.

"**Subsidiary**" of any Person means (a) any corporation, association or other business entity more than 50 per cent. of the outstanding voting power of the Capital Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Restricted Subsidiaries of such Person, or by such Person and one or more other Restricted Subsidiaries thereof, (b) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, (c) any other Person in which such Person, or one or more other Restricted Subsidiaries of such Person, or such Person and one or more other Restricted Subsidiaries, directly or indirectly, has more than 50 per cent. of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof or (d) any Person whose financial statements are required by Accounting Standards to be consolidated into the consolidated financial statements of the relevant Person.

"**Sureties**" means Orlovka WEP and Solar Farm 3, together with the Additional Sureties.

"**Surety Agreements**" means (i) the surety agreements dated as of the Issue Date between each of the Sureties and the Trustee and (ii) any surety agreement or guarantee agreement between any Additional Surety and the Trustee executed and delivered by such Additional Surety in accordance with Condition 3.2 (*Addition of Sureties*), in each case, as amended, varied or supplemented from time to time, and "**Surety Agreement**" shall be construed accordingly.

"**Taxes**" has the meaning set out in Condition 9 (*Taxation*).

"**Tax Jurisdiction**" means The Netherlands (in the case of a payment by the Issuer or the Parent) or Ukraine (in the case of a payment by any Surety).

"**Tiligulskaya Project**" means one or more wind power plants located in the Mykolaiv region near the border of the Nikolaev and Odesa regions, in the territory of the Anatoliivka, Krasnopillia and Tashyne village councils of the Berezanskyi district.

"**Tiligulskaya WEP**" means Tiligulskaya WEP LLC, a Subsidiary of the Parent.

"**Total Assets**" means the consolidated assets of the Group as shown in the latest consolidated financial statements of the Group which are internally available and prepared in accordance with Accounting Standards.

"**Total Debt**" means total debt of the Group on a consolidated basis determined in accordance with Accounting Standards (and excluding any Subordinated Shareholder Funding).

"**Trust Deed**" means the trust deed to constitute the Notes for the equal and rateable benefit of the Noteholders to be dated the Issue Date between the Issuer, in its capacity as issuer, the Parent as a guarantor, and the Trustee, among others, as amended, varied or supplemented from time to time.

"**Trustee**" means BNY Mellon Corporate Trustee Services Limited a trust company with company registration number 02631386 registered under the laws of England and Wales having its registered office at One Canada Square, London, E14 5AL, United Kingdom in its capacity as trustee under the Trust Deed and any successor thereto as provided thereunder.

"**UAH**" means the Ukrainian Hryvnia.

"**Ukrainian GAAP**" means generally accepted accounting principles, standards and practices in Ukraine.

"**Unrestricted Subsidiary**" means any Subsidiary of the Parent that is designated by the Board of Directors of the Parent as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors but only to the extent that such Subsidiary:

(a) has no Indebtedness other than Non-Recourse Debt;

(b) except as permitted by Condition 5.4 (*Transactions with Affiliates*), is not party to any agreement, contract, arrangement or understanding with the Parent or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Parent or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent; and

(c) is a Person with respect to which neither the Parent nor any Restricted Subsidiary has any direct or indirect obligation to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

"**VAT**" means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying:

 (i) the amount of each then remaining instalment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof (provided that any payments of principal, the making of which is subject to any conditions, including availability of cash of an obligor, shall be not treated as "required" for the purposes of this paragraph (i)), by

 (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment, by

(b) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

"**Windpower**" means **WIND POWER LLC, KIEV, UKRAINE,** a limited liability company, incorporated under the laws of the Ukraine, identification code 36168821, with business address at 57 Lva Tolstogo Str., 01032, Kyiv, Ukraine, and any of its successors, assigns or transferee of all or substantially all of its assets.

"**Windpower ECA Facilities**" means the loan agreements, originally dated 20 April 2012 and 17 June 2013, respectively, each novated on 17 February 2016, between Windpower as the borrower and Landesbank Berlin AG as the lender.

BOOK-ENTRY, DELIVERY AND FORM

The Global Note Certificates

The Regulation S Notes will be evidenced on issue by a Regulation S Global Note Certificate, registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg. The Rule 144A Notes will be evidenced on issue by a Rule 144A Global Note Certificate, registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg. Accordingly, beneficial interests in the Regulation S Global Note Certificate and the Rule 144A Global Note Certificate may be held only through Euroclear or Clearstream, Luxembourg at any time. See "—*Book-entry Procedures for the Global Note Certificates*".

By its acquisition of a beneficial interest in the relevant Regulation S Global Note Certificate, the purchaser thereof will be deemed to represent, among other things, that it is located outside the United States, and that, if it determines to transfer such beneficial interest prior to the expiration of the "distribution compliance period" (as such term is defined Rule 902 of Regulation S), it will transfer such interest only (a) to a non-U.S. person that is located outside the United States or (b) in accordance with Rule 144A, to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities law of any state of the United States. See "*Transfer Restrictions*".

By its acquisition of a beneficial interest in the relevant Rule 144A Global Note Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the relevant Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in the Global Note Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deeds, and the Global Note Certificates will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". A beneficial interest in a Regulation S Global Note Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note Certificate only in denominations greater than or equal to the minimum denominations applicable to interests in the Rule 144A Global Note Certificates and only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement relating to the Notes (the "**Agency Agreement**")) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in a Rule 144A Global Note Certificate may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note Certificate only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement in respect of the Notes) from the transferor to the effect that the transfer is being made in an offshore transaction in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Note Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note Certificate will, upon transfer, cease to be an interest in the relevant Regulation S Global Note Certificate and will become an interest in the relevant Rule 144A Global Note Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the relevant Rule 144A Global Note Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Note Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note Certificate will, upon transfer, cease to be an interest in the relevant Rule 144A Global Note Certificate and will become an interest in the relevant Regulation S Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the relevant Regulation S Global Note Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Note Certificates will not be entitled to receive physical delivery of Definitive Certificates. The Notes are not issuable in bearer form.

In addition, each Global Note Certificate will contain a provision that modifies the Conditions as they apply to the relevant Notes evidenced by such Global Note Certificate.

Exchange and Registration of Title

Owners of interests in the Notes in respect of which a Global Note Certificate is issued will only be entitled to have title to the relevant Notes registered in their names and to receive individual definitive Notes if the relevant Global Note Certificate is held by or on behalf of Euroclear or Clearstream, Luxembourg (or any other clearing system as shall have been designated by the Issuer and approved by the Trustee on behalf of which the relevant Notes evidenced by such Global Note Certificate may be held), and Euroclear or Clearstream, Luxembourg (or any other clearing system as shall have been designated by the Issuer and approved by the Trustee on behalf of which the relevant Notes evidenced by such Global Note Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the Issuer will cause sufficient individual definitive Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person with an interest in the relevant Notes in respect of which a Global Note Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Notes.

Legends

The holder of a Definitive Certificate may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Definitive Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Rule 144A Definitive Certificate, the Issuer will deliver only Rule 144A Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Book-entry Procedures for the Global Note Certificates

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg in relation to the Notes to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading.

See "—Book-entry Ownership—Settlement and Transfer of Notes".

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems, across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in the relevant Global Note Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Book-entry Ownership

Euroclear and Clearstream, Luxembourg

Each Global Note Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note evidenced by a Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of such Global Note Certificate and in relation to all other rights arising under the Global Note Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of the relevant Notes evidenced by a Global Note Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note Certificate as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Note Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the relevant Notes for so long as such Notes are evidenced by the relevant Global Note Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note Certificate in respect of each amount so paid. None of the Issuer, the Guarantors, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of Direct Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note Certificate held within a clearing system are exchanged for Definitive Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants by Direct Participants to Indirect Participants, and by Direct Participants or Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note Certificate to such persons may be limited.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Settlement of Pre-issue Trades

It is expected that delivery of the Notes will be made against payment therefor on the Issue Date, which will be more than two business days following the date of pricing. Under Rule 15c6-l under the Exchange Act, trades in the United States secondary market generally are required to settle within two business days ("**T+2**"), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding days until two business days prior to the Issue Date will be required, by virtue of the fact the Notes initially will settle beyond T+2, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the Issue Date should consult their own advisers.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Trust Deed and the Global Note Certificates contain provisions that apply to the Notes in respect of which the Global Note Certificates are issued, some of which modify the effect of the Terms and Conditions of the Notes set out in these Listing Particulars. Terms defined in the Terms and Conditions of the Notes have the same meaning in the paragraphs below. The following is a summary of those provisions:

Payments

Payments of principal and interest in respect of the Notes evidenced by the relevant Global Note Certificates will be made to the person who appears at the relevant time on the relevant register of Noteholders against presentation for endorsement by the Principal Paying Agent and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note Certificates to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Note Certificate, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes.

Notices

So long as the Global Note Certificates are held on behalf of Euroclear or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg (as the case may be) for communication by it to entitled accountholders in substitution for mailing as required by Condition 18.

Record Date

Each payment will be made to, or to the order of, the person whose name is entered on the Register in respect of the Notes at the close of business on the record date, which shall be on the Clearing System Business Day before the date for payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Note is being held is open for business.

Meetings

The holder of a Global Note Certificate relating to the Notes will be treated, in any meeting of holders of the Notes, as having one vote in respect of each €1,000 in principal amount of the Notes for which such Global Note Certificate is exchangeable.

Trustee's Powers

In considering the interests of the Noteholders while the relevant Global Note Certificate is held on behalf of a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note Certificate and consider such interests as if such accountholders were the holders of such Global Note Certificate.

Issuer's Option

So long as the Notes are evidenced by a Global Note Certificate and such Global Note Certificate is held by or on behalf of a clearing system, any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, the Conditions, except that the notice shall not be required to contain the serial numbers of the Notes drawn in the case of a partial exercise of an option, and accordingly no drawing of Notes shall be required. If any option of the Issuer is exercised in respect of some but not all of the Notes, the rights of accountholders with a clearing system in respect of such Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

Noteholder's Option

So long as the Notes are evidenced by a Global Note Certificate and such Global Note Certificate is held by or on behalf of a clearing system, any option of the Noteholders provided for in the Conditions may be exercised by the holder of the relevant Global Note Certificate giving notice to the Principal Paying Agent, within the time limits relating to the deposit of Notes with the Principal Paying Agent set out in the Conditions, substantially in the form of the notice available from the Principal Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of the Notes in respect of which the option is exercised and at the same time presenting the relevant Global Note Certificate to the Principal Paying Agent for notation.

Electronic Consent and Written Resolution

Where the terms of the resolution proposed by the Issuer, a Guarantor or the Trustee (as the case may be) have been notified to the holders of Notes through the relevant clearing systems, each of the Issuer, the Guarantors and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems to the Principal Paying Agent or another specified Agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the "**Required Proportion**") ("**Electronic Consent**"). Any resolution passed in such manner shall be binding on all holders of Notes even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantors or the Trustee shall be liable or responsible to anyone for such reliance.

Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the relevant Guarantor and/or the Trustee, as the case may be (a) by accountholders in the clearing system with entitlements to the relevant Global Note Certificate, and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear or Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all holders of Notes, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or printout of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

TAXATION

The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities and commodities) may be subject to special rules.

Prospective investors in the Notes are advised to consult their own tax advisers as to the tax consequences, under the tax laws of The Netherlands and Ukraine and each country of which they are residents, of a purchase of Notes including, without limitation, the consequences of receipt of interest and sale or redemption of the Notes or any interest therein.

Certain United States Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects of purchasing, owning and disposing of the Notes. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder (the "**Treasury Regulations**"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion is limited to consequences relevant to a U.S. holder (as defined below). This discussion does not address the impact of the U.S. federal Medicare tax on net investment income or the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities or arrangements (including non-U.S. branches) or investors in such entities or arrangements, persons liable for the alternative minimum tax, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at original issuance and at their "issue price" (the first price at which a substantial amount of the Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership for U.S. federal income tax purposes, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income, and state, local, non-U.S. or other tax laws.

Payments of Stated Interest

It is expected, and this discussion assumes, that the Notes will not be considered as issued with original issue discount ("OID") for U.S. federal income tax purposes. The Notes will be treated as issued with OID if the stated principal amount of such Note exceeds its issue price (as defined above) by an amount equal to or more than a statutorily defined de minimis amount (generally, 0.25% multiplied by the stated principal amount and the number of complete years to maturity from the issue date). If a Note is treated as issued with OID, a U.S. holder of such Note will be required to include the excess of the principal amount over the issue price of the Note in income as OID, as it accrues, in accordance with a constant yield method based on a compounding of interest before the receipt of cash payments attributable to this income, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

Payments of stated interest on a Note (including additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes.

A U.S. holder that uses the cash method of accounting for U.S. federal income tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate of exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A cash basis U.S. holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposal of the foreign currency received.

A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the foreign currency accrued for such year determined by translating such amount into U.S. dollars at the average spot rate of exchange in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual basis U.S. holder may make an election (which must be applied consistently to all debt instruments held by the electing U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. holder, and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate of exchange on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. holder of Notes that uses the accrual method of accounting for U.S. federal income tax purposes will recognize foreign currency gain or loss, on the date such interest is received, equal to the difference, if any, between the U.S. dollar value of such payment, determined at the spot rate of exchange on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S.-source and generally will not be treated as an adjustment to interest income or expense.

Foreign Tax Credit

Interest generally will be income from sources outside the United States and, depending on the U.S. holder's circumstances, will generally be "passive" category income for purposes of the rules regarding the foreign tax credit. If any non-U.S. income tax were withheld or paid in respect of payments on the Notes at the rate applicable to a U.S. holder, such holder may be eligible for foreign tax credits (or a deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations (including holding period and at risk requirements). The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits under their particular circumstances.

Sale, Exchange, Retirement or other Taxable Disposition of Notes

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. holder. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the spot rate of exchange in effect on that date. If the Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Note at the spot rate of exchange on the settlement date of the purchase.

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid stated interest, which will be taxable as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described above) and the U.S. holder's adjusted tax basis in the Note. The amount realized on the sale, exchange, retirement or other taxable disposition of a Note for an amount of foreign currency generally will be the U.S. dollar value of that amount based on the spot rate of exchange on the date of taxable disposition. If the Note is traded on an established securities market, a cash basis taxpayer (and, if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the amount realized on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual basis U.S. holder that does not make the special election will recognize exchange gain or loss to the extent that there are exchange rate fluctuations between the sale date and the settlement date, and such gain or loss generally will constitute ordinary income or loss.

Gain or loss recognized by a U.S. holder upon the sale, exchange, retirement or other taxable disposition of a Note that is attributable to changes in currency exchange rates will be ordinary income or loss and, with respect to the principal thereof, generally will be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date of the sale, exchange, retirement or other taxable disposition, and the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date the U.S. holder acquired the Note. The exchange gain or loss with respect to principal and with respect to accrued and unpaid stated interest will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder in excess of foreign currency gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note generally will be U.S. source capital gain or loss for U.S. foreign tax credit purposes and will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of the sale, exchange, retirement or other taxable disposition. If any such gain is subject to non-U.S. income tax, U.S. holders may not be able to credit such tax against their U.S. federal income tax liability, unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income treated as derived from non-U.S. sources. Alternatively, the U.S. holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes, provided that the U.S. holder does not elect to claim a foreign tax credit for any non-U.S. income taxes paid or accrued for the relevant taxable year. In the case of a U.S. holder that is a non-corporate taxpayer, net long-term capital gain may be eligible for preferential U.S. federal income tax rates compared to items of ordinary income if the U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Tax Return Disclosure Requirement

Treasury Regulations issued under the Code meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note (including in respect of interest) to the extent that any such sale, exchange, retirement or other taxable disposition or receipt of foreign currency results in a tax loss in excess of an applicable threshold amount. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Information Reporting and Backup Withholding

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder may be subject to backup withholding with respect to such payments or proceeds unless it provides a correct taxpayer identification number or certification of exempt status and, in the case of payments of interest, certifies that such holder is not subject to such withholding, and otherwise complies with applicable certification requirements. In general, a U.S. holder may comply with this requirement by providing the applicable withholding agent with a duly completed and executed copy of IRS Form W-9 (or substitute form).

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. holders who are individuals and who hold an interest in "specified foreign financial assets" (as defined in section 6038D of the Code) are required to report information relating to an interest in the Notes on an IRS Form 8938, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). If such U.S. holder does not file a required IRS Form 8938, such holder may be subject to substantial penalties and the statute of limitations on the assessment and collection of all of such holder's U.S. federal income taxes for the related tax year may not close before the date which is three years after the date on which such report is filed. Under certain circumstances, an entity may be treated as an individual for purposes of the foregoing rules. U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

The Netherlands

General

The following is a summary of certain material Netherlands tax consequences in connection with the acquisition, holding, settlement, redemption and disposal of the Notes. It does not purport to be a complete analysis of all Netherlands tax considerations that may be relevant to a decision to acquire, own or dispose of the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. In view of its general nature, it should be treated with corresponding caution. Holders should consult with their own tax advisers with regard to the tax consequences of investing in the Notes in their particular circumstances. This summary is based on the tax laws of the Netherlands, published case law, treaties, regulations and published policy, in each case as currently in force and as applied on the date of these Listing Particulars, which are subject to change, possibly with retroactive effect.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Ukraine

General

The following summary is included for general information only. Potential investors in the Notes and the Noteholders should consult their own tax adviser as to the tax consequences under the laws of Ukraine of the acquisition, ownership and disposition of the Notes. This summary is based upon the Ukrainian tax laws and regulations as in effect on the date of these Listing Particulars. Such laws and regulations are subject to change or varying interpretations, possibly with retroactive effect. As with other areas of Ukrainian legislation, tax law and practice in Ukraine is not as clearly established as that of more developed jurisdictions. It is possible, therefore, that the current interpretation of the law or understanding of the practice may change or that the law may be amended with retroactive effect. Accordingly, it is possible that payments to be made to the Noteholders could become subject to taxation or that rates currently in effect with respect to such payments could be increased in ways that cannot be anticipated as at the date of these Listing Particulars.

Tax residency and tax basis

Individuals

An individual is considered to be a tax resident of Ukraine if:

(a) It has a place of abode in Ukraine. Where an individual has a place of abode in another country as well, such individual is deemed to be a tax resident of Ukraine if it has a permanent place of abode (domicile) in Ukraine.

(b) If an individual has a domicile in another country as well, it is deemed to be a tax resident of Ukraine if it has a centre of vital interests in Ukraine. A sufficient, but not exclusive, ground for determining the country of an individual's centre of vital interest is the place of permanent abode of the individual's family members or the place of its registration as an individual entrepreneur.

(c) In the event that an individual's centre of vital interests cannot be determined or the individual has no domicile in any country, it is deemed to be a tax resident of Ukraine if it stays in Ukraine at least 183 days during the tax year (calendar year).

(d) If residency status cannot be determined based on the above rules, an individual shall be deemed to be a tax resident of Ukraine if it is a citizen of Ukraine.

An individual may also elect voluntarily that its main place of abode (and therefore tax residence) is in Ukraine. The law does not define the procedure for how this election should be made. However, based on procedures established by the tax authorities, a foreign national may apply in writing to the local tax office where it has a place of abode asking to be considered a tax resident of Ukraine. Registration of an individual as a self-employed person is considered sufficient grounds for such person to be deemed a tax resident of Ukraine.

Non-residents for tax purposes are individuals who do not qualify as tax residents of Ukraine.

Companies

Legal entities and business entities not having the status of a legal entity (branches, representative offices, etc.) set up and operating in accordance with Ukrainian legislation are considered to be tax residents of Ukraine.

Non-resident companies may be subject to tax in Ukraine if they derive Ukrainian-sourced income or have a permanent establishment in Ukraine.

A non-resident company is regarded as having a "permanent establishment" in Ukraine if it has a permanent place of business through which the business activity of the company in Ukraine is wholly or partly carried out. A permanent establishment includes, *inter alia,* a place of management, branch, office, plant, etc. Where a resident of Ukraine, other than an independent agent, is acting on behalf of only one non-resident company and has authority to conclude contracts on behalf of such non-resident company, such non-resident company shall be deemed to have a permanent establishment in Ukraine.

Tax basis

Ukrainian tax residents are taxed on their worldwide income. Non-Ukrainian tax residents are taxed on income derived from sources in Ukraine or from a business activity that is carried out through a permanent establishment in Ukraine.

Payments under the Surety Agreements

If the Guarantors make any payments in respect of interest on the Notes (or other amounts due in respect of the Notes), such payments (or a part thereof corresponding to the interest under the Notes) are likely to be viewed as a Ukrainian source income of the recipient of such payments (such as the Trustee or any Noteholder) and, therefore, may be subject to withholding tax at a rate of 15 per cent (if payments are made to a non-resident legal entity) or 19.5 per cent (if payments are made to a non-resident individual).

Ukrainian tax legislation does not specifically list payments made under the Surety Agreements as Ukrainian source income of the beneficiary of such payments. However, Article 141.4 of the Tax Code (the "**Tax Code**") contains a catch-all clause, which considers "any other income" of a foreign resident received from carrying out business in Ukraine as Ukrainian source income. It remains uncertain whether the “Ukrainian source income” concept should be applied to the whole amount of payments under the Surety Agreements or only to that amount which corresponds to the unpaid interest under the Notes. The latter interpretation seems to be fair but has not been confirmed by the Ukrainian tax authorities.

If any payments under the Surety Agreements are determined to be Ukrainian source income and, thereby, subject to withholding tax, the foreign recipient of such payments may, nevertheless, be exempt from, or enjoy a reduced rate of, withholding tax, provided the recipient of such income is (i) a tax resident of a jurisdiction which has a tax treaty with Ukraine, (ii) entitled to the benefits of such tax treaty, (iii) deemed not to carry on business in Ukraine through its permanent establishment and (iv) the beneficial owner of such income. In order to benefit from the tax treaty regime, confirmation of the current tax residency status of the foreign recipient must be available on or prior to the date of payment of Ukrainian source income.

Ukraine does not have an effective tax treaty with Hong Kong, which is the jurisdiction of the Trustee’s tax residency. Therefore, payments in respect of interest on the Notes (or other amounts due in respect of the Notes) made by the Guarantors to the Trustee under the Surety Agreements would be subject to Ukrainian withholding tax.

The Noteholders may benefit from a reduced withholding tax rate or exemption from withholding tax if there is an effective double tax treaty between their residence jurisdiction and Ukraine and all conditions for the application of such treaty relief are met. In particular, in order to benefit from the provision of such double tax treaty, a Noteholder must (a) qualify as the beneficial owner of the relevant payment and (b) provide the Guarantors with a tax residency certificate issued by the competent authorities of the state of their residency before the payment is made by the Guarantors under the Surety Agreements. If the relevant Noteholder fails to qualify as the beneficial owner of the relevant payment or to provide the Guarantors with the applicable residency certificate, no benefits of the double tax treaty will be available in the course of the payment and payment to such Noteholder may be subject to withholding tax in Ukraine.

On 23 July 2018, Ukraine signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“**MLI**”). On 28 February 2019, Parliament ratified the MLI. The MLI will come into force in Ukraine on 1 December 2019. MLI has introduced a principal purpose test for enjoying tax treaty benefits to all double tax treaties of Ukraine. The provisions of MLI will apply if double tax treaty has status of Covered Tax Agreement according to the MLI (i.e. Ukraine and respective jurisdictions reciprocally chose double tax treaty between them as covered by MLI). The MLI entitles the tax authorities to deny these benefits if one of the main purposes of establishing the structure is obtaining tax treaty benefits. Therefore, if the relevant Noteholder arranges its investment in the Notes in a manner that is mainly aimed to obtain benefits of a tax treaty, no benefits of the double tax treaty will be available in the course of the payment and payment to such Noteholder may be subject to withholding tax in Ukraine.

Gross-up provisions

If any payments (including payments of premium and interest) under the Surety Agreements are subject to any withholding tax, the Guarantors may, in certain circumstances specified in the Surety Agreements and subject to certain exceptions, become obliged to pay such additional amounts as may be necessary so that the net payments received by the Noteholders or the Trustee, as the case may be, will not be less than the amount the Noteholders or the Trustee, as the case may be, would have received in the absence of such withholding. Notwithstanding the foregoing, the Ukrainian tax laws prohibit contractual provisions under which residents undertake to pay taxes for non-residents on their income received from sources in Ukraine. In May 2012, the State Tax Service of Ukraine issued a letter expressing the view that clauses in agreements between Ukrainian residents and their foreign counterparties providing for the payment of an amount compensating a foreign counterparty for the withholding of tax in Ukraine contradict certain provisions of Ukrainian legislation that prohibit a Ukrainian resident from assuming a foreign counterparty’s tax payment obligation. If interpreted broadly, such restriction would also apply to gross-up provisions of the Surety Agreements and obligations of the Ukrainians Guarantors to pay additional amounts thereunder. As a result, the gross-up provisions could be found null and void and, therefore, unenforceable in Ukraine.

Taxation of interest under the Notes paid by the Issuer

Non-residents

Interest received by individuals and companies who are not tax residents of Ukraine and do not have a permanent establishment in Ukraine (in the case of companies) is not subject to taxes in Ukraine, provided that such interest income is derived from sources outside of Ukraine.

Resident individuals

Interest income derived from the Notes, which is received by individuals who are tax residents of Ukraine, is subject to 18 per cent personal income tax and 1.5 per cent military duty in Ukraine.

Resident companies/permanent establishments

Any interest income received by resident companies or permanent establishments of non-resident companies is subject to 18 per cent corporate profit tax.

Transfers of the Notes by non-Ukrainian investors to Ukrainian investors

Ukrainian-sourced capital gains derived from trading securities are generally subject to Ukrainian withholding tax at 15 per cent in the case of non-resident companies and personal income tax at the rate of 18 per cent and military duty at the rate of 1.5 per cent, in the case of non-resident individuals.

Non-resident Noteholders are, therefore, likely to be subject to Ukrainian taxes on any capital gain on the disposal of the Notes where the proceeds of such disposal are received from a source within Ukraine that is when Ukrainian investors (residents of Ukraine or permanent establishments of non-residents in Ukraine) pay for the Notes from Ukraine. Non-resident Noteholders may be exempt from Ukrainian taxes on their capital gains from the sale of the Notes under an applicable tax treaty, provided that they comply with specific requirements set forth therein and the Tax Code.

Other Taxes and Duties

No Ukrainian stamp duty, transfer or any other similar tax will be payable by a Noteholder in respect of the subscription, issue, delivery or transfer of the Notes.

TRANSFER RESTRICTIONS

Rule 144A Notes

Each purchaser of Rule 144A Notes within the United States, by accepting delivery of these Listing Particulars, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "**QIB**"), (b) acquiring such Securities for its own account, or for the account of another QIB, and (c) aware, and each beneficial owner of such Securities has been advised, that the sale of such Securities to it is being made in reliance on Rule 144A.

(2) It understands that such Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Securities, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend (the "**Rule 144A Legend**") to the following effect:

"THIS NOTE AND THE GUARANTEES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("**THE SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THIS NOTE".

(4) It understands that the Issuer, the Guarantors, the Registrar, the Joint Lead Managers and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Securities for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(5) It understands that the Securities offered in reliance on Rule 144A will be represented by the relevant Rule 144A Global Note Certificate. Before any interest in the Rule 144A Global Note Certificates may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the relevant Regulation S Global Note Certificate it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement in respect of the relevant Securities) as to compliance with applicable securities laws.

(6) Either: (i) it is not and for so long as it holds such Securities will not be (and is not acquiring the Securities directly or indirectly with the assets of a person who is or while the Securities are held will be) an employee benefit plan (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, a plan as defined in and subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or any entity whose underlying assets include "plan assets" (within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) by reason of such an employee benefit plan's and/or plan's investment in such entity (each, a "**Benefit Plan Investor**"), or a

governmental, church or non-U.S. plan which is subject to any U.S. federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Laws**") and no part of the assets used by it to purchase or hold such Securities or a beneficial interest therein constitutes the assets of any such Benefit Plan Investor or any such governmental, church or non-US plan, or (ii) its acquisition, holding and disposition of the Securities (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental, church or non-US plan, any Similar Law).

Prospective investors are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Regulation S Notes outside the United States and each subsequent purchaser of such Regulation S Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of these Listing Particulars and Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time the Securities are purchased will be, the beneficial owner of such Securities and (a) it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Securities have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Securities except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB, or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that the Issuer, the Guarantors, the Registrar, the Joint Lead Managers and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(4) It understands that the Securities offered in reliance on Regulation S will be represented by the relevant Regulation S Global Note Certificate.

(5) Either: (i) it is not and for so long as it holds such Securities will not be (and is not acquiring the Securities directly or indirectly with the assets of a person who is or while the Securities are held will be) a Benefit Plan Investor or a governmental, church or non-US plan which is subject to Similar Law, and no part of the assets used by it to purchase or hold such Securities or a beneficial interest therein constitutes the assets of any such Benefit Plan Investor or any such governmental, church or non-US plan, or (ii) its acquisition, holding and disposition of the Securities (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental, church or non-US plan, any Similar Law). Additionally, if it is a Benefit Plan Investor, on each day from the date on which it acquires such Securities or interests therein through and including the date on which it disposes of such Securities or interests therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that (a) the fiduciary making the decision to invest in such Securities on its behalf (the "**Independent Fiduciary**") is a bank, insurance carrier, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3- 21(c)(1)(i); (b) the Independent Fiduciary is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) the Independent Fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) the Independent Fiduciary is responsible for exercising independent judgment in evaluating the acquisition, holding and disposition of such Securities; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Guarantors, the Registrar or the Joint Lead Managers for investment advice (as opposed to other services) in connection with its acquisition or holding of such Securities. In addition, the Independent Fiduciary (x) has been informed that none of the Issuer, the Guarantors, the Registrar, the Joint Lead Managers, or other persons that provide marketing services, nor any of their affiliates, has provided, and none of them will provide, impartial investment advice and they

are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of such Securities and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the Listing Particulars and related materials.

SUBSCRIPTION AND SALE

Raiffeisen Bank International AG and Renaissance Securities (Cyprus) Limited acting as joint lead managers (the "**Joint Lead Managers**"), have, pursuant to a subscription agreement dated 8 November 2019 (the "**Subscription Agreement**"), severally and not jointly agreed with the Issuer and the Company, subject to the satisfaction of certain conditions, to subscribe for Notes at the purchase price of 99.005 per cent of their principal amount. PUBLIC JOINT STOCK COMPANY JOINT STOCK BANK "UKRGASBANK" ("**Ukrgrasbank**") is acting as Co-Lead Manager (together with the Joint Lead Managers, the "**Managers**"). Ukrgrasbank is not however a party to the Subscription Agreement and will not be subscribing for, nor offering, any Notes in connection with the Offering.

The Issuer (failing whom the Company) has agreed to pay the Joint Lead Managers a customary fee and will reimburse the Joint Lead Managers for certain expenses related to the Offering. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Guarantors (other than the Company) have each entered into separate agreements with the Joint Lead Managers affording them with customary protections in the context of the issue and offering of the Notes.

The Joint Lead Managers will make offers and sales into the United States through their U.S. registered broker dealer affiliates.

The Joint Lead Managers have advised the Issuer that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Joint Lead Managers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Joint Lead Managers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

The Notes will initially be offered at the prices specified above. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Joint Lead Managers without notice.

The Joint Lead Managers or their respective affiliates have provided in the past and may provide in the future investment banking, commercial lending, consulting and financial advisory services to Company and its affiliates (including its shareholders) in the ordinary course of business for which the Joint Lead Managers may receive customary advisory and transaction fees and expense reimbursement.

The Joint Lead Managers or their respective affiliates may enter into derivative and/or structured transactions with their customers in connection with the Notes and the Joint Lead Managers or their respective affiliates may also purchase some of the Notes to hedge their risk exposure in connection with such transactions. Also, the Joint Lead Managers or their respective affiliates may acquire for their own account the Notes offered hereby. Such acquisitions may have an effect on the demand and the price of the Notes. In connection with the offering, the Joint Lead Managers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Joint Lead Managers of a greater principal amount of Notes than they are required to purchase in the offering. The Joint Lead Managers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Joint Lead Managers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Similar to other purchase transactions, the Joint Lead Managers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes.

As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. Neither the Group nor any of the Joint Lead Managers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither the Group nor any of the Joint Lead Managers make any representation that we will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Selling Restrictions

United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act, and may not be offered or sold within the United except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Securities constituting part of its allotment within the United States. Terms used in this paragraph have the meanings given to them by Regulation S.

The Securities are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. The Subscription Agreement provides that the Joint Lead Managers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Securities within the United States only to qualified institutional buyers in reliance on Rule 144A.

United Kingdom

Each of the Joint Lead Managers has represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Ukraine

Each of the Joint Lead Managers has represented, warranted and agreed that the Notes shall not be offered by it for circulation, distribution, placement, sale, purchase or other transfer in the territory of Ukraine.

Accordingly, nothing in these Listing Particulars or any other documents, information or communications related to the Notes shall be interpreted as containing any offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale, purchase or other transfer in the territory of Ukraine.

General

No action has been or will be taken in any jurisdiction by any Joint Lead Manager, the Issuer, Company or the Guarantors that would permit a public offering of the Notes and the Guarantees, or possession, circulation or distribution of these Listing Particulars (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes these Listing Particulars (in preliminary, proof or final form) or any such other material, in all cases at its own expense. No Joint Lead Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in these Listing Particulars (in final form) or any amendment or supplement to it.

INDEPENDENT AUDITORS

The Annual Financial Statements presented in these Listing Particulars have been prepared in accordance with IFRS as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. The Interim Financial Statements presented in these Listing Particulars have been prepared in accordance with IAS 34 Interim Financial Reporting. The Issuer's financial results are not included in the consolidated financial information of the Group set out in, or incorporated by reference in, these Listing Particulars as the Issuer has only become a part of the Group on 1 October 2019, following the transfer by DTEK ENERGY B.V. of 100 per cent of the share capital of the Issuer to the Company. Going forward, the Issuer's financial results will be included in the consolidated financial statements of the Group. The Financial Statements contain information on consolidated subsidiaries of the Group, including all of the Guarantors. The Annual Financial Statements were audited and the Interim Financial Statements were reviewed by the Company's independent auditors, PricewaterhouseCoopers Accountants N.V. ("**PwC**") located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, the Netherlands. The partners of PwC who signed the auditor's reports were/are members of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

INDEPENDENT CONSULTANT

The Independent Consultant's Report titled "Review of DTEK RENEWABLES B.V. Financial Forecasts" included as Appendix A to these Listing Particulars has been prepared by Thorndike Landing, LLC, located at 440 West Davis Boulevard, Tampa, Florida 33606 United States, and is included herein in reliance upon the authority of such firm as a leading consulting and advisory firm experienced in the energy sector in Ukraine. The Independent Consultant's Reports is included in the Listing Particulars, in the form and context in which it is included, at the request of the Issuer and with the consent of the Independent Consultant. The Independent Consultant's Report should be read in its entirety by all prospective investors for the information contained therein with respect to the projects and the related matters discussed therein. See "*Risk Factors—Risks Relating the Projections of the Group—Projections and their underlying assumptions may prove to be inaccurate*".

LISTING AND GENERAL INFORMATION

(1) The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* or B.V.) under the laws of The Netherlands on 8 April 2010 for an unlimited duration. The Issuer is registered with the Dutch Trade Register of the Chamber of Commerce under number 34389118. The registered office of the Issuer is at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX, Amsterdam, the Netherlands, its corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its telephone number is +31 (0)20 723 25 75. The Issuer has been established as a private company with limited liability for the purpose of, among others, lending and raising funds as well as performing all that is connected to the above or which could be conductive thereto, in the broadest sense of the words. The address of the Issuer's Management Board and senior management is Lva Tolstogo Str., 57, Kyiv, 01032, Ukraine.

(2) Application has been made for these Listing Particulars to be approved by Euronext Dublin as Listing Particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II.

(3) The admission of the Notes to the Global Exchange Market of Euronext Dublin is expected to be granted on the Dublin business day following the Issue Date.

(4) The Issuer will maintain a listing agent in Ireland for as long as any of the Notes are listed on Euronext Dublin. The Issuer reserves the right to vary such appointment and it will provide notice of such change of appointment to holders of the relevant Notes and Euronext Dublin.

(5) The Irish Listing Agent is Arthur Cox Listing Services Limited and the address of its registered office is Ten Earlsfort Terrace, Dublin 2, Ireland.

(6) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issuance of the Notes, and the issue of the Notes was authorised by resolutions of the Management Board, Supervisory Board and the general meeting of shareholders of the Issuer, respectively passed on 5 November 2019. Each of the Company and the Guarantors has obtained all necessary consents, approvals and authorisations in connection with the giving of the relevant Guarantee and the entry into the relevant Surety Agreements, which, in respect of the Company, was authorised by resolutions of the general meetings of shareholders and the supervisory board meetings of the Company passed on 5 November 2019, and, in respect of the Orlovsk Guarantor and the Pokrovsk Guarantor, was authorised by a resolution of the General Meeting of the Participants of the Orlovsk Guarantor and the decision of the Sole Participant of the Pokrovsk Guarantor on 3 October 2019.

(7) There has been no significant change in the financial or trading position of the Issuer, the Company or the Guarantors since 30 June 2019 and no material adverse change in the prospects of the Issuer, the Company or the Guarantors since 31 December 2018.

(8) Other than as disclosed in "*Business – Legal Proceedings*" and "*Risk Factors – Risks relating to the Group's Business – The Group may become involved in costly and time-consuming litigation and other regulatory proceedings, which require significant attention from the Group's management*", none of the Issuer or the Guarantors has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer, the Guarantors or any member of the Group is aware) during the 12 months preceding the date of these Listing Particulars which may have or has had in the recent past a significant effect on the financial position or profitability of the Issuer or the Guarantors.

(9) The Regulation S Global Note Certificate in relation to the Notes and the Rule 144A Global Note Certificate in respect of the Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following reference numbers:

	ISIN	**Common Code**
Regulation S Global Note Certificate	XS2069980246	206998024
Rule 144A Global Note Certificate	XS2070013250	207001325

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy L-1855 Luxembourg.

(10) For so long as the Notes are listed on the Official List and admitted to trading on the Global Exchange Market, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for physical inspection at the office of the Principal Paying Agent:

(a) the Trust Deed in respect of the Notes (containing the Guarantee by the Company);

(b) the Surety Agreements in respect of the Notes;

(c) the Agency Agreement in respect of the Notes;

(d) the Articles of Association of the Issuer and each of the Guarantors;

(e) a copy of these Listing Particulars (and any amendment or supplement hereto); and

(f) the Financial Statements.

(11) Except as described in "*Description of Indebtedness*" and "*Subscription and Sale*", there is no other material contract, other than entered into in the ordinary course of business, to which the Issuer or the Company is a party, for the three years immediately preceding publication of these Listing Particulars, or any other contracts, other than contracts entered into in the ordinary course of business, entered into by the Issuer which contain any provisions under which the Issuer has any obligation or entitlement material to it at the date of these Listing Particulars.

(12) The Financial Statements presented in these Listing Particulars have been prepared in accordance with IFRS as adopted by the European Union and contain information on consolidated subsidiaries of the Group, including all of the Guarantors. The Financial Statements have been prepared by the Company. The Annual Financial Statements were audited and the Interim Financial Statements were reviewed by independent auditors, PricewaterhouseCoopers Accountants N.V. located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, the Netherlands. The partners of PwC who signed the auditor's reports and review report were/are members of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). In their respective independent auditor's reports, PwC have expressed unqualified opinions on the Annual Financial Statements.

(13) The Issuer's financial results are not included in the consolidated financial information of the Group set out in, or incorporated by reference in, these Listing Particulars as the Issuer has only become a part of the Group on 1 October 2019, following the transfer by DTEK ENERGY B.V. of 100 per cent of the share capital of the Issuer to the Company. Going forward, the Issuer's financial results will be included in the consolidated financial statements of the Group.

DEFINITIONS

"**Agency on Corruption Prevention**" means the National Agency on Corruption Prevention.

"**Anti-Corruption Bureau**" means the National Anti-Corruption Bureau of Ukraine.

"**Auctions law**" means the Law "On Amendments to Certain Laws of Ukraine on Competitive Conditions of Electricity Production from Renewable Energy Sources" No. 2712-VIII effective on 22 May 2019.

"**CCU**" means the Constitutional Court of Ukraine.

"**constructed**" means the Group's projects that have been built, have completed electrical testing, have been licenced to generate electricity and that can sell electricity at full capacity under the FiT regime, as well as Primorsk II, for which (i) all 26 turbines have been installed; (ii) 24 out of 26 turbines are generating electricity under the FiT regime and have received a FiT; and (iii) the 2 turbines not yet generating under the FiT regime are expected to be generating electricity under the FiT regime in early November 2019.

"**CMU**" means the Cabinet of Ministers of Ukraine.

"**Company**" means DTEK RENEWABLES B.V.

"**development**" refers to the Group's projects which have been initiated but which still require additional work with regard to project design, acquiring permits and physical construction.

"**DSO**" means the distribution system operator.

"**DTEK B.V. Group**" means DTEK B.V. and its subsidiaries.

"**ECA**" means export credit agencies.

"**Electricity Market Law**" means the Law of Ukraine "On Electricity Market" No. 2019-VIII dated 13 April 2017.

"**Energorynok**" means the State Enterprise "Energorynok".

"**EPC**" means the engineering, procurement and construction.

"**Energy Community Treaty**" means the Treaty establishing the Energy Community.

"**EUR**" or "**Euro**" means the lawful currency of Eurozone.

"**FTE**" means full time employees.

"**Group**" means DTEK RENEWABLES B.V. and its subsidiaries.

"**Guarantors**" means the Company, ORLOVKA WEP LLC or the Orlovsk Guarantor and Solar Farm 3 LLC or the Pokrovsk Guarantor.

"**Guaranteed Buyer**" means the State Company "Guaranteed Buyer" established by the Resolution of the CMU dated 17 April 2019 No. 324.

"**IMF**" means the International Monetary Fund.

"**in operation**" means the Group's projects that have been built, have completed electrical testing, have been licenced to generate electricity and that can sell electricity at full capacity under the FiT regime, as well as Primorsk II, for which (i) all 26 turbines have been installed; (ii) 24 out of 26 turbines are generating electricity under the FiT regime and have received a FiT; and (iii) the 2 turbines not yet generating under the FiT regime are expected to be generating electricity under the FiT regime in early November 2019.

"**Issuer**" means DTEK RENEWABLES FINANCE B.V.

"**Imbalance**" means an imbalance resulting from any deviation from the amount of the electricity expected to be produced by a renewable energy project as indicated in the hourly schedules submitted by renewable energy producers to the Guaranteed Buyer.

"**Imbalances Settlement Cost**" means settlement costs incurred by the Guaranteed Buyer as a result of any Imbalance and reimbursed by renewable energy producers.

"**Management Board**" means the management board of the Company.

"**Model PPA**" means the model PPA between a RES Producer and the Guaranteed Buyer adopted by NEURC on 26 April 2019.

"**NATO**" means the North Atlantic Treaty Organisation

"**NEURC**" or "**Regulator**" means the National Energy and Utilities Regulatory Commission

"**OEM**" means original equipment manufacturers.

"**O&M**" means operation and maintenance.

"**Parliament**" means the Parliament of Ukraine (the Verkhovna Rada of Ukraine).

"**PPA**" means power purchase agreements.

"**pre-PPA**" means preliminary power purchase agreements.

"**RES**" means renewable energy sources.

"**RES Producer**" means renewable energy producers.

"**SCM**" means System Capital Management.

"**SCM Group**" means System Capital Management and its subsidiaries.

"**Supervisory Board**" means the supervisory board of the Company.

"**TSO**" means a transmission system operator.

"**UAH**" or "**Ukrainian Hryvnia**" means the lawful currency of Ukraine.

"**Ukrenergo**" means the Private Joint Stock Company "National Power Company "Ukrenergo".

"**VAT**" means the Value Added Tax.

All references to "**U.S.**" and "**United States**" are to the United States of America, all references to the "**UK**" and "**United Kingdom**" are to the United Kingdom of Great Britain and Northern Ireland and all references to the "**EU**" are to the European Union and its member states as of the date of these Listing Particulars. All references to the "**CIS**" are to the following countries that formerly comprised part of the Union of Soviet Socialist Republics and that are now members of the Commonwealth of Independent States: Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

GLOSSARY OF TECHNICAL TERMS

Availability factor	means, with respect to Botievo and the Group's solar projects, the percentage of the time from the total time in a calendar year that a power plant is available to provide energy to the grid means, with respect to the Group's wind projects (other than Botievo), the energy actually generated expressed as percentage from the total potential energy which the power plant could have generated if there were no downtime attributable to the turbine itself or the turbine service provider
AC	means the alternating current
Average availability factor	means the sum of the availability factor per each constructed project divided by the number of such constructed projects weighted by the capacity of each project
Average net capacity factor	means the sum of the net capacity factor per each constructed project divided by the number of such constructed projects weighted by the capacity of each project
DC	means the direct current
DSO	means the distribution system operator
FiT	means the feed-in tariff
GW	means gigawatt
GWh	means gigawatt-hour, an hour during which one GW of electrical power has been continuously produced
kV	means kilovolt
KWh	means kilowatt-hour
MW	means megawatt
Net Capacity Factor	means the ratio of a power plant's actual output over a period of time, to its potential output if it were possible for it to operate at full capacity
Solar irradiation	the amount of electromagnetic radiation received from the sun per horizontal surface of unit area per year
TWh	means terawatt-hour
Wh	means watt-hour

INDEX TO FINANCIAL STATEMENTS

DTEK Renewables B.V.

Review Report

30 June 2019

pwc

Review report

To: the general meeting and supervisory board of DTEK Renewables B.V.

Introduction

We have reviewed the accompanying unaudited condensed consolidated interim financial statements for the six-month period ended 30 June 2019 of DTEK Renewables B.V., Amsterdam, which comprises the unaudited condensed consolidated interim balance sheet as at 30 June 2019, the unaudited condensed consolidated interim income statement, the unaudited condensed consolidated interim statement of comprehensive income, the unaudited condensed consolidated interim statement of changes in equity, the unaudited condensed consolidated interim statement of cash flows for the period then ended and the notes to the unaudited condensed consolidated interim financial statements. The management board is responsible for the preparation and presentation of these unaudited condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these unaudited condensed consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed consolidated interim financial statements for the six-month period ended 30 June 2019 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 26 September 2019
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

53UDAMWJA5T7-154241481-29

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DTEK Renewables B.V.

Unaudited Condensed Consolidated Interim Financial Statements

30 June 2019

DTEK Renewables B.V.
Unaudited Condensed Consolidated Interim Balance Sheet

In thousands of Ukrainian Hryvnia	Note	30 June 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	7	22,942,696	15,582,664
Intangible assets	1	170,869	10,899
Financial investments	8	766,826	628,941
Deferred income tax asset		10,438	17,027
Total non-current assets		**23,890,829**	**16,239,531**
Current assets			
Inventories		10,812	4,343
Loans receivable	9	5,034,465	5,459,317
Trade and other receivables	10	1,393,743	1,747,176
Cash and cash equivalents	11	1,301,011	1,157,687
Total current assets		**7,740,031**	**8,368,523**
TOTAL ASSETS		**31,630,860**	**24,608,054**
EQUITY			
Share capital		11	11
Share premium	14	12,092,746	9,089,588
Other reserves	3	-	(433,612)
Revaluation reserve		2,618,726	2,713,086
Retained earnings / (accumulated losses)		1,079,784	(46,894)
TOTAL EQUITY		**15,791,267**	**11,322,179**
LIABILITIES			
Non-current liabilities			
Borrowings	12	8,985,187	8,995,962
Other payables	13	116,755	-
Deferred income tax liabilities		498,367	379,325
Total non-current liabilities		**9,600,309**	**9,375,287**
Current liabilities			
Borrowings	12	5,069,716	3,038,758
Trade and other payables	13	651,286	470,465
Dividends payable	14	219,626	232,381
Income tax payables		292,446	164,728
Liabilities to non-controlling participants in subsidiaries		6,210	4,256
Total current liabilities		**6,239,284**	**3,910,588**
TOTAL LIABILITIES		**15,839,593**	**13,285,875**
TOTAL LIABILITIES AND EQUITY		**31,630,860**	**24,608,054**

Signed by entire Management Board,

26 September 2019

Mr. Maksym Timchenko, Director

SCM MANAGEMENT B.V., Director

N. Muktan

N. Muktan

By: N. Muktan as attorney in fact
on behalf of E.D. den Aantrekker

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements.

In thousands of Ukrainian Hryvnia	Note	Six months ended 30 June 2019	2018
Revenue	15	2,072,222	1,249,951
Cost of sales	16	(533,403)	(366,683)
Gross profit		**1,538,819**	**883,268**
Other operating income		1,058	3,356
General and administrative expenses	17	(151,297)	(75,152)
Other operating expenses		(38,696)	(15,783)
Net foreign exchange (loss) / gain on operating activities		(46,392)	9,695
Operating profit		**1,303,492**	**805,384**
Foreign exchange gains less losses / (losses less gains) on financing and investing activities		281,599	(294,800)
Finance income	18	212,124	285,137
Finance costs	18	(125,787)	(494,062)
Net reverse of impairment losses on financial assets	9	117,824	50,205
Profit before income tax		**1,789,252**	**351,864**
Income tax expense		(322,578)	(198,099)
Profit for the period		**1,466,674**	**153,765**
Profit is attributable to:			
Equity holders of the parent		1,465,930	152,864
Non-controlling interest		744	901

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

In thousands of Ukrainian Hryvnia	Six months ended 30 June 2019	2018
Profit for the period	1,466,674	153,765
Total comprehensive income for the period	**1,466,674**	**153,765**
Total comprehensive income attributable to:		
Equity holders of the Company	1,465,930	152,864
Non-controlling interest	744	901

In thousands of Ukrainian Hryvnia	Share capital	Share premium	Revaluation reserve	Other reserve	Retained earnings / (accumulated losses)	Total equity
Balance at 1 January 2019	**11**	**9,089,588**	**2,713,086**	**(433,612)**	**(46,894)**	**11,322,179**
Profit for the period	-	-	-	-	1,465,930	1,465,930
Total comprehensive income	**-**	**-**	**-**	**-**	**1,465,930**	**1,465,930**
Utilisation of merge reserve	-	-	-	433,612	(433,612)	-
Utilization of revaluation reserve, net of tax	-	-	(94,360)	-	94,360	-
Share premium contribution (Note 14)	-	3,003,158	-	-	-	3,003,158
Balance at 30 June 2019	**11**	**12,092,746**	**2,618,726**	**-**	**1,079,784**	**15,791,267**

In thousands of Ukrainian Hryvnia	Share capital	Share premium	Revaluation reserve	Other reserve	(Accumulated losses)	Total
Balance at 1 January 2018	**11**	**8,478,228**	**2,927,103**	**(433,612)**	**(1,267,639)**	**9,704,091**
Profit for the period	-	-	-	-	152,864	152,864
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**152,864**	**152,864**
Utilization of revaluation reserve	-	-	(95,393)	-	95,393	-
Share premium contribution (Note 14)	-	611,360	-	-	-	611,360
Dividends distribution	-	-	-	-	(270,718)	(270,718)
Balance at 30 June 2018	**11**	**9,089,588**	**2,831,710**	**(433,612)**	**(1,290,100)**	**10,197,597**

In thousands of Ukrainian Hryvnia	**Note**	**Six months ended 30 June 2019**	**2018**
Cash flows from operating activities			
Profit before income tax		**1,789,252**	**351,864**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets		380,246	204,245
Allowance for inventory		1,227	-
Foreign exchange (gains less losses) / losses less gains on financing and investing activities		(281,599)	294,800
Reverse of impairment loss on financial assets	9	(117,824)	(50,205)
Finance (income) / costs, net	18	(86,337)	208,925
Operating cash flows before working capital changes		**1,684,965**	**1,009,629**
Trade and other receivables		353,433	(79,767)
Inventories		(7,696)	1,118
Trade and other payables		27,389	28,588
Cash generated from operations		**2,058,091**	**959,568**
Interest paid	12	(241,214)	(209,372)
Interest received		36,238	170,707
Income tax paid		(77,948)	(1,073)
Debt attraction fees paid	12	(346,728)	-
Net cash generated from operating activities		**1,428,439**	**919,830**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(6,397,890)	(1,613,827)
Placement of restricted cash		(184,674)	-
Loan provided to related party		(490,000)	(1,628,966)
Repayment of loans provided to related parties		876,374	1,200,014
Net cash used in investing activities		**(6,196,190)**	**(2,042,779)**
Cash flows from financing activities			
Proceeds from borrowings	12	2,288,115	1,651,365
Repayment of borrowings	12	(385,439)	(407,600)
Dividend paid	14	-	(44,669)
Contribution of capital to a subsidiary from non-controlling participants		1,210	-
Increase of share premium	14	3,003,158	611,360
Net cash generated in financing activities		**4,907,044**	**1,810,456**
Net increase in cash and cash equivalents		**139,293**	**687,507**
Cash and cash equivalents at the beginning of the period	**11**	**1,157,687**	**710,930**
Exchange gain / (loss) on cash and cash equivalents		4,031	(3,589)
Cash and cash equivalents at the end of the period	**11**	**1,301,011**	**1,394,848**

Investing and financing transactions that did not require the use of cash and cash equivalents and were excluded from the cash flow statement are as follows:

In thousands of Ukrainian Hryvnia		**Six months ended 30 June 2019**	**2018**
Acquisition of property, plant and equipment	7	(1,006,122)	(2,032,772)
Recognition of bank borrowings	12	211,444	-
Recognition of non-bank borrowings	12	794,678	2,032,772

1 The Organisation and its Operations

DTEK Renewables B.V. ("the Company") is a private limited liability company incorporated on 9 September 2013, under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands. The Company is controlled by DTEK B.V., which is the holding company of a vertically integrated power generating and distribution and gas production business of Joint Stock Company "System Capital Management Limited" ("SCM"). SCM and DTEK Renewables B.V. are ultimately controlled by Mr. Rinat Akhmetov who has a number of other business interests outside of the Company. Related party transactions are detailed in Note 6.

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind and solar power plants in Ukraine.

Acquisition of a group of assets

On 1 April 2019 the Group acquired 100% of share capital of Tiligul WEP LLC. This transaction was accounted for as an acquisition of the group of assets that does not constitute a business. Tiligul WEP LLC was established for development, construction, commissioning and operation of 500 MW wind farm located on the border of Mykolaiv and Odessa regions on the Tiligul coastline in Ukraine. At the date of purchase, the target possessed relevant land lease rights, has performed a wind monitoring survey and has obtained a right to connect to grid. After acquisition the Group started development of Tiligul Wind Electric Plant with a planned capacity 500 MW.

Upon acquisition the Group recognised an intangible asset, which refers to the Group's right to commence construction of the wind plant at capacity of 500 MW on the specified territory. The intangible asset will be amortised on a straight-line basis under the useful life of the wind turbines upon commencement of electricity generation, which is planned to start in stages by 31 December 2021 and 31 December 2022 respectively.

The acquisition-date fair value of the total purchase consideration shall be paid in stages, where the first stages are to be paid upon amendment of the Agreement with State Enterprise "National Energy Company "Ukrenergo" and signing of number of other technical documentation and is expected to be paid before 31 December 2019 (recognised as a part of Trade and other payables as at 30 June 2019). The remaining amount shall be paid in instalments upon commencement of the power plant operations, which is planned to be in two stages by 31 December 2021 and 31 December 2022 respectively. The remaining part of the consideration was recognized as Non-current Other payables and measured at amortized cost as at 30 June 2019 (Note 13).

At the reporting date, the principal subsidiaries are as follows:

Name	% interest held as at 30 June 2019	% interest held as at 31 December 2018	Country of incorporation
Primorskaya WEP B.V.	100.00	100.00	The Netherlands
Wind Power LLC	99.90	99.90	Ukraine
Wind Tech LLC	100.00	100.00	Ukraine
Primorskaya WEP LLC	100.00	100.00	Ukraine
Primorskaya WEP – 2 LLC	100.00	100.00	Ukraine
Tryfanovka Energy LLC	100.00	100.00	Ukraine
Orlovskaya WEP LLC	87.00	100.00	Ukraine
Solar Farm – 1 LLC	100.00	100.00	Ukraine
Solar Farm – 2 LLC	100.00	100.00	Ukraine
Solar Farm – 3 LLC	100.00	100.00	Ukraine
Solar Farm – 4 LLC	100.00	100.00	Ukraine
Solar Farm – 5 LLC	100.00	100.00	Ukraine
Solar Farm – 6 LLC	100.00	100.00	Ukraine
Solar Farm – 7 LLC	100.00	100.00	Ukraine
Solar Farm – 8 LLC	100.00	100.00	Ukraine
Solar Farm – 9 LLC	100.00	100.00	Ukraine
DTEK Tiligul WEP LLC (previously named Solar Farm – 10 LLC)	100.00	100.00	Ukraine
DTEK RES LLC	99.90	99.90	Ukraine
Solar Farm – 11 LLC	100.00	100.00	Ukraine
DTEK Tiligul WEP – 2 LLC (previously named Solar Farm – 12 LLC)	100.00	100.00	Ukraine
Solar Farm – 13 LLC	100.00	100.00	Ukraine
Solar Farm – 14 LLC	100.00	100.00	Ukraine
Solar Farm – 15 LLC	100.00	100.00	Ukraine
Tiligul WEP LLC	100.00	-	Ukraine

The Group is registered at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX Amsterdam, the Netherlands. The principal place of business of its operating subsidiaries is 57 Lva Tolstogo str, 01032 Kyiv Ukraine.

2 Operating Environment of the Group

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in 2016-2019, though to a much lesser extent as compared to 2014 and 2015.

The inflation rate in Ukraine stood at 3.6% for the first half of 2019 (as compared to 4.4% for the six months of 2018 and 9.8% for the twelve months of 2018) according to the statistics published by the National Bank of Ukraine.

During 2018-1st half of 2019 there has been further easing of currency control restrictions that were introduced in 2014–2015. In particular, starting from 10 July 2019 the National Bank of Ukraine allowed Ukrainian companies to pay dividends to non-residents regardless of the period and amount. Since 20 June 2019 NBU has fully cancelled businesses' obligation to sell its foreign currency proceeds on interbank foreign exchange market. On 21 June 2018 Verkhovna Rada of Ukraine approved the Law On Currency and Currency Operations, which came into force on 9 February 2019. The Law further lifts a number of currency restrictions, in particular individuals and business are able to invest abroad without obtaining an individual license from the NBU, it is no longer required to register loans obtained from non-residents with the NBU, sanctions that involve termination of foreign economic activities and application of individual licensing to currency regulation violators is cancelled, the NBU gradually lifts other effective currency restrictions subject to favourable economic conditions and currency control is replaced by currency supervision over the compliance with the limits set.

The IMF has continued to support the Ukrainian government under the four-year Extended Fund Facility ("EFF") Programme approved in March 2015, providing the fourth tranche of approximately USD 1 billion in April 2017. In December 2018 Ukraine has received USD 1.4 billion of the first tranche under a new Stand-By Arrangement (SBA) program for Ukraine, approved by the IMF Board of Directors on 18 December 2018. Further disbursements of IMF tranches depend on the continued implementation of Ukrainian government reforms, and other economic, legal and political factors. In September 2019 Fitch upgraded the rating of sovereign debt of Ukraine to "B".

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors.

The conflict in the parts of Eastern Ukraine, which started in spring 2014, has not been resolved to date. There have been no major developments in 2019 and at the reporting date, approximately 40% of the Group's property, plant and equipment are located near Nikopol, Dnipropetrovsk region, 280 kilometres away from the current ceasefire line, 43% of the Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line and another 16% of the Group's property, plant and equipment are located in Primorsk, Zaporizhzhya region, 125 kilometres away from the current ceasefire line.

Following the Electricity Market Law introduced on 13 April 2017, the electricity market of Ukraine was under transformation during 2017-2019. Changes were aimed to bring liberalization of the market, to remove current state monopoly on the electricity wholesale held by the state-owned Energorynok SE and enhance competition among participants. Within the first part of the transformation during 2018, all oblenergos were divided into distribution system operators and electricity service suppliers. This liberalization allowed new market players (independent suppliers) to enter electricity market and consumers to choose their own electricity supplier. Within the second part of the transformation, started from 1 July 2019, the new "wholesale" electricity market was introduced. The new electricity market has five formats – bilateral agreements, a day-ahead market, an intra-day market, a balancing market, and an additional services market. The next stage within the process of electricity market transformation will be the unification of the Ukrainian energy system with the European one. This will increase competition between suppliers and will help to update the industry. Following legislative amendments mentioned above, as at 30 June 2019 the Group's subsidiaries have concluded additional agreements to existing power purchase agreements with Energorynok SE, where the buyer of electricity was changed to Guaranteed Buyer SE, a new state enterprise, which was founded as successor of Energorynok SE to purchase electricity at feed-in tariffs from renewable sources. These are not expected to have major implications to the Group.

3 Summary of Significant Accounting Policies

Basis of preparation. These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 *Interim financial reporting* as adopted by the European Union. These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2018 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2018 except for those indicated below.

Income tax expense in the interim period is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Exchange rate fluctuations. As at 30 June 2019, the exchange rates used for translating foreign currency balances were USD 1 = UAH 26.17 (31 December 2018: USD 1 = UAH 27.69); EUR 1 = 29.73 UAH (31 December 2018: EUR 1 = 31.71 UAH).

3 Summary of Significant Accounting Policies (continued)

Going concern. As of 30 June 2019 the Group had an excess of current assets over current liabilities of UAH 1,500,747 thousand, earned a net profit of UAH 1,466,674 thousand and had positive operating cash flows of UAH 1,428,439 thousand for the six months ended 30 June 2019. Management believes that the application of the going concern assumption for the preparation of these condensed consolidated interim financial statements is appropriate.

Other reserves. The other reserves represented by merge reserve and are the difference between the fair value of investments of the parent company in respect of the subsidiary share capital acquisition and the nominal value of the share capital of the subsidiary and are to be utilised through the positive amount of retained earnings. The merge was utilised in full during the six months ended 30 June 2019.

Property, plant and equipment. Initial purchases of property plant and equipment are recorded at cost. Subsequently the Group uses the revaluation model to measure property, plant and equipment. The frequency of revaluation depends upon the movements in the fair values of the assets being revalued. Subsequent additions to property plant and equipment are recorded at cost. Cost includes expenditure directly attributable to acquisition of the items. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the replaced component being written off. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Property, plant and equipment items are derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Gains and losses on disposals determined by comparing proceeds with carrying amount of property, plant and equipment are recognised in the consolidated income statement. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings. Revaluation reserve is also transferred to retained earnings as assets are depreciated.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred. The carrying amount of any replaced or sold component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Derecognition of financial liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. While assessing if modification is substantial, management considers both quantitative and qualitative factors. Qualitative factors include change of form of the instrument, interest rate, change in covenants and guarantors. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss. Any modification gains or losses are recognised immediately in profit or loss.

Leases. The Group leases land from local authorities for its renewable energy generation facilities. Rental contracts are typically made for fixed periods of 7 to 49 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease payments are variable and calculated as a percentage from "normative monetary appraisal of land". Normative monetary appraisal of land does not constitute fair value of land as at reporting date, as Ukraine imposed land-sales moratorium. Furthermore, changes in normative monetary appraisal of land would not represent a change in a market index or rate. In general, normative monetary appraisal of land is based on specific requirements in the legislation. Therefore management concluded that variable lease payment based on normative monetary appraisal of land shall not be included in the calculation of lease liability under IFRS 16 and respectively no lease asset and liability should be recorded for lease of land contracts.

Other lease contracts refer to lease of the Group's office premises from a related party and are concluded for 12 months or less. Payments associated with these short-term leases are recognised on a straight-line basis as an expense in profit or loss.

4 Adoption of New or Revised Standards and Interpretations

The following new standards, which are relevant to the Group's financial statements, have been issued, but have not been endorsed by the European Union:

- ***Amendments to the Conceptual Framework for Financial Reporting*** (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).

New and amended standards adopted by the group. The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

4 Adoption of New or Revised Standards and Interpretations (Continued)

- ***23 Uncertainty over Income Tax Treatments*** (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019);
- ***Annual Improvements to IFRS Standards 2015-2017 Cycle*** (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019);
- ***Amendments to IAS 19: Plan Amendment, Curtailment or Settlement*** (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019);
- ***IFRS 16 – Leases*** (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).

The impact of the adoption of the standards and the new accounting policies that were relevant to the Group is disclosed below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

IFRS 16 *Leases*

Starting from 1 January 2019 the Group is obliged to apply IFRS 16 *Leases*. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees are required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 requires the Group to recognise in the balance sheet assets taken in an operating lease and the related lease liabilities. The management applied a simplified transition approach and did not restate comparative amounts for the year prior to the adoption. The Group measures lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group has chosen, on a lease-by-lease basis, to measure that right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Group's majority of lease agreements refer to land leases for its electricity generation facilities under agreements with local authorities. As for other lease agreements, the management has revised its preliminary assessment of the estimated lease liability and right-of-use asset as at 1 January 2019 of UAH 131,430 thousand and concluded that adjustment of opening balances as at 1 January 2019 is immaterial, and balances as of 1 January 2019 were therefore not restated in these unaudited condensed consolidated interim financial statements.

5 Segment information

The Management Board is the Group's chief operating decision-maker.

The management has determined the operating segments used for disclosure by the Group based on reports reviewed by the Management Board for the purposes of assessing performance.

The Management Board assesses the performance of the operating segments based on a measure of Adjusted EBIT. This measurement basis represents profit for the year after excluding the following income statement items: foreign exchange losses or gains, income tax expense, impairment of property, plant and equipment, impairment / reverse of impairment of financial assets and finance income and expenses except for interest accrued on current accounts or short-term deposits and except for a coupon paid on bonds issued to a related party.

The Management Board considers the business from type of production facilities perspective and aggregates operating segments for presentation purposes based on the nature of the production facility – wind or solar power plant facilities.

The following operating segments are analysed by the Management Board being also the reportable segments:

- Wind power plants facilities (both currently operating and under construction or development);
- Solar power plants facilities (both currently operating and under construction or development);
- Corporate overheads

'Corporate overheads' segment refers to administrative and financing support entities and a production facilities servicing unit.

The Group's business is managed centrally and there is no significant interdependence between the segments. The reporting format is based on the Group's management and internal reporting structure. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those transfers are eliminated on consolidation. There are no revenues between business segments.

All revenues are recorded from customers in Ukraine. Revenues of both wind and solar power plants are recognised from Energorynok SE, which was superseded by Guaranteed Buyer SE since 1 July 2019.

5 Segment information (continued)

Segment information for the reportable segments of the Group for the six months ended 30 June 2019 is as follows:

In thousands of Ukrainian Hryvnia	**Wind power plants**	**Solar power plants**	**Corporate overheads**	**Elimi-nation**	**Total**
Sales – external	1,410,756	660,160	1,306	-	**2,072,222**
Segment result	**896,735**	**486,642**	**(100,332)**	**(1,344)**	**1,281,701**
Net operating foreign exchange loss					(46,392)
Foreign exchange gains less losses on financing and investing activities					281,599
Finance income net of finance costs not included in Segment result					154,520
Net reverse of impairment losses on financial assets					117,824
Profit before income tax					**1,789,252**
Material non-cash items included into segment result:					
Depreciation and amortisation	(250,255)	(129,909)	(82)	**-**	**(380,246)**
Capital expenditure	3,608,035	4,130,822	1,331	-	**7,740,188**

Segment information for the reportable segments of the Group for the six months ended 30 June 2018 is as follows:

In thousands of Ukrainian Hryvnia	**Wind power plants**	**Solar power plants facilities**	**Corporate overheads**	**Elimi-nation**	**Total**
Sales – external	1,216,118	32,126	1,707	-	**1,249,951**
Segment result	**724,851**	**5,594**	**(9,284)**	**474**	**721,635**
Net operating foreign exchange gain					9,695
Foreign exchange losses less gains on financing and investing activities					(294,800)
Finance income net of finance costs not included in Segment result					(134,871)
Net reverse of impairment losses on financial assets					50,205
Profit before income tax					**351,864**
Material non-cash items included into segment result:					
Depreciation and amortisation	(198,739)	(5,502)	(4)	-	(204,245)
Capital expenditure	1,373,883	2,274,191	101	-	**3,648,175**

6 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding are detailed below:

	30 June 2019			**31 December 2018**		
In thousands of Ukrainian Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Trade and other receivables	-	1,990	22,250	-	1,066	27,932
Loans receivable from related party	2,214,642	2,276,586	536,782	2,236,076	2,685,057	529,615
Cash and cash equivalents	-	-	286,235	-	-	31,161
Bonds issued	-	(466,658)	-	-	(504,134)	-
Borrowings	-	(3,040,762)	(219,223)	-	(2,015,666)	-
Trade and other payables	(164)	(32,213)	(20,444)	(1,870)	(12,641)	(24,059)
Dividends payable	(219,197)	(429)	-	(231,952)	(429)	-

The income and expense items with related parties for the six months ended 30 June were as follows:

	Six months ended 30 June 2019			**Six months ended 30 June 2018**		
In thousands of Ukrainian Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Revenue	-	1,545	-	-	-	-
Purchase of services	(2,578)	(31,765)	(29,199)	(929)	(7,773)	(7,801)
Operating lease expenses	-	(4,947)	-	-	(3,559)	-
Other income	-	91	-	-	66	-
Interest income on bank deposits	-	-	2,826	-	-	7,484
Interest expense on borrowings	-	(66,945)	(3,511)	-	(66,945)	-
Interest income on loans receivable	57,614	53,846	17,807	167,458	892	18,903

7 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

In thousands of Ukrainian Hryvnia	**Buildings and structures**	**Plant and machinery**	**Furniture, fittings and equipment**	**Construction in progress**	**Total**
Net book value as at 1 January 2018	**581,605**	**5,714,739**	**10,260**	**156,288**	**6,462,892**
Additions	910	276	357	3,646,632	**3,648,175**
Depreciation charge	(18,755)	(184,278)	(1,142)	-	**(204,175)**
Transfer	-	345	-	(345)	**-**
Net book value as at 30 June 2018	**563,760**	**5,531,082**	**9,475**	**3,802,575**	**9,906,892**
Net book value as at 1 January 2019	**669,337**	**5,192,892**	**12,349**	**9,708,086**	**15,582,664**
					-
Additions	2,738	403,980	2,405	7,331,065	7,740,188
Depreciation charge	(43,161)	(336,199)	(796)	-	(380,156)
Transfer	-	8,548,935	8,811	(8,557,746)	-
Net book value as at 30 June 2019	**628,914**	**13,809,608**	**22,769**	**8,481,405**	**22,942,696**

7 Property, Plant and Equipment (continued)

During the six months ended 30 June 2019 and 2018 the Group was actively developing and constructing its wind and solar energy generating facilities. Namely, during the six months ended 30 June 2019 additions related to the Pokrovska Solar Power Plant (namely Solar Farm – 3 LLC) amounted to UAH 3,883,140 thousand (during the six months ended 30 June 30 June 2018: UAH 2,312 thousand), to the second stage of Primorskaya WEP – UAH 1,508,413 thousand (during the six months ended 30 June 2018: UAH 57,461 thousand), to Orlovskaya Wind Farm – UAH 1,611,418 thousand (during the six months ended 30 June 2018: UAH 5,423 thousand), to the first stage of Primorskaya WEP – UAH 458,053 thousand (during the six months ended 30 June 2018: UAH 1,309,694 thousand), to Nikopol Solar Power Plant (namely Solar Farm – 1 LLC) – UAH 235,303 thousand (during the six months ended 30 June 2018: UAH 2,266,292 thousand) and the remaining was added to property, plant and equipment of other Group's projects not listed above.

In February 2019 the Group started to put into operation Nikopol Solar Power Plant and since March 2019 the first stage of Primorskaya WEP. At the reporting date, both stations are operating at full capacity. During the six months ended 30 June 2019 construction in progress in the amount of UAH 3,622,736 thousand was put into operation, which related to the first stage of Primorskaya WEP and UAH 5,338,083 thousand - to Nikopol Solar Power Plant, equipment of other groups' projects not listed above was put into operation in the amount of UAH 6,050 thousand.

During the six months ended 30 June 2019, the depreciation expense of UAH 379,523 thousand (30 June 2018: UAH 203,927 thousand) was included in cost of sales, UAH 506 thousand (30 June 2018: UAH 123 thousand) in general and administrative expenses and 127 thousand (30 June 2018: UAH 125 thousand) in other operating expenses.

As at 30 June 2019 the Group's property, plant and equipment carried at UAH 16,867,180 thousand have been pledged as collateral for borrowings (31 December 2018: UAH 14,366,389 thousand). During the six months ended 30 June 2019, the Group has capitalised borrowing costs in the amount of UAH 228,375 thousand using rate of 6.9% (30 June 2018: nil).

8 Financial investments

In thousands of Ukrainian Hryvnia	**30 June 2019**	**31 December 2018**
Restricted cash	766,826	628,941
Total non-current financial investments	**766,826**	**628,941**

Non-current financial investments are represented by restricted cash ("Debt Service Account", or DSA and "Debt Service Reserve Account", or DRSA) under the requirements of the Novation Agreement with Landesbank Berlin AG and Facility Agreements with Bayerische Landesbank. The restricted cash is a non-interest-bearing asset held in these banks. The restricted cash is pledged throughout the bank borrowings repayment periods (Note 12).

During 2019, the Group has placed additional EUR 5,964 thousand to comply with requirements of a new loan obtained from Bayerische Landesbank to fund construction of Primorskaya WEP – 2.

As at 30 June 2019 and as at 31 December 2018, all financial investments are denominated in EUR.

The carrying amounts of financial assets approximate their fair values.

9 Loans receivable

Loans receivable were as follows:

In thousands of Ukrainian Hryvnia	**30 June 2019**	**31 December 2018**
Loans receivable from related parties	4,808,861	5,350,146
Loans receivable	6,441	8,569
Interest receivable	219,149	100,602
Total current receivable	**5,034,465**	**5,459,317**

Credit loss allowance both as at 30 June 2019 and 31 December 2018 was charged as 12-months expected credit losses. Expected credit loss rate for loans receivable from related parties was determined based on adjusted yield to maturity of corporate bonds and as at 30 June 2019 was in range from 2.50% up to 4.22% (31 December 2018: in range from 4.26% to 6.47%). Total loss allowance as at 30 June 2019 was UAH 182,556 thousand (31 December 2018: UAH 317,784 thousand). Reverse of loss allowance during the six months ended 30 June 2019 resulted in gain in the amount of UAH 117,824 thousand (30 June 2018: gain of UAH 50,205 thousand).

Loans receivable are not past due and have the character of revolving credit lines subject to further changes for parties involved. The carrying amounts of loans receivable approximate their fair values.

10 Trade and Other Receivables

Trade and other receivables were as follows:

In thousands of Ukrainian Hryvnia	**30 June 2019**	**31 December 2018**
Trade receivables	358,398	295,009
Total financial assets	*358,398*	*295,009*
VAT recoverable	949,719	1,378,790
Prepayments to suppliers	85,626	73,377
Total non-financial assets	*1,035,345*	*1,452,167*
Total trade and other receivables	**1,393,743**	**1,747,176**

As at 30 June 2019 and as at 31 December 2018, 100% of trade and other receivables are denominated in UAH. Management assessed expected credit losses on trade and other receivables and determined that amount is not material for unaudited condensed consolidated interim financial statements. Therefore, loss allowance was not recognised both as at 30 June 2019 and 31 December 2018. Trade and other receivables were not impaired at the dates.

As at 30 June 2019, the Group has pledged UAH 351,255 thousand (31 December 2018: UAH 293,134 thousand) of trade receivables due at that dates, as well as rights to future trade receivables to be due for selling contracts with the State Enterprise Guaranteed Buyer, as collateral for certain bank and non-bank borrowings (Note 12).

11 Cash and Cash Equivalents

Cash and cash equivalents were as follows:

In thousands of Ukrainian Hryvnia	**30 June 2019**	**31 December 2018**
Bank balances payable on demand	912,687	824,299
Restricted cash on escrow accounts	387,995	256,412
Cash in transit	210	76,857
Cash equivalents	119	119
Total cash and cash equivalents	**1,301,011**	**1,157,687**

Restricted cash represents dedicated accounts, from which the Group settles its payables connected with construction of new power generation facilities. The funds on these accounts are used to fund capital expenditures of the Group and therefore included into cash and cash equivalents in Cash Flow Statement.

As at 30 June 2019, cash and cash equivalents in the amount UAH 1,214,136 thousand (31 December 2018: UAH 825,401 thousand) and future rights with respect to certain bank accounts and bank account agreements were pledged as collateral for certain bank and non-bank borrowings. The pledge of cash and cash equivalents is effective throughout the borrowings repayment periods and do not restrict to use of cash and cash equivalents (Note 12).

12 Borrowings

Borrowings and interest payables were as follows:

In thousands of Ukrainian Hryvnia	**30 June 2019**	**31 December 2018**
Non-current		
Bank borrowings	4,746,445	4,426,923
Non-bank borrowings	3,569,519	4,119,039
Bonds issued to related parties	450,000	450,000
Borrowings from related parties	216,633	-
Interest accrual to related parties	2,590	-
	8,985,187	**8,995,962**
Current		
Borrowings from related parties	3,040,762	2,015,666
Bank borrowings	1,086,708	960,169
Non-bank borrowings	912,676	-
Interest accrual to related parties	16,658	54,134
Interest accrual to bank borrowings	7,548	8,789
Interest accrual to non-bank borrowings	5,364	-
	5,069,716	**3,038,758**
Total borrowings	**14,054,903**	**12,034,720**

12 Borrowings (continued)

The effective interest rates of borrowings denominated in EUR as at 30 June 2019 were in the range of 4.6% - 8.0% per annum (31 December 2018: in the range of 4.6% - 8.0% per annum). The effective interest rates of borrowings denominated in UAH as at 30 June 2019 were nil for interest-free financial aid received from a related party and repayable on demand and 30.0% per annum for bonds issued to a related party (31 December 2018: nil and 30.0% per annum).

During the six months ended 30 June 2019, the Group has received interest-free financial aid in UAH from its related party repayable on demand. Total amount of such borrowings as at 30 June 2019 has increased up to UAH 3,040,762 thousand (31 December 2018 is UAH 2,015,666 thousand). Furthermore, during the six months ended 30 June 2019, the Group has received an interest-bearing loan from its related party in the amount of EUR 8,000 thousand (UAH 237,842 thousand as at 30 June 2019), that matures in February 2024 and bears a nominal interest rate of 5.0% per annum. An effective interest rate under this loan facility is 7.0% per annum, which approximates market rate for similar financial instruments at the date of recognition.

In April 2018, the Group has agreed obtaining funding for construction of the Nikopol Solar Power Plant through supplier's term loan provided by China Machinery Engineering Corporation (CMEC). As at 30 June 2019, UAH 3,697,421 thousand (31 December 2018: UAH 4,119,039 thousand) was recognized as a non-bank borrowing related to this construction. The facility matures on 10 July 2028 and bears an interest rate of 3.47% per annum since 10 January 2019. An effective interest rate under the loan facility is 5.8% per annum which includes the directly attributable commissions.

In July 2018, the Group has agreed obtaining financing for the construction of the first stage of Primorskaya WEP from a consortium of German banks headed by Bayerische Landesbank with a total limit in the amount of EUR 90,305 thousand. As at 30 June 2019, the Group has withdrawn EUR 80,709 thousand (equivalent of UAH 2,399,484 thousand as at 30 June 2019); (31 December 2018: EUR 69,189 thousand; equivalent of UAH 2,194,272 thousand). The loan matures on 30 September 2028, bore an interest of 2.5% per annum + EURIBOR until April 2019 and 1.9% per annum since then. The loan is supported by Euler Hermes coverage. An effective interest rate under the loan facility is 8.0% per annum which includes the directly attributable commissions.

In December 2018, the Group has agreed obtaining financing for the construction of the second stage of Primorskaya WEP from a consortium of German banks headed by Bayerische Landesbank with total limit in the amount of EUR 90,000 thousand. As at 30 June 2019, the Group has withdrawn EUR 42,216 thousand (equivalent of UAH 1,255,078 thousand as at 30 June 2019); (31 December 2018: nil). The loan matures on 30 June 2029, bears an interest of 2.0% per annum + EURIBOR during the period of construction and 1.95% per annum since then. The loan is supported by Euler Hermes coverage. An effective interest rate under the loan facility is 8.0% per annum which includes the directly attributable commissions.

Bonds issued by the Group during 2016 with a carrying value of UAH 450,000 thousand were bought by related party DTEK LLC. The bonds mature on 30 December 2024 and bear an interest of 30.0% per annum.

The Group has agreed deferring certain amounts payable to VESTAS CENTRAL EUROPE A/S for supply of equipment to Orlovskaya WEP. As at 30 June 2019, an amount of EUR 26,397 thousand was recognized as supplier's term loan (equivalent of UAH 784,774 thousand as at 30 June 2019), a non-bank borrowing related to this construction. The facility matures on 31 December 2019 and bears a nominal interest rate of 8.0% per annum.

As at 30 June 2019, bank borrowings totalling UAH 5,833,153 thousand (31 December 2018: UAH 5,387,092 thousand) were secured with property, plant and equipment (Note 7), financial investments (Note 8), trade and other receivables (Note 10) and cash and cash equivalents (Note 11), and non-bank borrowings totalling UAH 3,697,421 thousand (31 December 2018: UAH 4,119,039 thousand) were secured with property, plant and equipment (Note 7), trade and other receivables (Note 10) and cash and cash equivalents (Note 11).

12 Borrowings (continued)

Movements in borrowings during the period are as follows:

In thousands of Ukrainian Hryvnia	**Six months ended 30 June 2019**	**2018**
Opening balance as at 1 January	**12,034,720**	**5,465,077**
Cash movements		
Proceeds from borrowings	2,288,115	1,651,365
Repayment of borrowings	(385,439)	(407,600)
Interest paid during the period	(241,214)	(209,327)
Debt attraction fees paid	(346,728)	-
Withholding tax paid	(6,955)	-
Non-cash movements		
Recognition of supplier's loan	794,678	2,032,772
Recognition of suppliers' invoices paid directly from borrowings account	211,444	-
Interest accrued during the period	233,487	127,149
Foreign exchange gain	(625,350)	(409,808)
Gain on recognition of borrowings from related parties (Note 18)	(22,530)	(12,175)
Amortisation of discount (Note 18)	120,675	71,484
Closing balance as at 30 June	**14,054,903**	**8,308,892**

13 Trade and Other Payables

In thousands of Ukrainian Hryvnia	**30 June 2019**	**31 December 2018**
Non-current		
Liabilities for acquisition of intangibles (Note 1)	116,755	-
Total non-current payables	**116,755**	**-**
Current		
Liabilities for purchased property, plant and equipment	354,664	255,502
Trade payables	136,904	83,266
Liabilities for acquisition of intangibles (Note 1)	54,270	-
Other financial payables	7,483	9,625
Total financial payables	*553,321*	*348,393*
VAT payable	50,478	90,330
Wages and salaries payable	34,515	26,761
Other	12,972	4,981
Total non-financial payables	*97,965*	*122,072*
Total current payables	**651,286**	**470,465**

In 2019 the Group acquired 100% shares of Tiligul WEP LLC (Note 1). This transaction was accounted for as an acquisition of the group of assets that does not constitute a business. Liabilities related to acquisition of the non-current assets were recognised as non-current and current payables.

14 Share capital

During six months ended 30 June 2018, with the purposes of future Group expansion for renewable energy generation, DTEK B.V. made a voluntary share premium contribution in cash to DTEK Renewables B.V. in the amount of EUR 20,000 thousand (UAH 611,360 thousand).

The cash received from the increase of the share premium was then used to subsequently lend to a related party at an interest rate of 5.0% per annum.

During six months ended 30 June 2019 DTEK B.V. made an additional voluntary contribution to the share premium in the amount of UAH 3,003,158 thousand.

During six months ended 30 June 2018 the Group has declared dividends in the amount of USD 10,000 thousand (equivalent of UAH 270,718 thousand), out of which USD 1,650 thousand (equivalent of UAH 44,669 thousand) were paid out as at 31 December 2018.

14 Share capital (continued)

Movements in the dividends payable balance in Ukrainian Hryvnia equivalent during the period are as follows:

In thousands of Ukrainian Hryvnia	Six months ended 30 June 2019	2018
Opening balance as at 1 January	**232,381**	**1,105**
Dividends declared	-	270,718
Payment of dividends	-	(44,669)
Foreign exchange gains less losses	(12,755)	(7,318)
Closing balance as at 30 June	**219,626**	**219,836**

15 Revenue

In thousands of Ukrainian Hryvnia	Six months ended 30 June 2019	2018
Sale of electricity, generated at wind power plants	1,410,756	1,216,118
Sale of electricity, generated at solar power plants	660,160	32,126
Services provided to third parties	1,306	1,707
Total	**2,072,222**	**1,249,951**

The Group recognises revenue at a point of time. Sales of electricity are made at feed-in tariffs.

16 Cost of Sales

In thousands of Ukrainian Hryvnia	Six months ended 30 June 2019	2018
Depreciation of property, plant and equipment and amortisation of intangible assets	379,567	203,958
Maintenance and repairs	105,399	137,342
Production overheads	31,569	17,214
Staff cost, including payroll taxes	7,631	5,295
Raw materials	1,495	972
Transportation services and utilities	1,252	1,629
Other costs	6,490	273
Total	**533,403**	**366,683**

17 General and Administrative Expenses

In thousands of Ukrainian Hryvnia	Six months ended 30 June 2019	2018
Staff cost, including payroll taxes	89,955	45,617
Professional fees	41,810	20,897
Lease	4,947	3,559
Bank charges	4,704	1,486
Transportation	3,440	1,184
Depreciation of property, plant and equipment and amortisation of intangible assets	552	162
Taxes, other than income tax	112	377
Other costs	5,777	1,870
Total	**151,297**	**75,152**

18 Finance Income and Costs

In thousands of Ukrainian Hryvnia	Six months ended 30 June 2019	2018
Finance income		
Interest income on loans provided to related parties and bank deposits	165,505	194,737
Unwinding of discount on loans provided to related parties	24,089	78,225
Gain on recognition of borrowings from related parties (Note 12)	22,530	12,175
Total finance income	**212,124**	**285,137**
Finance costs		
Interest expense accrued on:		
- unwinding of discount on borrowings	120,675	71,484
- bank borrowings	72,693	60,204
- bonds issued to related party	66,945	66,945
- non-bank borrowings	93,849	-
- less interest expense capitalized in the cost of qualifying assets (Note 7)	(228,375)	-
Loss on initial recognition on loans receivable from related parties	-	295,429
Total finance costs	**125,787**	**494,062**

19 Financial Risk Management

The Group's activities expose it to financial risks: market risk (including cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management policies seek to minimise the potential adverse effects on the Group's financial performance for those risks that are manageable or non-core to the power generating business.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, and (b) interest-bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. The Group operates within Ukraine and accordingly its exposure to foreign currency risk is mainly determined by borrowings, loan receivable and cash balances, which are denominated in EUR and USD. Domestic uncertainty of 2014-2015, which led to volatility in the currency exchange market and resulted in significant downward pressure on the Ukrainian Hryvnia relative to major foreign currencies in those years, though to a much lesser extent in recent years.

The following table presents sensitivities of profit or loss and equity before tax to reasonably possible changes in exchange rates applied at the balance sheet date with all other variables held constant:

	At 30 June 2019		At 31 December 2018	
In thousands of Ukrainian Hryvnia	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
EUR strengthening by 25%	(1,504,427)	(1,504,427)	(1,456,139)	(1,456,139)
EUR weakening by 25%	1,504,427	1,504,427	1,456,139	1,456,139

Interest rate risk. As the Group has substantially more interest bearing liabilities than assets, the Group's income and operating cash flows are substantially dependent of changes in market interest rate. The Group's interest rate risk arises from borrowings and loans receivable from related parties. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings at fixed rate and loans receivable from related parties expose the Group to fair value interest rate risk.

At 30 June 2019 and 31 December 2018, the Group's variable interest debt is EUR denominated. As at 30 June 2019, 42% of the total borrowings was provided to the Group at floating rates (31 December 2018: 60%).

The Group's exposure to fixed or variable rates is determined at the time of issuing new debt. Management uses its judgment to decide whether fixed or variable rate would be more favourable to the Group over the expected period until maturity. The risk of increase in market interest rates is monitored by the Finance Department of the Group. The Finance Department is responsible for planning the financing structure (levels of leverage) and borrowing activities. The key objectives to financing is obtaining debt to finance capital expenditures at applicable interest rates.

Obtaining debt financing for each of the Group's project is considered separately. The maturity dates and effective interest rates of financial borrowings are disclosed in Note 12. Re-pricing for fixed rate financial instruments occurs at maturity. Re-pricing of floating rate financial instruments occurs continually.

19 Financial Risk Management (continued)

If as at 30 June 2019, interest rates on EUR denominated borrowings with variable rates had been 200 basis points higher (as at 31 December 2018: 200 basis points higher) with all other variables held constant, profit or loss and equity before tax for the six months period ended 30 June 2019 would have been UAH 54,056 thousand lower (profit or loss and equity before tax as at 31 December 2018 would have been UAH 132,547 thousand lower).

Credit risks concentration. The Group had five counterparties with aggregated loans receivable from related party balances as at 30 June 2019 amounting to UAH 5,028,010 thousand (as at 31 December 2018: three counterparties with aggregated loans receivable from related party balances amounting to UAH 5,450,748 thousand).

The Group's current financial investments are held within two banks.

The Group had one counterparty with aggregated receivables balance as at 30 June 2019 amounting to UAH 357,334 thousand, or 99.7% of the total amount of trade and other receivables (as at 31 December 2018: UAH 294,388 thousand, or 99.8% of the total amount of trade and other receivables).

The Group's cash and cash equivalents are mainly held only within three banks.

As at 30 June 2019 the maximum exposure to credit risk at the reporting date is UAH 7,460,700 thousand being carrying value of trade and other receivables, financial investments, loans receivable and cash and cash equivalents (31 December 2018: UAH 7,540,954 thousand). The Group does not hold any collateral as security.

Liquidity risk. Prudent liquidity management implies maintaining sufficient cash and the availability of funding to meet existing obligations as they fall due. Management monitors liquidity and cash collections on a daily basis to ensure liquidity targets are actively monitored.

The following table analyses the Group's financial liabilities by maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the undiscounted cash flows. The maturity analysis of financial liabilities as at 30 June 2019 was as follows:

In thousands of Ukrainian Hryvnia	**Up to 6 months**	**6 -12 months**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**	**Total**
Borrowings	3,909,457	1,069,571	2,295,319	5,604,028	4,018,055	16,896,430
Other payables (long-term)	-	-	65,416	65,416	-	130,832
Trade and other payables	553,321	-	-	-	-	553,321
Total future payments, including future principal and interest payments	**4,462,778**	**1,069,571**	**2,360,735**	**5,669,444**	**4,018,055**	**17,580,581**

The maturity analysis of financial liabilities as at 31 December 2018 was as follows:

In thousands of Ukrainian Hryvnia	**Up to 6 months**	**6 -12 months**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**	**Total**
Borrowings	2,621,011	944,945	2,142,264	5,207,335	4,270,011	15,185,566
Trade and other payables	340,395	7,998	-	-	-	348,393
Total future payments, including future principal and interest payments	**2,961,406**	**952,943**	**2,142,264**	**5,207,335**	**4,270,011**	**15,533,959**

20 Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt. Additionally, management may defer certain capital spending to enhance its debt position. Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio (Debt/Equity). Total debt equals the nominal amount of the bank borrowings less the Debt Service Accounts (Note 8). The equity is calculated as total equity in the consolidated balance sheet excluding other reserves plus bonds from related parties.

The Group's debt to equity ratio as at 30 June 2019 has reached 41/59, Debt/Equity (31 December 2018: 45/55). The Group's total liabilities to total assets ratio as at 30 June 2019 has reached 50.1% (31 December 2018: 54.0%).

21 Fair Value of Assets and Liabilities

This note provides an update on the judgements and estimates made by management in determining the fair values since the last annual consolidated financial statements.

Property, plant and equipment at fair value. Property, plant and equipment are carried in the statement of financial position at their fair value. The Group's property, plant and equipment are all categorised as Level 3 in the fair value hierarchy.

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodology as considered appropriate. However considerable judgement is required in interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation.

Financial instruments carried at amortised cost. The majority of the Group's financial assets and liabilities are carried at amortised cost using the effective interest method. These assets are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

Significant differences were identified for the following instruments:

		30 June 2019		**31 December 2018**
In thousands of Ukrainian Hryvnia	**Level 2**	**Carrying amount**	**Level 2**	**Carrying amount**
FINANCIAL LIABILITIES				
Borrowings	14,097,218	14,054,903	12,077,528	12,034,720

The valuation techniques used to determine the above fair values have not changed as compared to the techniques used and disclosed in the 2018 annual consolidated financial statements.

22 Subsequent events

The developments after the balance sheet date which relate to the operating environment are disclosed in the Note 2.

In August 2019 the Group has attracted debt financing from Ukrgasbank for the construction of Orlovskaya WEP in the amount of EUR 21,000 thousands (equivalent of UAH 595,073 at the date of debt attraction). The loan matures in August 2025, bears an interest of 7.0% per annum and is supported by pledge of 8 wind turbines installed at the facility.

In September 2019 the Group started to put into operation the second stage of Primorskaya WEP. The facility has been awarded a feed-in tariff and electricity generated at this facility is being sold to State Enterprise Guaranteed Buyer.

In September 2019 the Group has attracted debt financing in the form of revolving credit lines to fund its capital expenditures from Ukrainian banks. Namely, Alfa Bank has lent UAH 940,000 thousand at 17.50% per annum with maturity on October 2019 (with the option to extend until December 2019), Ukrgasbank has lent UAH 1,400,000 thousand at 18.45% per annum with maturity on December 2019 and Bank Pivdenniy has lent UAH 1,400,000 thousand at 16.75% per annum with maturity on December 2019.

DTEK Renewables B.V.

Independent Auditor's Report

31 December 2018

Independent auditor's report

To: the general meeting and the supervisory board of DTEK Renewables B.V.

Report on the financial statements 2018

Our opinion

In our opinion, DTEK Renewables B.V.'s financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2018, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2018 of DTEK Renewables B.V., Amsterdam ('the Company'). The financial statements include the consolidated financial statements of DTEK Renewables B.V. together with its subsidiaries ('the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2018;
- the following statements for 2018: the consolidated and company income statement, the consolidated statement of comprehensive income, changes in equity and cash flows; and
- the notes, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SFYAYFKSRVRU-452905381-37

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Independence

We are independent of DTEK Renewables B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors' report;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements. The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 26 April 2019
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

Appendix to our auditor's report on the financial statements 2018 of DTEK Renewables B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.
Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board 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.

DTEK Renewables B.V.

International Financial Reporting Standards and Consolidated Financial Statements

31 December 2018

Directors' report

31 December 2018

DIRECTORS' REPORT

Introduction

The Management Board of DTEK Renewables B.V. (the "Company") presents their report in order to disclose the results of the activity of the Company for the year ended 31 December 2018.

Principal activities

DTEK Renewables B.V. is a private limited liability company incorporated on 9 September 2013, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company and its subsidiaries (together referred to as "the Group" or "DTEK Renewables") are directly owned by DTEK B.V. (together with its subsidiaries referred to as "DTEK Group") and beneficially owned by Mr. Rinat Akhmetov, through various entities commonly referred to as System Capital Management ("SCM").

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind and solar power plants in Ukraine. The Company is the holding entity of the renewables activities within the Group, mainly located in Ukraine. Currently the DTEK Renewables and its subsidiaries are producing and selling the electricity generated at wind and solar power plants in Ukraine and developing further projects for construction of wind and solar farms in Ukraine.

During 2018, the Group was heavily involved in development and construction of its new wind and solar generating facilities. The major part of construction and installation works were performed over the first stage of Primorskaya Wind Farm and Nikopol Solar Farm. Furthermore, during 2018, the Group has entered into agreements with primary contractors to construct Orlovskaya Wind Farm and the second stage of Primorskaya Wind Farm. Total amount of property, plant and equipment additions in 2018 was UAH 9,556,486 thousand.

Financial position and performance

Revenue of DTEK Renewables for the year ended 31 December 2018 was UAH 2,492,858 thousand and net profit was UAH 1,302,352 thousand. Revenue of DTEK Renewables for the year ended 31 December 2017 was UAH 2,115,741 thousand and net profit was UAH 402,947 thousand. On 31 December 2018 the total assets of the DTEK Renewables were UAH 24,608,054 thousand (as at 31 December 2017: UAH 15,710,190 thousand) and the positive amount of equity UAH 11,322,179 thousand (as at 31 December 2017: the amount of equity was UAH 9,959,356 thousand). On 31 December 2018 current assets of DTEK Renewables exceeded its current liabilities by UAH 4,457,935 thousand (as at 31 December 2017: current assets exceeded current liabilities by UAH 7,514,804 thousand).

Issued Capital and Capital Distributions

As at 31 December 2014 the authorised and issued ordinary share capital amounted to EUR 1,000 divided into 100 shares with a par value of EUR 10 per share. All issued shares are fully paid. In November 2015 the Company issued 1 (one) share, with a nominal value of EUR 10, numbered 101 in the capital of Company against the contribution of EUR 60,500,000 in cash. In December 2017 and with purposes of future Group expansion for renewable energy segments generation, DTEK B.V. made a voluntary share premium contribution in cash to DTEK Renewables B.V. amounted to EUR 210,000 thousand. In June 2018, for the same reason noted above, DTEK B.V. has made additional voluntary share premium contribution in cash to DTEK Renewables B.V. amounted to EUR 20,000 thousand. As at 31 December 2018 the authorised and issued ordinary share capital amounted to EUR 1.010, divided into 101 shares with a par value of EUR 10 per share.

During 2018, the Group has declared dividends in the amount of USD 10,000 thousand, out of which USD 1,650 thousand were paid out during the period.

There is no capital distribution scheduled in the near future and the result for the period is retained.

Financing activity

Financing activity of the Company is managed by the Company's Treasury department. The DTEK Group's overall risk management policies are also applicable to the DTEK Renewables Group. These seek to minimise the potential adverse effects on the DTEK Group's financial performance for those risks that are manageable or noncore to the power generating business.

Financial risk management is carried out by the Company's treasury department, under policies approved by the Supervisory Board. The Treasury department identifies, evaluates and proposes risk management techniques to minimise these exposures.

Additionally, DTEK Group has developed a compliance function to monitor and analyse financial, reputation or legal risks connected with business activities.

Financial risk management

Exposure of the DTEK Renewables to different financial risks is disclosed in Note 20 of the accompanying Consolidated Financial Statements.

Principal Risks and Uncertainties

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in 2016-2018, though to a much lesser extent as compared to 2014 and 2015.

The inflation rate in Ukraine stood at 9.8% for 2018 (as compared to 13.7% for 2017) while GDP continued to grow at 3.3% (2.1% in 2017) according to the statistics published by the National Bank of Ukraine.

During 2017-2018 there has been easing of currency control restrictions that were introduced in 2014–2015. In particular, starting from March 2018 National Bank of Ukraine allowed Ukrainian companies to pay dividends to non-residents with a limit of USD 7 million per month regardless of the period. On 21 June 2018 Verkhovna Rada of Ukraine approved Law On Currency and Currency Operations, which came into force on 9 February 2019. The Law further lifts a number of currency restrictions, in particular individuals and business are able to invest abroad without obtaining an individual license from the NBU, it is no longer required to register loans obtained from non-residents with the NBU, sanctions that involve termination of foreign economic activities and application of individual licensing to currency regulation violators is cancelled, the NBU gradually lifts other effective currency restrictions subject to favourable economic conditions and currency control is replaced by currency supervision over the compliance with the limits set.

The IMF has continued to support the Ukrainian government under the four-year Extended Fund Facility ("EFF") Programme approved in March 2015, providing the fourth tranche of approximately USD 1 billion in April 2017. In December 2018 Ukraine has received USD 1.4 billion of the first tranche under a new Stand-By Arrangement (SBA) program for Ukraine, approved by the IMF Board of Directors on 18 December 2018. Further disbursements of IMF tranches depend on the continued implementation of Ukrainian government reforms, and other economic, legal and political factors.

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors.

The relationships between Ukraine and the Russian Federation have remained strained. On 1 January 2016, the agreement on the free trade area between Ukraine and the EU came into force. Just after that, the Russian government implemented a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products.

The conflict in the parts of Eastern Ukraine, which started in spring 2014, has not been resolved to date. Approximately 33% of Group's property, plant and equipment are located near Nikopol, Dnipropetrovsk region, 44% of Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line and another 21% of Group's property, plant and equipment are located in Primorsk, Zaporizhzhya region, 125 kilometres away from the current ceasefire line.

Despite certain improvements in 2016-2018, the final resolution and the ongoing effects of the political and economic situation are difficult to predict, but they may have further severe effects on the Ukrainian economy and the Group's business.

Risk Management Framework

The Company's risk management function is performed on the DTEK Group's level as well as the level of production units. Risk management approaches are the same for all units (unified process of management by risks and opportunities, unified insurance principles).

DTEK Group implemented Internal Control and Risk Management system which is based mainly on COSO framework. It is fully integrated into strategic and tactical planning, including but not limited to business planning and budgeting processes, investment projects, etc. The risk management function is present at the Corporate Centre level (Internal Control and Risk Management Department) as well as at the level of business and production units (risk managers and coordinators). Risk management approach and processes are unified across all units, iterative bottom-up and top-down approaches are in place for identification and assessment of risks and opportunities, three-lines of defence principle is used. The DTEK Group's Executive Board is responsible in general for the development of strategic and operational targets and for identification, assessment and mitigation of associated risks. The Executive Board established the Risk Committee, which tackles with risk management issues on regular basis. For the identified risks deemed to be material, comprehensive mitigating action plans are developed and reviewed on a regular basis to ensure that the risks' levels remain at acceptable levels. Management is kept informed via regular risk reports and understands how risks influence the achievement of business targets, so managements decisions are made based on existent/potential risks and opportunities. DTEK Group strives to implement necessary internal controls into the business processes based on performed risk assessments. Preference is given to automated controls that are embedded into IT systems. DTEK Renewables makes use of insurance programs in order to safeguard its most critical assets and activities from low-probability/high-impact risks (PD, BI, and other policies).

For all the risk categories within the Group's risk management framework, the Group's risk appetite is defined as low tolerance.

During 2018 the Group considered the following main risks:

Strategic risks:
- Risk of decreasing, no revision under effective EUR/UAH exchange rate or cancellation of green tariff;
- Deterioration of economic conditions on the electricity sales market.

Operational risks:
- Loss or unavailability of suitable key suppliers or subcontractors for maintenance services;
- Potential impact of accidents and incidents.

Financial risks:
- Devaluation of Hryvnia during the year more than anticipated in the Group's macroeconomic forecast.

IT risks:
- Technical malfunction, virus attacks, data loss or downtime of IT systems can have significant negative impact on the DTEK Group's activities, taking into account high level of integration of informational and communicational systems into the DTEK Group's business processes. The following tools were implemented in order to manage these risks: control over unauthorized software (SCCM, etc.), the Intrusion Prevention System (IPS), DLP policies, the MDM system, group policies of the EMET tool, antivirus control, anti-SPAM systems, etc.

Compliance risk:
- The Group takes appropriate measures to mitigate any compliance risk (risk of non-compliance with laws and regulations, including but not limited to the financial reporting, health and safety related regulations).

Environmental issues

DTEK Renewables activities are not tightly connected with production cycles impacting heavily the environment. Despite of this fact, compliance with high ecological standards is a crucial point for the business development of the Group.

Social responsibility

A balance is a necessary condition for developing DTEK Renewables business, for increasing its competitiveness on the market and for the performing of its obligations in the area of corporate social responsibility (CSR). That is why sustainable growth in economic and environment protection areas is an important part of the Group's strategy. DTEK Renewables systematically develops its activity in CSR, and strives to work in accordance with international CSR standards, while remaining a domestic employer and social investor, aiding the social and economic development of the regions where it operates, and not replacing the functions of the State.

Research and Development Costs

During 2018 and 2017 the Group was not involved in any activities concerning research and development.

Human resources

The Group employed approximately 107 people by the end of 2018 (2017: 75 people). To ensure the constant development of its employees, in 2010 DTEK Group launched its corporate university – DTEK Academy. The main goal in this area is to cover at least 80% of job vacancies for middle and top management from internal human resource. Currently there are two basic programmes aimed to develop human resources and develop successor practice for main managerial positions in the DTEK Group. Main providers and programme developers of DTEK Academy programmes are Kyiv-Mohyla Academy Business School and INSEAD. In 2011 DTEK Academy joined CEEMAN (Central and East European Management Development Association) and EFMD (European Foundation for Management Development). DTEK Group is focused on providing qualified staff of workers and lower level management through corporate system of production education.

Code of Ethics

The DTEK Group has a Code of Ethics developed and approved in 2011 with changes introduced in 2014. It is mandatory for all the Group entities and prescribes the key principles that the Group follows in its operations, including relationship with its employees, counterparties, state authorities and non-governmental and public authorities, responsibility for all activities the Group performs, conflicts of interests etc. The Code is available on the DTEK Group's official web-site.

Male/female ratio of Executive/Supervisory Board

The Company strives to get the best applicable persons in the Supervisory board and Executive board despite the gender or culture.

As at 31 December 2018, the Supervisory Board consists of one woman and five men and the Executive board of two legal persons. Selection of members of the Board of Directors will continue to be based on experience, background, skills, knowledge and insights, with due regard for the importance of a balanced composition

Future Developments

In Note 2 of the consolidated financial statements, the political uncertainty in Eastern Ukraine has been set out in detail. The final resolution and the ongoing effects of the political and economic situation are difficult to predict, but they may have further severe effects on the Ukrainian economy and the Group's business.

Further development of wind and solar power generation implies maximum use of the sector expertise accumulated during the construction of the Botievo Wind Farm, Tryfanovka Solar Farm the first stage of Primorskaya Wind Farm and Nikopol Solar Farm. The following is planned:

- Implementation of the construction project of the second stage of Primorskaya Wind Farm, Orlovskaya Wind Farm and Pokrovskaya Solar Farm;

- Preparation of further projects under the planned construction rates and implementation of another wind and solar power projects.

As within the strategic objective of Group expansion for renewable energy segments generation the following is planned:

- Increasing installed capacity, production and sales to a level where DTEK Renewables has the critical mass required to be able to assume a prominent role in European markets;

- Achieving operational and financial performance excellence. Being among top renewable energy producers globally as measured by key performance metrics;

- Enhancing the standing and reputation of DTEK Group by demonstrating the DTEK Group's commitment to the decarbonisation of its activities engaging in a technologically advanced area of the electricity industry.

Taking into account uncertainties in the year 2019 the Group will focus on the following key areas:

- Focus on the liquidity through driving power generation output;
- Optimise operating costs and capex investments;
- Support reforms in energy sector aimed at increasing transparency of tariffs setting.

Management Board

The Company strives to get the best applicable persons in the Management Board despite the gender or culture.

Post balance sheet events

In February 2019 Nikopol Solar Power Plant was put into operation and since March 2019 electricity generated at this facility is being sold to State Enterprise Energorynok at a feed-in tariff.

Since late February 2019 first stage of Primorskaya Wind Farm is being gradually put into operation. The facility has been awarded a feed-in tariff in March 2019 and electricity generated at this facility is being sold to State Enterprise Energorynok since then.

On 1 April 2019 the Group entered into a binding agreement to acquire 100% shares of Tiligoulska Vitrova Electrostancia LLC. The latter company was established for development, construction, commissioning and operation of 500 MW wind farm located on the border of Mykolaiv and Odessa regions on the Tiligul coastline in Ukraine. At the date of purchase, the target possessed relevant land lease rights and has performed a wind monitoring survey. This transaction is to be accounted for as an acquisition of the group of assets that does not constitute a business. After acquisition the Group started development of Tiligul Wind Electric Plant with a planned capacity 500 MW. At the date this Directors' report was signed, construction works has not started yet.

Signed by entire Management Board, 26 April 2019

Mr. Maksym Timchenko

Director

SCM Management B.V.

By: Ms. Nataliya Muktan
Title: Director

By: Ms. Eliza Desiree den Aantrekker
Title: Director

Director

Consolidated Financial Statements

31 December 2018

In thousands of Ukrainian Hryvnia	Note	31 December 2018	31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment	7	15,582,664	6,462,892
Intangible assets		10,899	10,631
Financial investments	8	628,941	466,191
Deferred income tax asset	18	17,027	37,420
Total non-current assets		**16,239,531**	**6,977,134**
Current assets			
Inventories		4,343	6,272
Loans receivable	9	5,459,317	7,833,494
Trade and other receivables	10	1,747,176	182,360
Cash and cash equivalents	11	1,157,687	710,930
Total current assets		**8,368,523**	**8,733,056**
TOTAL ASSETS		**24,608,054**	**15,710,190**
EQUITY			
Share capital		11	11
Share premium		9,089,588	8,478,228
Other reserves		(433,612)	(433,612)
Revaluation reserve		2,713,086	2,927,103
Accumulated losses		(46,894)	(1,012,374)
TOTAL EQUITY		**11,322,179**	**9,959,356**
LIABILITIES			
Non-current liabilities			
Borrowings	12	8,995,962	4,414,025
Deferred income tax liabilities	18	379,325	118,557
Total non-current liabilities		**9,375,287**	**4,532,582**
Current liabilities			
Borrowings	12	3,038,758	1,051,052
Trade and other payables	13	470,465	127,483
Dividends payable	14	232,381	1,105
Income tax payables		164,728	35,712
Liabilities to non-controlling participants		4,256	2,900
Total current liabilities		**3,910,588**	**1,218,252**
TOTAL LIABILITIES		**13,285,875**	**5,750,834**
TOTAL LIABILITIES AND EQUITY		**24,608,054**	**15,710,190**

Signed by entire Management Board,
__ April 2019

Mr. Maksym Timchenko, Director

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SCM MANAGEMENT B.V., Director

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Approved for issue and signed by entire
Supervisory Board

Oleg Popov __________________________

Sergey Korovin _______________________

Irina Mykh ___________________________

Damir Akhmetov ______________________

Johan Bastin _________________________

In thousands of Ukrainian Hryvnia	**Note**	**2018**	**2017**
Revenue		2,492,858	2,115,741
Cost of sales	15	(731,471)	(621,570)
Gross profit		**1,761,387**	**1,494,171**
Other operating income		6,636	7,906
General and administrative expenses	16	(160,345)	(93,603)
Other operating expenses		(38,925)	(10,055)
Net foreign exchange (losses less gains) / gains less losses on operating activities		(9,264)	61,791
Impairment of property, plant and equipment and intangibles assets		-	(16,786)
Operating profit		**1,559,489**	**1,443,424**
Foreign exchange losses less gains on financing and investing activities		(26,642)	(544,109)
Finance income	17	1,109,273	122,208
Finance costs	17	(849,516)	(539,148)
Net impairment losses on financial assets	9	(72,086)	-
Profit before income tax		**1,720,518**	**482,375**
Income tax expense	18	(418,166)	(79,428)
Profit for the period		**1,302,352**	**402,947**
Profit is attributable to:			
Equity holders of the parent		1,300,782	402,703
Non-controlling interest		1,570	244

Consolidated Statement of Comprehensive Income

In thousands of Ukrainian Hryvnia	**Note**	**2018**	**2017**
Profit for the period		1,302,352	402,947
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Property, plant and equipment:			
- (Decrease) / increase in valuation of property plant and equipment	7	(28,720)	599,914
- Income tax recorded on revaluation of property plant and equipment	18	5,170	(107,985)
Total comprehensive income for the period		**1,278,802**	**894,876**
Total comprehensive income attributable to:			
Equity holders of the Company		1,277,446	894,302
Non-controlling interest		1,356	574

In thousands of Ukrainian Hryvnia	**Share capital**	**Share premium**	**Revaluation reserve**	**Other reserve**	**(Accumulated losses)**	**Total equity**
Balance at 1 January 2017	**11**	**1,522,462**	**2,597,392**	**(433,612)**	**(1,537,084)**	**2,149,169**
Profit for the period	-	-	-	-	402,703	**402,703**
Other comprehensive income	-	-	491,599	-	-	**491,599**
Total comprehensive income	**-**	**-**	**491,599**	**-**	**402,703**	**894,302**
Utilization of revaluation reserve, net of tax	-	-	(161,888)	-	161,888	**-**
Share premium contribution	-	6,955,766	-	-	-	**6,955,766**
Dividends distribution	-	-	-	-	(39,881)	**(39,881)**
Balance at 31 December 2017	**11**	**8,478,228**	**2,927,103**	**(433,612)**	**(1,012,374)**	**9,959,356**
Balance at 1 January 2018	**11**	**8,478,228**	**2,927,103**	**(433,612)**	**(1,012,374)**	**9,959,356**
Effect from the first application of IFRS 9 (Note 5)	-	-	-	-	(255,265)	(255,265)
Balance at 1 January 2018 after application of new standards	**11**	**8,478,228**	**2,927,103**	**(433,612)**	**(1,267,639)**	**9,704,091**
Profit for the period	-	-	-	-	1,300,782	1,300,782
Other comprehensive loss	-	-	(23,336)	-	-	(23,336)
Total comprehensive income / (loss)	**-**	**-**	**(23,336)**	**-**	**1,300,782**	**1,277,446**
Utilization of revaluation reserve, net of tax	-	-	(190,681)	-	190,681	-
Share premium contribution (Note 14)	-	611,360	-	-	-	611,360
Dividends distribution (Note 14)	-	-	-	-	(270,718)	(270,718)
Balance at 31 December 2018	**11**	**9,089,588**	**2,713,086**	**(433,612)**	**(46,894)**	**11,322,179**

In thousands of Ukrainian Hryvnia	Note	2018	2017
Cash flows from operating activities			
Profit before income tax		**1,720,518**	**482,375**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets		408,139	383,149
Allowance for inventory		2,548	-
Foreign exchange losses less gains on financing and investing activities		26,642	544,109
Unrealised foreign exchange gain		-	(3,870)
Impairment loss on financial assets		72,086	-
Finance (income) / costs, net	17	(259,757)	416,940
Operating cash flows before working capital changes		**1,970,176**	**1,822,703**
Trade and other receivables		(1,565,368)	(35,546)
Inventories		(619)	256
Trade and other payables		91,557	(6,469)
Cash generated from operations		**495,746**	**1,780,944**
Interest paid	12	(309,745)	(146,031)
Interest received		356,035	67,063
Income tax paid		(104)	(2,239)
Debt attraction fees paid	12	(299,868)	-
Net cash generated from operating activities		**242,064**	**1,699,737**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(4,202,186)	(378,394)
Placement of restricted cash	8	(187,542)	(187,767)
Loan provided to related party		(2,645,838)	(7,301,397)
Repayment of loans provided to related parties		4,535,577	2,034
Capitalised borrowing cost paid	12	(12,523)	-
Return of deposit		-	341,601
Proceeds from sale of property plant and equipment and intangible assets		(413)	3,175
Net cash used in investing activities		**(2,512,925)**	**(7,520,748)**
Cash flows from financing activities			
Share premium contribution from shareholder	14	611,360	6,955,766
Dividend paid	14	(44,669)	(39,881)
Proceeds from borrowings	12	3,157,981	215,382
Repayment of borrowings	12	(1,009,627)	(808,944)
Net cash generated in financing activities		**2,715,045**	**6,322,323**
Net increase in cash and cash equivalents		**444,184**	**501,312**
Cash and cash equivalents at the beginning of the year	**11**	710,930	202,575
Exchange gain on cash and cash equivalents		2,573	7,043
Cash and cash equivalents at the end of the year	**11**	**1,157,687**	**710,930**

Investing transactions that did not require the use of cash and cash equivalents and were excluded from the cash flow statement are as follows:

In thousands of Ukrainian Hryvnia		2018	2017
Acquisition of property, plant and equipment	7	(4,953,720)	-
Recognition of bank borrowings	12	648,148	-
Recognition of non-bank borrowings	12	4,305,572	-

1 The Organisation and its Operations

DTEK Renewables B.V. ("the Company") is a private limited liability company incorporated on 9 September 2013, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company is controlled by DTEK B.V., which is the holding company of a vertically integrated power generating and distribution and gas production business of Joint Stock Company "System Capital Management Limited" ("SCM"). SCM and DTEK Renewables B.V. are ultimately controlled by Mr. Rinat Akhmetov who has a number of other business interests outside of the Company. Related party transactions are detailed in Note 6.

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind and solar power plants in Ukraine.

During 2018 and based on expansion strategy for renewable energy segments generation, the Group established several new entities for solar projects (Solar Farm – 5 LLC, Solar Farm – 6 LLC, Solar Farm – 7 LLC, Solar Farm – 8 LLC, Solar Farm – 9 LLC, Solar Farm – 10 LLC, Solar Farm – 11 LLC, Solar Farm – 12 LLC, Solar Farm – 13 LLC, Solar Farm – 14 LLC and Solar Farm – 15 LLC) and for administrative support of wind and solar projects, either currently operating, or those which are currently under construction/development (DTEK RES LLC).

The principal subsidiaries are presented below:

Name	% interest held as at 31 December 2018	31 December 2017	Country of incorporation
Primorskaya WEP B.V.	100.00	100.00	The Netherlands
Wind Power LLC	99.90	99.90	Ukraine
Wind Tech LLC	100.00	100.00	Ukraine
Primorskaya WEP LLC	100.00	100.00	Ukraine
Primorskaya WEP - 2 LLC	100.00	100.00	Ukraine
Tryfanovka Energy LLC	100.00	100.00	Ukraine
Orlovskaya WEP LLC	100.00	100.00	Ukraine
Solar Farm – 1 LLC	100.00	100.00	Ukraine
Solar Farm – 2 LLC	100.00	100.00	Ukraine
Solar Farm – 3 LLC	100.00	100.00	Ukraine
Solar Farm – 4 LLC	100.00	100.00	Ukraine
Solar Farm – 5 LLC	100.00	-	Ukraine
Solar Farm – 6 LLC	100.00	-	Ukraine
Solar Farm – 7 LLC	100.00	-	Ukraine
Solar Farm – 8 LLC	100.00	-	Ukraine
Solar Farm – 9 LLC	100.00	-	Ukraine
Solar Farm – 10 LLC	100.00	-	Ukraine
DTEK RES LLC	99.90	-	Ukraine
Solar Farm – 11 LLC	100.00	-	Ukraine
Solar Farm – 12 LLC	100.00	-	Ukraine
Solar Farm – 13 LLC	100.00	-	Ukraine
Solar Farm – 14 LLC	100.00	-	Ukraine
Solar Farm – 15 LLC	100.00	-	Ukraine

The Group is registered at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX Amsterdam, the Netherlands. The principal place of business of its operating subsidiaries is 57 Lva Tolstogo str, 01032 Kyiv Ukraine.

As at 31 December 2018, the Group employed 107 people, included 30 production and 77 administrative people (31 December 2017: 75 people, included 35 production and 40 administrative people).

2 Operating Environment of the Group

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in 2016-2018, though to a much lesser extent as compared to 2014 and 2015.

The inflation rate in Ukraine stood at 9.8% for 2018 (as compared to 13.7% for 2017) while GDP continued to grow at 3.3% (2.1% in 2017) according to the statistics published by the National Bank of Ukraine.

2 Operating Environment of the Group (continued)

During 2017-2018 there has been easing of currency control restrictions that were introduced in 2014–2015. In particular, starting from March 2018 National Bank of Ukraine allowed Ukrainian companies to pay dividends to non-residents with a limit of USD 7 million per month regardless of the period. On 21 June 2018 Verkhovna Rada of Ukraine approved Law On Currency and Currency Operations, which came into force on 9 February 2019. The Law further lifts a number of currency restrictions, in particular individuals and business are able to invest abroad without obtaining an individual license from the NBU, it is no longer required to register loans obtained from non-residents with the NBU, sanctions that involve termination of foreign economic activities and application of individual licensing to currency regulation violators is cancelled, the NBU gradually lifts other effective currency restrictions subject to favourable economic conditions and currency control is replaced by currency supervision over the compliance with the limits set.

The IMF has continued to support the Ukrainian government under the four-year Extended Fund Facility ("EFF") Programme approved in March 2015, providing the fourth tranche of approximately USD 1 billion in April 2017. In December 2018 Ukraine has received USD 1.4 billion of the first tranche under a new Stand-By Arrangement (SBA) program for Ukraine, approved by the IMF Board of Directors on 18 December 2018. Further disbursements of IMF tranches depend on the continued implementation of Ukrainian government reforms, and other economic, legal and political factors.

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors.

The conflict in the parts of Eastern Ukraine, which started in spring 2014, has not been resolved to date. Approximately 33% of Group's property, plant and equipment are located near Nikopol, Dnipropetrovsk region, 44% of Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line and another 21% of Group's property, plant and equipment are located in Primorsk, Zaporizhzhya region, 125 kilometres away from the current ceasefire line.

Despite certain improvements in 2016-2018, the final resolution and the ongoing effects of the political and economic situation are difficult to predict, but they may have further severe effects on the Ukrainian economy and the Group's business.

3 Summary of Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union using the historical cost convention, as modified by the revaluation of property, plant and equipment (revaluation model under IAS 16 *Property, plant and equipment*), and certain financial instruments measured in accordance with the requirements of IFRS 9 *Financial instruments*. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New IFRS standards. The group has applied IFRS 9 and IFRS 15 standards for the first time for their annual reporting period commencing 1 January 2018. The Group had to change its accounting policies and make retrospective adjustments as a result of adopting these new standards. The impact of the adoption of these standards and the new accounting policies are disclosed in Note 5.

Going concern. As of 31 December 2018 the Group had net current assets of UAH 4,457,935 thousand (31 December 2017: net current assets of UAH 7,514,804 thousand) and earned a net profit of UAH 1,302,352 thousand for the year ended 31 December 2018 (31 December 2017: net profit of UAH 402,947 thousand).

Management believes that the application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

Use of estimates. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas, involving a high degree of judgement, complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 4.

Functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in Ukrainian Hryvnia ("UAH"), which is the Company's functional and the Group's presentation currency. Transactions denominated in currencies other than the relevant functional currency are translated into the functional currency, using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses, resulting from settlement of such transactions and from the translation of foreign currency denominated monetary assets and liabilities at year end, are recognised in the income statement. Translation at year end does not apply to non-monetary items including equity investments. The effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

3 Summary of Significant Accounting Policies (continued)

Changes in the fair value of monetary securities denominated in foreign currency are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences in non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences in non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences in non-monetary financial assets such as equities are included in the reserve in equity.

Foreign exchange differences classification. Foreign exchange transaction differences on accounts receivable, accounts payable, cash and cash equivalents and deposits placed are classified in consolidated income statement as "Net foreign exchange (losses less gains) / gains less losses on operating activities". Transaction differences recognised on other monetary assets and liabilities are classified in consolidated income statement as "Foreign exchange losses less gains on financing and investing activities".

As at 31 December 2018, the exchange rates used for translating foreign currency balances were USD 1 = UAH 27.69 (31 December 2017: USD 1 = UAH 28.07); EUR 1 = UAH 31.71 (31 December 2017: EUR 1 = UAH 33.49).

The results and financial position of each consolidated entity are translated into the presentation currency as follows: (i) assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance sheet; (ii) income and expenses for each income statement are translated at monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and (iii) all resulting exchange differences are recognised as a separate component of equity. All the components of consolidated equity are translated at the closing rate of that balance sheet date, except for retained earnings, which is stated at historical rates. The balancing figure goes to cumulative currency translation reserve in other reserves in equity.

Consolidated financial statements. Subsidiaries are those companies and other entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions among the companies of the Group are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Common control business combinations. Purchases of subsidiaries from parties under common control are recorded using the predecessor values. Under this method the subsidiaries results, assets and liabilities are incorporated prospectively from the date, on which business combination between entities under common control occurred. The corresponding amounts for the previous year are not restated. . The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying values. The difference between the consideration given and the aggregate carrying value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. No additional goodwill is created by such purchases.

Property, plant and equipment. Initial purchases of property plant and equipment are recorded at cost. Subsequently The Group uses the revaluation model to measure property, plant and equipment. The frequency of revaluation depends upon the movements in the fair values of the assets being revalued. Subsequent additions to property plant and equipment are recorded at cost. Cost includes expenditure directly attributable to acquisition of the items. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the replaced component being written off. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Property, plant and equipment items are derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Gains and losses on disposals determined by comparing proceeds with carrying amount of property, plant and equipment are recognised in the consolidated income statement. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred. The carrying amount of any replaced or sold component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3 Summary of Significant Accounting Policies (continued)

Depreciation. Depreciation is charged to the income statement on a straight-line basis to allocate costs of individual assets to their residual value over their estimated useful lives. Depreciation commences on the date of acquisition or, in respect of self-constructed assets, from the time an asset is completed and ready for use. The estimated useful lives are as follows:

	Useful lives in years
Buildings and structures	from 10 to 40
Plant and machinery	from 2 to 20
Furniture, fittings and equipment	from 2 to 15

Construction in progress represents the cost of property, plant and equipment, including advances to suppliers, which has not yet been completed. No depreciation is charged on such assets until they are available for use.

Intangible assets. All of the Group's intangible assets have definite useful lives and primarily include wind monitoring reports and capitalised computer software. Acquired intangible assets are capitalised on the basis of the costs incurred to acquire and bring them to use. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell. Amortisation is charged to the income statement on a straight line basis.

Impairment of non-financial assets. Assets that are subject to depreciation are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. For purposes of assessing impairment, assets are grouped to the lowest levels for which there are separately identifiable cash flows (cash generating unit). Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Classification of financial assets. The Group classifies financial assets in the following measurement categories: fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI) and at amortized cost (AC). The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment.

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI").

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The Group financial assets consist of loans and receivables.

Initial recognition of financial instruments*.* The Group's principal financial instruments comprise loans and borrowings, cash and cash equivalents, financial investments. The Group has other various financial instruments, such as trade creditors, which arise directly from its operations.

All purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Group commits to deliver a financial instrument. All other purchases and sales are recognised on the settlement date with the change in value between the commitment date and settlement date not recognised for assets carried at cost or amortised cost, and recognised in equity for assets classified as available-for-sale.

Reclassification of financial assets. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model.

3 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (credit loss allowance for ECL). The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments. The Group measures ECL and recognises Net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC and contract assets are presented in the statement of financial position net of the allowance for ECL. For loan commitments a separate provision for ECL is recognised as a liability in the statement of financial position.

The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity (“12 Months ECL”). If the Group identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments (“Lifetime ECL”). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired (“POCI Assets”), the ECL is always measured as a Lifetime ECL.

Modification of financial assets. The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial. If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

Measurement categories of financial liabilities. Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Subsequent measurement of financial instruments. Subsequent to initial recognition, the Group’s financial liabilities, loans and receivables are measured at amortised cost. Amortised cost is calculated using the effective interest rate method and, for financial assets, it is determined net of any impairment losses. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

Face values of financial assets and liabilities with a maturity of less than one year, less any estimated credit adjustments, are assumed to be their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions based on market conditions existing at the balance sheet date.

Derecognition of financial assets. The Group derecognises financial assets when (i) the assets are redeemed or the rights to cash flows from the assets have otherwise expired or (ii) the Group has transferred substantially all the risks and rewards of ownership of the assets or (iii) the Group has neither transferred nor retained substantially all risks and rewards of ownership but has not retained control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

3 Summary of Significant Accounting Policies (continued)

Derecognition of financial liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. While assessing if modification is substantial, management considers both quantitative and qualitative factors. Qualitative factors include change of form of the instrument, interest rate, change in covenants and guarantors. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss. If the exchange or modification of financial liability is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with Ukrainian and Dutch legislation enacted or substantively enacted by the balance sheet date. The income tax charge comprises current tax and deferred tax and is recognised in the income statement unless it relates to transactions that are recognised, in the same or a different period, directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is provided on post-acquisition retained earnings and other post-acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Inventories. Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the first in first out basis for raw materials and spare parts. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method. Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are included in other non-current assets.

Share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is presented in the consolidated financial statements as share premium.

As at 31 December 2018 and 31 December 2017 the total authorised number of ordinary shares was 101 ordinary shares with a par value of EUR 10 per share. The total issued share capital amounts to UAH 11,041 (EUR 1,010). All issued shares are fully paid.

Dividends. Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the consolidated financial statements are authorised for issue.

Other reserves. The other reserves represented by merge reserve and are the difference between the fair value of investments of the parent company in respect of the subsidiary share capital acquisition and the nominal value of the share capital of the subsidiary. The merge reserve subsequently will be utilised through the positive amount of retaining earnings.

Value added tax ("VAT"). In Ukraine VAT is levied at two rates: 20% on sales within the country and imports of goods and, services and 0% on the export of goods and services. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period, and arises on the cash basis for the year 2017. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods or services are received. VAT related to sales and purchases is recognised in the consolidated balance sheet on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

3 Summary of Significant Accounting Policies (continued)

Long-term debt. On initial recognition long-term debt is recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debt are included in the initial recognition. After initial recognition long-term debt is recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. The difference between the stated book value and the mature redemption value is accounted for as finance expense in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debt. Long-term debt comprises intra-group debt issued and is recognised initially at fair value, net of transaction costs incurred.

Trade and other payables. Trade and other payables are recognised and initially measured under the policy for financial instruments mentioned above. Subsequently, instruments with a fixed maturity are re-measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any transaction costs and any discount or premium on settlement.

Contingent assets and liabilities. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the financial statements unless it is probable that an outflow of economic resources will be required to settle the obligation and it can be reasonably estimated. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Revenue recognition. The Group sells electricity produced by its electricity generation plants to Energorynok, a state-owned electricity distribution monopoly.

Revenues from sales of goods are recognised at the point of transfer of risks and rewards associated with ownership to immediate customers of the Group. Revenues are measured at the fair value of the consideration received or receivable, and are shown net of value added tax and discounts.

Recognition of expenses. Expenses are recorded on an accrual basis. The cost of goods sold comprises the purchase price, transportation costs, commissions relating to supply agreements and other related expenses.

Finance income and costs. Finance income and costs comprise interest income and interest expense on loans and borrowings, income on origination of financial instruments, losses on early repayment of loans and unwinding of discount on financial instruments.

Borrowing costs that relate to assets that take a substantial period of time to construct are capitalised as part of the cost of the asset. All the other interest and costs incurred in connection with borrowings are expensed using the effective interest rate method.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

4 Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Deferred tax asset recognition. The net deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the balance sheet. Deferred tax assets are recorded to the extent that realisation of the related tax benefit is probable. In determining future taxable profits and the amount of tax benefits that are probable in the future, management makes judgements and applies estimation based on historic taxable profits and expectations of future income that are believed to be reasonable under the circumstances.

Revaluation of property, plant and equipment. On an annual basis management of the Group carries out an analysis to assess whether carrying amounts of items of property, plant and equipment differ materially from amounts which would be determined using fair value at the end of the reporting period. Fair value of property, plant and equipment and remaining useful lives as at 1 December 2018 were determined by an independent appraiser.

As most of the Group's property, plant and equipment is of specialised nature, its fair value is determined using depreciated replacement cost (Level 3).

When performing a valuation using these methods, the key estimates and judgments applied by the independent appraisers, in discussion with the Group's internal valuation team and technicians, are as follows:

- choice of information sources for construction costs analysis (actual costs recently incurred by the Group, specialised reference materials and handbooks, estimates for cost of construction of various equipment etc.);
- determination of comparatives for replacement cost of certain equipment, as well as corresponding adjustments required to take into account differences in technical characteristics and condition of new and existing equipment; and
- determination of applicable cumulative price indices or changes in foreign exchange rates which would most reliably reflect the change in fair value of assets revalued using indexation of carrying amounts.

The fair values obtained using depreciated replacement cost and indexation of carrying amounts are validated using discounted cash flow models (income approach, Level 3), and there are no adjustments to the values obtained using depreciated replacement cost.

The results of this revaluation of property, plant and equipment is disclosed further in Note 7.

Changes in the estimates and judgments could have a material effect on the fair value of property, plant and equipment, which, however, is impracticable to quantify due to the wide variety of assumptions and assets being valued.

Impairment of property, plant and equipment. The Group is required to perform impairment tests for its cash-generating units if there are indicators of impairment.

This testing requires the estimation of value in use / fair value less costs of disposal of the cash-generating unit. Estimating value in use/ fair value less costs of disposal requires the Group to make an estimate of expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of cash-generating unit was estimated based on a fair value less cost of disposal calculations. No impairment of property, plant and equipment is recognized as result of the assessment.

Changes in the estimates and judgments used could have a material effect on the recording or amount of impairment. The estimates used to assess impairment are impacted by the anticipated tariff for electricity produced and uncertainty caused by events in Eastern Ukraine (see discussion of operating environment in Note 2).

Tax legislation. Ukrainian tax, currency and customs legislation continues to evolve. Conflicting regulations are subject to varying interpretations. Management believes its interpretations are appropriate and sustainable, but no guarantee can be provided against a challenge from the tax authorities (Note 19).

Related party transactions. In the normal course of business the Group enters into transactions with related parties. Judgement is applied in determining if transactions are priced at market or non-market rates, where there is no active market for such transactions. Financial instruments are recorded at origination at fair value using the effective interest method. The Group's accounting policy is to record gains and losses on related party transactions in the income statement. The basis for judgement is pricing for similar types of transactions with unrelated parties and an effective interest rate analysis.

5 Adoption of New or Revised Standards and Interpretations

The following new standards, which are relevant to the Group's financial statements, have been issued, but have not been endorsed by European Union:

- ***IFRIC 23 Uncertainty over Income Tax Treatments*** (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019);
- ***Annual Improvements to IFRS Standards 2015-2017 Cycle - amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23*** (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019);
- ***Amendments to IAS 19: Plan Amendment, Curtailment or Settlement*** (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019);
- ***Amendments to the Conceptual Framework for Financial Reporting*** (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).
- ***Definition of a business – Amendments to IFRS 3*** (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020)
- ***Prepayment Features with Negative Compensation – Amendments to IFRS 9*** (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).
- ***Definition of materiality – Amendments to IAS 1 and IAS 8*** (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020)

The Group is currently assessing the impact of the amendments on its consolidated financial statements.

The following new standards which are relevant to the Group's financial statements, have been issued and endorsed by European Union, but have not been effective for financial periods beginning on or after 1 January 2018:

- ***IFRS 16 – Leases*** (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).

All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 will require the Group to recognise in the balance sheet assets taken in an operating lease and the related lease liabilities. Although, the current annual operating lease commitments are immaterial, the Group performed assessment of the impact of IFRS 16. Management intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to the adoption. The Group intends to measure lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group has chosen, on a lease-by-lease basis, to measure that right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. According to the Group's preliminary assessment the estimated lease liability and right-of-use asset as at 1 January 2019 equals to UAH 131,430 thousand. Management will perform more detailed analysis and will disclose the impact of the new standard in the financial statements for the year ended 31 December 2019.

New and amended standards adopted by the Group. The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- ***IFRS 9, Financial Instruments*** (issued on 24 July 2014 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRS 15 Revenue from Contracts with Customers*** (issued on 28 May 2014 and effective for annual periods beginning on or after 1 January 2018).
- ***Annual Improvements to IFRSs 2014-2016 cycle –*** Amendments to IFRS 1 an IAS 28 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- ***IFRIC 22 Foreign Currency Transactions and Advance Consideration*** (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).

The impact of the adoption of IFRS 9 and IFRS 15 and the new accounting policies are disclosed below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

5 Adoption of New or Revised Standards and Interpretations (continued)

IFRS 9 *Financial instruments*

The Group adopted IFRS 9, Financial Instruments, from 1 January 2018. IFRS 9 was adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following tables show the adjustments recognised for each individual balance sheet line item. The adjustments are explained in more detail by standard below.

In thousands s of Ukrainian Hryvnia	31 December 2017	Effect from the first application of IFRS 9	1 January 2018
ASSETS			
Non-current assets			
Property, plant and equipment	6,462,892	-	6,462,892
Intangible assets	10,631	-	10,631
Financial investments	466,191	-	466,191
Deferred income tax asset	37,420	1,818	39,238
Total current assets	**6,977,134**	**1,818**	**6,978,952**
Current assets			
Inventories	6,272	-	6,272
Loans receivable	7,833,494	(257,083)	7,576,411
Trade and other receivables	182,360	-	182,360
Cash and cash equivalents	710,930	-	710,930
Total current assets	**8,733,056**	**(257,083)**	**8,475,973**
TOTAL ASSETS	**15,710,190**	**(255,265)**	**15,454,925**
EQUITY			
Share capital	11	-	11
Share premium	8,478,228	-	8,478,228
Other reserves	(433,612)	-	(433,612)
Revaluation reserve	2,927,103	-	2,927,103
Accumulated losses	(1,012,374)	(255,265)	(1,267,639)
TOTAL EQUITY	**9,959,356**	**(255,265)**	**9,704,091**
TOTAL LIABILITIES AND EQUITY	**15,710,190**	**(255,265)**	**15,454,925**

The adoption of IFRS 9 *Financial Instruments* from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements of the Group. The new accounting policies are set out below. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and financial receivables. To measure the expected credit losses, trade receivables and financial receivables have been grouped based on shared credit risk characteristics and ageing.

Expected credit loss rate as at 1 January 2018 for loans receivable from related parties was determined based on adjusted yield to maturity of corporate bonds and was in range from 3.05% up to 3.29%. Management assessed expected credit losses on other financial assets and determined that amount is not material for financial statements.

Reconciliation of the loss allowances for loans receivable as at 31 December 2017 to the opening loss allowances on 1 January 2018 is presented in Note 9.

The new standard IFRS 9 Financial Instruments issued by the Board in July 2014 is obligatory for implementation for the periods beginning on or after January 1, 2018. The standard replaces IAS 39 previously regulated operations with financial instruments.

The objective of the new standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The standard also regulates hedge accounting and provide explicit rules for calculation of loss allowance.

5 Adoption of New or Revised Standards and Interpretations (continued)

IFRS 15 *Revenue from Contracts with Customers*

Starting from 1 January 2018 the Group is obliged to apply IFRS 15 *Revenue from Contracts with Customers*. The new standard recognition requirements provide more advanced guidance on complex transactions, such as accounting for multiple-element arrangements. The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

For the purpose of transition to accounting according to IFRS 15 the Group decided to apply the method using the modified retrospective approach, meaning that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated. Management assessed that adjustment of the retained earnings opening balance as at 1 January 2018 is immaterial, the retained earnings opening balance as of 1 January 2018 was not restated in the Group's consolidated financial statements.

6 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties represent entities with significant concentration of transactions, but which are not under common control.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December is detailed below:

	31 December 2018			31 December 2017		
In thousands s of Ukrainian Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Trade and other receivables	-	1,066	27,932	-	1,984	4,402
Loans receivable from related party	2,236,076	2,685,057	529,615	6,934,707	339,881	547,093
Cash and cash equivalents – current account	-	-	31,161	-	-	69,952
Bonds issued	-	(504,134)	-	-	(563,154)	-
Borrowings	-	(2,015,666)	-	-	-	-
Trade and other payables	(1,870)	(12,641)	(24,059)	-	(7,504)	(111)
Dividends payable	(231,952)	(429)	-	-	(1,105)	-

The income and expense items with related parties for the years ended 31 December were as follows:

	2018			2017		
In thousands of Ukrainian Hryvnia	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**	**DTEK B.V. (Immediate Parent)**	**DTEK B.V. Group Subsidiaries**	**Entities under common control of SCM**
Purchase of services	(1,910)	(20,795)	(22,072)	-	(16,698)	(8,919)
Operating lease expenses	-	(6,879)	-	-	(4,938)	-
Other income	-	131	5,856	-	64	-
Interest income on bank deposits	-	-	34,833	-	-	11,827
Interest expense on borrowings	-	(135,000)	-	-	(135,000)	-
Interest income on loans receivable	297,096	63,747	38,117	4,818	-	35,817

6 Balances and Transactions with Related Parties (continued)

Key management personnel compensation

In 2018 total compensation to key management personnel included in administrative expenses amounted to UAH 27,213 thousand (2017: UAH 13,739 thousand). Compensation to the key management personnel consists of salary, bonus payments and social contribution costs.

7 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

In thousands of Ukrainian Hryvnia	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
NBV at 1 January 2017	**603,642**	**5,237,218**	**8,739**	**21,200**	**5,870,799**
Additions	10,494	210,947	1,373	147,582	370,396
Disposals	-	-	-	(3,175)	(3,175)
Revaluation	4,626	595,249	39	-	599,914
Impairment	-	-	-	(8,004)	(8,004)
Depreciation charge	(37,739)	(328,753)	(546)	-	(367,038)
Transfer	582	78	655	(1,315)	-
NBV at 31 December 2017	**581,605**	**5,714,739**	**10,260**	**156,288**	**6,462,892**
At 31 December 2017					
Cost or valuation	604,491	5,733,647	12,045	156,288	6,506,471
Accumulated depreciation	(22,886)	(18,908)	(1,785)	-	(43,579)
Additions	111	655	3,425	9,552,295	9,556,486
Revaluation / (Impairment)	125,067	(155,064)	1,277	-	(28,720)
Depreciation charge	(37,446)	(367,935)	(2,613)	-	(407,994)
Transfer	-	497	-	(497)	-
NBV at 31 December 2018	**669,337**	**5,192,892**	**12,349**	**9,708,086**	**15,582,664**
At 31 December 2018					
Cost or valuation	674,823	5,235,458	16,146	9,708,086	15,634,513
Accumulated depreciation	(5,486)	(42,566)	(3,797)	-	(51,849)
NBV without revaluation at 31 December 2017	**258,756**	**2,542,491**	**4,565**	**69,533**	**2,875,345**
NBV without revaluation at 31 December 2018	**290,347**	**2,252,586**	**5,356**	**9,708,086**	**12,256,375**

During 2018, the Group engaged independent appraisers to determine the fair value of its property, plant and equipment. Fair value was determined with reference to depreciated replacement cost or market-based evidence, in accordance with International Valuation Standards.

The majority of the structures, plant and machinery are specialised in nature and are rarely sold in the open market in Ukraine, other than as part of a continuing business. The market for similar property, plant and equipment is not active in Ukraine and does not provide a sufficient number of sales of comparable assets to allow for using a market-based approach for determining fair value. Consequently, the fair value of structures, plant and machinery was primarily determined using depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economic depreciation, and obsolescence.

During 2018 the Group was actively developing and constructing its wind and solar energy generating facilities. Namely, during 2018 additions related to the Nikopol Solar Power Plant amounted to UAH 5,170,490 thousand (2017: UAH 4,036 thousand), to the first stage of Primorskaya WEP – UAH 3,177,272 thousand (2017: UAH 132,062 thousand), to the second stage of Primorskaya WEP – UAH 673,415 thousand (2017: nil), to Orlovskaya Wind Farm – UAH 506,743 thousand (2017: UAH 4,200 thousand) and the remaining UAH 28,566 thousand was added to property, plant and equipment of other Group's projects not listed above (during 2017 the Group constructed Trifanovskaya Solar Power Plant at UAH 222,238 thousand and another UAH 2,627 thousand was allocated to other projects).

The majority of additions related to construction of Nikopol Solar Power Plant were provided by China Machinery Engineering Corporation (CMEC). Supply of equipment is financed through the supplier's term loan provided by CMEC. The borrowing matures on 10 July 2028 and as at 31 December 2018 bears a nominal interest rate of 3.47% per annum since 10 January 2019 (Note 12). An effective interest rate under the loan facility is 5.8% per annum which includes the directly attributable commissions. Construction works performed by CCEC-Ukraine LLC were financed in cash.

7 Property, Plant and Equipment (continued)

In 2018, the depreciation expense of UAH 407,302 thousand (2017: UAH 366,089 thousand) was included in cost of sales, UAH 426 thousand (2017: UAH 140 thousand) in general and administrative expenses and 266 thousand (2017: UAH 809 thousand) in other operating expenses.

As at 31 December 2018 the Group's property, plant and equipment carried at UAH 14,366,389 thousand have been pledged as collateral for borrowings (31 December 2017: UAH 6,294,257 thousand).

During 2018, the Group has capitalised borrowing costs in the amount of UAH 148,681 thousand using rate of 7.3% (2017: UAH 426 thousand using rate of 7.0%).

8 Financial investments

In thousands of Ukrainian Hryvnia	**31 December 2018**	**31 December 2017**
Restricted cash	628,941	466,191
Total non-current financial investments	**628,941**	**466,191**

Non-current financial investments are represented by restricted cash ("Debt Service Account", or DSA and "Debt Service Reserve Account", or DRSA) under the requirements of the Novation Agreement with Landesbank Berlin AG and Facility Agreement with Bayerische Landesbank. During 2018, the Group has placed additional UAH 187,542 thousand to comply with requirements of a new loan obtained from Bayerische Landesbank to fund construction of Primorskaya WEP. As at 31 December 2018 restricted cash in the amount of UAH 441,403 thousand was placed in bank rated Aa2 and restricted cash in the amount of UAH 187,542 thousand was placed in bank rated Aa3, assigned by Moody's Investors Service (31 December 2017: all restricted cash was placed in bank rated Aa3, assigned by Moody's Investors Service). The restricted cash is non-interest-bearing asset. The restricted cash is pledged throughout the bank borrowings repayment periods (Note 12).

As at 31 December 2018 and as at 31 December 2017, all financial investments are denominated in EUR.

Management assessed expected credit losses on financial investments and determined that amount is not material for financial statements. Therefore, loss allowance was not recognised as at 31 December 2018; financial investments were not impaired at the date.

As at 31 December 2017 financial investments are neither past due nor impaired. The carrying amounts of financial assets approximate their fair values at 31 December 2018 and 31 December 2017.

9 Loans receivable

As at 31 December, receivables were as follows:

In thousands of Ukrainian Hryvnia	**31 December 2018**	**1 January 2018***	**31 December 2017**
Loans receivable from related parties	5,350,146	7,559,780	7,816,863
Loans receivable	8,569	11,813	11,813
Interest receivable	100,602	4,818	4,818
Total current receivable	**5,459,317**	**7,576,411**	**7,833,494**

* effect from the first application of IFRS 9 (Note 5).

The total impact of the first application of IFRS 9 as at 1 January 2018 and change in provision during 2018 is as follows:

In thousands of Ukrainian Hryvnia	
Provision for impairment at 31 December 2017	-
Impact from the adoption of IFRS 9 (Note 5)	257,083
Provision for impairment at 1 January 2018	**257,083**
Movements with impact on credit loss allowance charge for the period:	
- Provision for impairment during the year	128,734
- Reversal of provision	(154,947)
- Changes in estimates and assumptions	98,299
- Exchange rate difference	(11,385)
Provision for impairment at 31 December 2018	**317,784**

Credit loss allowance both as at 31 December 2018 and 1 January 2018 was charged as 12-months expected credit losses. Expected credit loss rate as at 31 December 2018 for loans receivable from related parties was determined based on adjusted yield to maturity of corporate bonds and was in range from 4.26% up to 6.47%.

9 Loans receivable (continued)

The major loans receivable balances are as follows:

A loan receivable from a related party refers to funds lent to a related party DTEK Oil&Gas B.V. in the amount of USD 99,000 thousand with principal maturity by 30 June 2019. These funds are temporarily placed to earn interest and will be returned to the Group when there will be a need to finance Group's capital expenditures programme. The loan earns a nominal interest of 5.0% per annum, which approximates its effective interest rate at the inception date.

A loan receivable from a related party refers to funds lent to the Parent, DTEK B.V., in the amount of EUR 76,480 thousand with principal maturity by 31 December 2019. These funds are temporarily placed to earn interest and will be returned to the Group when there will be a need to finance Group's capital expenditures programme. The loan is recognized at fair value at initial recognition with subsequent measurement at amortised cost under effective interest rate of 6.5% per annum.

A loan receivable from a related party refers to funds lent to SCM Ltd., in the amount of EUR 16,885 thousand with principal maturity by 29 June 2019. These funds are temporarily placed to earn interest and will be returned to the Group when there will be a need to finance Group's capital expenditures programme. The loan is recognized at fair value at initial recognition with subsequent measurement at amortised cost under effective interest rate of 10.4% per annum.

As at 31 December 2018 loans receivable in amount UAH 2,765,951 thousand were denominated in Euro (31 December 2017: UAH 7,486,890 thousand), in amount of UAH 2,684,797 were denominated in USD (31 December 2017: nil) and UAH 8,569 thousand (31 December 2017: 346,604 thousand) were denominated in Ukrainian Hryvnia.

Loans receivable are not past due and have the character of revolving credit lines subject to further changes for parties involved. The carrying amounts of loans receivable approximate their fair values.

10 Trade and Other Receivables

In thousands of Ukrainian Hryvnia	**31 December 2018**	**31 December 2017**
Trade receivables	295,009	152,287
Other	-	995
Total financial assets	**295,009**	**153,282**
VAT recoverable	1,378,790	13,581
Prepayments to suppliers	73,377	15,497
Total non-financial assets	**1,452,167**	**29,078**
Total trade and other receivables	**1,747,176**	**182,360**

As at 31 December 2018 and as at 31 December 2017, 100% of trade and other receivables are denominated in UAH. Management assessed expected credit losses on trade and other receivables and determined that amount is not material for financial statements. Therefore, loss allowance was not recognised as at 31 December 2018; trade and other receivables were not impaired at the date. As at 31 December 2017 trade and other receivables are not past due or impaired.

As at 31 December 2018 and 31 December 2017, the Group has pledged all existing and future amounts of Wind Power LLC trade receivables in connection with selling contract with the State Enterprise Energorynok as collateral for bank borrowings in respect of Landesbank Berlin AG. As at 31 December 2018 existing receivables was pledged in the amount UAH 293,134 thousand (31 December 2017: UAH 150,800 thousand). The pledge of trade receivables should be effective throughout the bank borrowings period (Note 12).

11 Cash and Cash Equivalents

As at 31 December, cash and cash equivalents were as follows:

In thousands of Ukrainian Hryvnia	**31 December 2018**	**31 December 2017**
Bank balances payable on demand	824,299	707,547
Cash in transit	76,857	-
Restricted cash	256,412	3,383
Cash equivalents	119	-
Total cash and cash equivalents	**1,157,687**	**710,930**

Restricted cash line above represents dedicated account, required by one of the lenders, from which the Group settles its payables to suppliers of one of the subsidiaries. The funds on this account are not restricted for use by the Group and therefore included into cash and cash equivalents in Cash Flow Statement.

As at 31 December 2018 cash and cash equivalents in EUR amounted to UAH 458,696 thousand and cash and cash equivalents in UAH amounted to UAH 698,991 thousand (as at 31 December 2017 – UAH 676,513 thousand in EUR and UAH 34,417 thousand in UAH).

11 Cash and Cash Equivalents (continued)

Analysis by credit quality of bank balances is as follows:

In thousands of Ukrainian Hryvnia	**31 December 2018**	**31 December 2017**
Rating by Moody's Investors Service		
Caa2	801,918	-
A3	312,209	632,952
non-rated	43,441	77,978
n/a	119	-
Total cash and cash equivalents	**1,157,687**	**710,930**

As at 31 December 2018 cash and cash equivalents in the amount UAH 825,401 thousand (31 December 2017: UAH 31,306 thousand) and future rights with respect to each bank account and bank account agreement were pledged as collateral for bank borrowings of Wind Power LLC, Tryfanovka Energy LLC, Primorskaya WEP LLC and non-bank borrowing of Solar Farm – 1 LLC. The pledge of cash and cash equivalents is effective throughout the borrowings repayment periods and do not restrict to use of cash and cash equivalents (Note 12).

12 Borrowings

As at 31 December, borrowings and interest payables were as follows:

In thousands of Ukrainian Hryvnia	**31 December 2018**	**31 December 2017**
Non-current		
Bank borrowings	4,426,923	3,964,025
Non-bank borrowings	4,119,039	-
Bonds issued to related parties	450,000	450,000
	8,995,962	**4,414,025**
Current		
Borrowings from related parties	2,015,666	-
Bank borrowings	960,169	927,400
Interest accrual to related parties	54,134	113,154
Interest accrual to bank borrowings	8,789	10,498
	3,038,758	**1,051,052**
Total borrowings	**12,034,720**	**5,465,077**

The effective interest rates of borrowings denominated in EUR as at 31 December 2018 were in the range of 4.6% - 8.0% (31 December 2017: in the range of 4.6% - 7.0%). The effective interest rates of borrowings denominated in UAH as at 31 December 2018 were 30.0% (31 December 2017: 30.0%).

During 2018, the Group has received interest-free financial aid in UAH from its related party repayable on demand. Total amount of such borrowings as at 31 December 2018 is UAH 2,015,666 thousand.

In April 2018, the Group has agreed obtaining funding for construction of the Nikopol Solar Power Plant through supplier's term loan provided by China Machinery Engineering Corporation (CMEC). As at 31 December 2018, UAH 4,119,039 thousand was recognized as a non-bank borrowing related to this construction. The facility matures on 10 July 2028 and bears an interest rate of 3.47% per annum since 10 January 2019. An effective interest rate under the loan facility is 5.8% per annum which includes the directly attributable commissions.

In July 2018, the Group has agreed obtaining financing for the construction of the first stage of Primorskaya WEP from a consortium of German banks headed by Bayerische Landesbank with total limit in the amount of EUR 90,305 thousand. As at 31 December 2018 the Group has withdrawn EUR 69,189 thousand. The loan matures on 30 September 2028, bears an interest of 2.5% per annum + EURIBOR until April 2019 and 1.9% per annum since then. The loan is supported by Euler Hermes coverage. An effective interest rate under the loan facility is 8.0% per annum which includes the directly attributable commissions.

In December 2018, the Group has agreed obtaining financing for the construction of the second stage of Primorskaya WEP from a consortium of German banks headed by Bayerische Landesbank with total limit in the amount of EUR 90,000 thousand. As at 31 December 2018 the Group did not withdrew any amount under the facility. The loan matures on 30 June 2029, bears an interest of 2.0% per annum + EURIBOR during the period of construction and 1.95% per annum since then. The loan is supported by Euler Hermes coverage.

Bonds issued by the Group during 2016 with a carrying value of UAH 450,000 thousand were bought by related party DTEK LLC. The bonds mature on 30 December 2024 and bear an interest of 30.0% per annum.

12 Borrowings (continued)

As at 31 December 2018, bank borrowings totalling UAH 5,387,092 thousand (31 December 2017: UAH 4,891,425 thousand) were secured with property, plant and equipment (Note 7), financial investments (Note 8), trade and other receivables (Note 10) and cash and cash equivalents (Note 11), and non-bank borrowings totalling UAH 4,119,039 thousand (31 December 2017: nil) were secured with property, plant and equipment (Note 7), and cash and cash equivalents (Note 11).

The Group's borrowings were denominated in the following currencies:

In thousands of Ukrainian Hryvnia		31 December 2018	31 December 2017
Borrowings denominated in:	- EUR	9,514,920	4,901,923
	- UAH	2,519,800	563,154
Total borrowings		**12,034,720**	**5,465,077**

Movements in borrowings during the period are as follows:

In thousands of Ukrainian Hryvnia	2018	2017
Opening balance as at 1 January	**5,465,077**	**5,048,302**
Cash movements		
Proceeds from borrowings	3,157,981	215,382
Repayment of borrowings	(1,009,627)	(808,944)
Interest paid during the period	(322,268)	(146,031)
Debt attraction fees paid	(299,868)	-
Non-cash movements		
Recognition of supplier's loan	4,305,572	-
Recognition of suppliers' invoices paid directly from borrowings account	648,148	-
Interest accrued and expensed during the period	205,012	248,096
Interest accrued and capitalised during the period	148,681	426
Foreign exchange (gain) / loss	(345,762)	776,526
Amortisation of discount (Note 17)	81,774	131,320
Closing balance as at 31 December	**12,034,720**	**5,465,077**

As at 31 December, the Group's loans and borrowings maturity were as follows:

In thousands of Ukrainian Hryvnia	31 December 2018	31 December 2017
Loans and borrowings due:		
- within 1 year	3,038,758	1,051,052
- between 1 and 5 years	5,481,056	3,728,585
- after 5 years	3,514,906	685,440
Total borrowings	**12,034,720**	**5,465,077**

13 Trade and Other Payables

In thousands of Ukrainian Hryvnia	31 December 2018	31 December 2017
Liabilities for purchased property, plant and equipment	255,502	4,077
Trade payables	83,266	58,358
Other financial payables	9,625	-
Total financial payables	**348,393**	**62,435**
VAT payable	90,330	52,113
Wages and salaries payable	26,761	12,740
Other	4,981	195
Total non-financial payables	**122,072**	**65,048**
Total	**470,465**	**127,483**

13 Trade and Other Payables (continued)

Analysis by currency and future undiscounted cash flows of financial trade and other payables are as follows:

	31 December 2018			31 December 2017	
In thousands of Ukrainian Hryvnia	**Liabilities for purchased property, plant and equipment**	**Trade payables**	**Other financial payables**	**Liabilities for purchased property, plant and equipment**	**Trade payables**
Currency analysis:					
UAH denominated	145,674	32,477	104	4,077	54,385
EUR denominated	109,828	50,789	9,521	-	3,973
Total	**255,502**	**83,266**	**9,625**	**4,077**	**58,358**
Future undiscounted cash flow analysis:					
Up to 3 months	255,502	67,270	9,625	-	58,358
From 3 to 6 months	-	7,998	-	4,077	-
From 6 to 12 months	-	7,998	-	-	-
Total	**255,502**	**83,266**	**9,625**	**4,077**	**58,358**

14 Share capital

During 2017 and with purposes of future Group expansion for renewable energy generation, DTEK B.V. made a voluntary share premium contribution in cash to DTEK Renewables B.V. in the amount of EUR 210,000 thousand (UAH 6,955,766 thousand). The cash received from the increase of share premium was then used to subsequently lend to the Parent. As at 31 December 2018 the remaining balance of this loan in the amount of EUR 76,480 thousand at an effective interest rate of 6.5% per annum matures on 31 December 2019.

Further during 2018 DTEK B.V. made an additional voluntary share premium contribution in cash to DTEK Renewables B.V. in the amount of EUR 20,000 thousand (UAH 611,360 thousand). The cash received from the increase of share premium was then used to subsequently lend to a related party with repayment by 30 June 2019 at an interest rate of 5.0% per annum.

During 2018, the Group has declared dividends in the amount of USD 10,000 thousand, out of which USD 1,650 thousand were paid out during the period.

Movements in the dividends payable balance in Ukrainian Hryvnia equivalent during the period are as follows:

In thousands of Ukrainian Hryvnia	**2018**	**2017**
Opening balance as at 1 January	**1,105**	-
Dividends declared	270,718	39,882
Payment of dividends	(44,669)	(38,777)
Foreign exchange losses less gains	5,227	-
Closing balance as at 31 December	**232,381**	**1,105**

15 Cost of Sales

In thousands of Ukrainian Hryvnia	**2018**	**2017**
Depreciation of property, plant and equipment and amortisation of intangible assets	407,352	366,147
Maintenance and repairs	270,332	192,840
Production overheads	36,879	45,705
Staff cost, including payroll taxes	10,281	10,057
Raw materials	2,969	2,046
Transportation services and utilities	2,836	3,997
Other costs	822	778
Total	**731,471**	**621,570**

For the year 2018 the staff costs included payroll costs equal to UAH 7,246 thousand (2017: UAH 6,426 thousand), bonus and unused vacation cost equal to UAH 1,223 thousand (2017: UAH 1,701 thousand), social contribution costs equal to UAH 1,709 thousand (2017: UAH 1,569 thousand) and other costs equal to UAH 103 thousand (2017: UAH 361 thousand).

16 General and Administrative Expenses

In thousands of Ukrainian Hryvnia	2018	2017
Staff cost, including payroll taxes	98,922	37,858
Professional fees	34,957	39,723
Lease	6,879	4,938
Bank charges	5,283	1,859
Transportation	3,430	1,610
Taxes, other than income tax	1,228	631
Depreciation of property, plant and equipment and amortisation of intangible assets	521	216
Other costs	9,125	6,768
Total	**160,345**	**93,603**

For the year 2018 the staff costs included payroll costs equal to UAH 59,815 thousand (2017: UAH 24,691 thousand), bonus and unused vacation cost equal to UAH 26,020 thousand (2017: UAH 7,584 thousand), social contribution costs equal to UAH 7,683 thousand (2017: UAH 2,758 thousand) and other costs equal to UAH 5,404 thousand (2017: UAH 2,825 thousand).

17 Finance Income and Costs

In thousands of Ukrainian Hryvnia	2018	2017
Finance income		
Interest income on loans provided to related parties and bank deposits	458,912	64,814
Gain on early repayment of loans provided to related parties	504,190	-
Unwinding of discount on loans provided to related parties	146,171	57,394
Total finance income	**1,109,273**	**122,208**
Finance costs		
Loss on origination on loans provided to related parties	562,730	159,732
Interest expense on bonds issued	135,000	135,000
Unwinding of discount on borrowings	81,774	131,320
Interest expense on bank borrowings	70,012	113,096
Total finance costs	**849,516**	**539,148**

18 Income Taxes

Income tax expense comprises the following:

In thousands of Ukrainian Hryvnia	2018	2017
Current tax	130,597	34,067
Deferred tax expense	288,149	45,361
Income tax expense	**418,166**	**79,428**

The Group is subject to taxation in several tax jurisdictions, depending on the residence of its subsidiaries (primarily in Ukraine).

Reconciliation between the expected and the actual taxation charge is provided below.

In thousands of Ukrainian Hryvnia	2018	2017
Profit before income tax	**1,720,518**	**482,375**
Profit before income tax of Ukrainian companies	1,660,450	125,116
Profit before income tax of Dutch companies	60,068	357,259
Income tax at statutory rates of 18% (Ukrainian operations)	298,881	22,521
Profit taxed at different rates (25% for Dutch operations)	15,017	89,315
Expenses not deductible for tax purposes	18,728	-
Under provision of tax in prior years	-	51,135
Non-taxable income	(16,475)	(3,932)
Tax effect of non-taxable forex gains on foreign subsidiaries, net	102,015	(79,611)
Income tax expense	**418,166**	**79,428**

18 Income Taxes (continued)

The parent and its subsidiaries are separate tax payers and therefore the deferred tax assets and liabilities are presented on an individual basis. The deferred tax liabilities and assets reflected in the consolidated balance sheet as at 31 December 2018 are as follows:

In thousands of Ukrainian Hryvnia	31 December 2017	1 January 2018 *	Charged to equity	Credited/ (charged) to income	31 December 2018
Tax effect of deductible temporary differences					
Loans receivable from related parties	24,833	26,651	-	(14,635)	12,016
Trade and other payables	6,109	-	-	2,910	9,019
Tax losses	484,509	484,509	-	(336,134)	148,375
Gross deferred tax asset	**515,451**	**517,269**	**-**	**(347,859)**	**169,410**
Less offsetting with deferred tax liabilities	(478,031)	(478,031)	-	325,648	(152,383)
Recognised deferred tax asset	**37,420**	**39,238**	**-**	**(22,211)**	**17,027**
Tax effect of taxable temporary differences					
Borrowings	(84,298)	(84,298)	-	25,888	(58,410)
Property, plant and equipment	(512,290)	(512,290)	5,170	33,822	(473,298)
Gross deferred tax liability	**(596,588)**	**(596,588)**	**5,170**	**59,710**	**(531,708)**
Less offsetting with deferred tax assets	478,031	478,031	-	(325,648)	152,383
Recognised deferred tax liability	**(118,557)**	**(118,557)**	**5,170**	**(265,938)**	**(379,325)**

* effect from the first application of IFRS 9 (Note 5).

Deferred income tax asset is recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The deferred tax liabilities and assets reflected in the consolidated balance sheet as at 31 December 2017 are as follows:

In thousands of Ukrainian Hryvnia	1 January 2017	Charged to equity	Credited/ (charged) to income	31 December 2017
Tax effect of deductible temporary differences				
Loans receivable from related parties	-	-	24,833	24,833
Trade and other payables	5,105	-	1,004	6,109
Tax losses	561,983	-	(77,474)	484,509
Gross deferred tax asset	**567,088**	**-**	**(51,637)**	**515,451**
Less offsetting with deferred tax liabilities	(494,879)	-	16,848	(478,031)
Recognised deferred tax asset	**72,209**	**-**	**(34,789)**	**37,420**
Tax effect of taxable temporary differences				
Borrowings	(60,936)	-	(23,362)	(84,298)
Property, plant and equipment	(433,943)	(107,985)	29,638	(512,290)
Gross deferred tax liability	**(494,879)**	**(107,985)**	**6,276**	**(596,588)**
Less offsetting with deferred tax assets	494,879	-	(16,848)	478,031
Recognised deferred tax liability	**-**	**(107,985)**	**(10,572)**	**(118,557)**

19 Contingencies, Commitments and Operating Risks

Tax legislation. Ukrainian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The Group conducts inter-company transactions. It is possible with evolution of the interpretation of tax law in Ukraine and changes in the approach of tax authorities under the new Tax Code, that such transactions could be challenged in the future. The impact of any such challenge cannot be estimated; however, management believes that it should not be significant.

The Group has income tax liabilities in various countries. The ultimate tax consequences of many transactions and calculations are uncertain, partly because of uncertainty concerning their timing. The Group continually assesses such matters and where final tax sums differ from the estimates such differences are recognised as income tax provisions in the period in which the differences become apparent.

19 Contingencies, Commitments and Operating Risks (continued)

On 1 September 2013 the Law "On Changes to the Tax Code of Ukraine in respect of transfer pricing rules" came into effect. These transfer pricing rules were much more detailed than previous legislation and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). The new legislation allows the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), if the transaction price is not arm's length and not supported by relevant documentation. Since 1 January 2015, the transfer pricing rules were amended so that transactions between Ukrainian companies (irrespective whether they are related parties or not) ceased to be treated as controlled transactions.

Management believes it is taking appropriate measures to ensure compliance with the new transfer pricing legislation.

Capital expenditure commitments. As at 31 December 2018 the Group has contractual capital expenditure commitments in respect of property, plant and equipment totalling UAH 5,152,120 thousand (31 December 2017: nil).

Purchase commitments. As at 31 December 2018 and 31 December 2017 the Group did not have contractual purchase commitments.

Compliance with covenants. The Group is subject to certain covenants related primarily to bank borrowings and non-bank borrowings. Non-compliance with such covenants may result in negative consequences for the Group, including increase in the cost of borrowings, declaration of default and demand for immediate repayment of borrowings. The Group is in compliance with covenants as at 31 December 2018 and as at 31 December 2017.

Environmental matters. The enforcement of environmental regulation in Ukraine is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations or legislation, and civil litigation, cannot be estimated but could be material. Management believes that there are no significant liabilities for environmental damage.

Insurance. At present, Group insurance policy covers risks associated with the loss or damage of part of Group's property, plant and equipment and loss of profit resulting from the work breakdown.

Lease of land. The Group leases the land on which its assets are located. The annual lease payment in 2018 amounted to UAH 19,727 thousand and in 2017 amounted to UAH 888 thousand. Those payments are cancellable lease commitments.

20 Financial Risk Management

The Group's activities expose it to financial risks: market risk (including cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management policies seek to minimise the potential adverse effects on the Group's financial performance for those risks that are manageable or noncore to the power generating business.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, and (b) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Credit risks concentration. As at 31 December 2018 the Group had three counterparties (as at 31 December 2017: three counterparties) with aggregated loans receivable from related party balances amounting to UAH 5,450,748 thousand (as at 31 December 2017: UAH 7,821,681 thousand).

The Group's current financial investments are held within two banks (as at 31 December 2017: one bank).

There is counterparty to the Group, with which accounts receivable balance individually represents 10% or more of the Group's trade and other accounts receivable. As at 31 December 2018 the Group had one counterparty (as at 31 December 2017: one counterparty) with aggregated receivables balance amounting to UAH 295,009 thousand (as at 31 December 2017: UAH 152,287 thousand) or 100% of the total amount of trade and other receivables (2017: 99%).

The Group's cash and cash equivalents are mainly held only within three banks (2017: two banks).

As at 31 December 2018 the maximum exposure to credit risk at the reporting date is UAH 7,540,954 thousand being carrying value of trade and other receivables, financial investments, loans receivable and cash (31 December 2017: UAH 9,163,897 thousand). The Group does not hold any collateral as security.

Interest rate risk. The Group's income and operating cash flows are substantially independent of changes in market interest rate. The Group has significant interest bearing assets with related parties. Borrowings at fixed rates expose the Group to fair value interest rate risk.

Currency risk. The Group operates within Ukraine and accordingly its exposure to foreign currency risk is mainly determined by borrowings, loan receivable and cash balances, which are denominated in EUR and USD. Increasing domestic uncertainty led to volatility in the currency exchange market and resulted in significant downward pressure on the Ukrainian Hryvnia relative to major foreign currencies.

20 Financial Risk Management (continued)

The following table presents sensitivities of profit or loss and equity before tax to reasonably possible changes in exchange rates applied at the balance sheet date with all other variables held constant:

	At 31 December 2018		At 31 December 2017	
In thousands of Ukrainian Hryvnia	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
EUR strengthening by 25%	(1,456,139)	(1,456,139)	(1,226,474)	(1,226,474)
EUR weakening by 25%	1,456,139	1,456,139	1,226,474	1,226,474

Liquidity risk. Prudent liquidity management implies maintaining sufficient cash and the availability of funding to meet existing obligations as they fall due. Management monitors liquidity and cash collections on a daily basis to ensure liquidity targets are actively monitored.

The following table analyses the Group's financial liabilities by maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the undiscounted cash flows. The maturity analysis of financial liabilities as at 31 December 2018 is as follows:

In thousands of Ukrainian Hryvnia	Up to 6 months	6 -12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
Borrowings	2,621,011	944,945	2,142,264	5,207,335	4,270,011	15,185,566
Trade and other payables	340,395	7,998	-	-	-	348,393
Total future payments, including future principal and interest payments	**2,961,406**	**952,943**	**2,142,264**	**5,207,335**	**4,270,011**	**15,533,959**

The maturity analysis of financial liabilities as at 31 December 2017 is as follows:

In thousands of Ukrainian Hryvnia	Up to 6 months	6 -12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
Borrowings	673,561	756,381	1,286,033	3,497,020	1,144,297	7,357,292
Trade and other payables	62,435	-	-	-	-	62,435
Total future payments, including future principal and interest payments	**735,996**	**756,381**	**1,286,033**	**3,497,020**	**1,144,297**	**7,419,727**

21 Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt. Additionally, management may defer certain capital spending to enhance its debt position. Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio (Debt/Equity). Total debt equals nominal amount of the bank borrowings less the Debt Service Accounts (Note 8). The equity is calculated as total equity in the consolidated balance sheet excluded other reserves plus bonds from related parties.

Group's debt to equity ratio as at 31 December 2018 has reached 45/55, Debt/Equity (31 December 2017: 31/69). Group's total liabilities to total assets ratio as at 31 December 2018 has reached 54.0% (31 December 2017: 36.6%).

22 Fair Value of Assets and Liabilities

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodology as considered appropriate. However considerable judgement is required in interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation.

Financial instruments carried at amortised cost. Majority of the Group's financial assets and liabilities are carried at amortised cost using the effective interest method. These assets are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at 31 December 2018 and 31 December 2017:

	31 December 2018		31 December 2017	
In thousands of Ukrainian Hryvnia	**Level 2**	**Carrying value**	**Level 2**	**Carrying value**
Financial liabilities				
Borrowings	12,077,528	12,034,720	5,540,900	5,465,077
TOTAL LIABILITIES	**12,077,528**	**12,034,720**	**5,540,900**	**5,465,077**

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

23 Subsequent events

In February 2019 Nikopol Solar Power Plant was put into operation and since March 2019 electricity generated at this facility is being sold to State Enterprise Energorynok at a feed-in tariff.

Since late February 2019 first stage of Primorskaya Wind Farm is being gradually put into operation. The facility has been awarded a feed-in tariff in March 2019 and electricity generated at this facility is being sold to State Enterprise Energorynok since then.

On 1 April 2019 the Group entered into a binding agreement to acquire 100% shares of Tiligoulska Vitrova Electrostancia LLC. The latter company was established for development, construction, commissioning and operation of 500 MW wind farm located on the border of Mykolaiv and Odessa regions on the Tiligul coastline in Ukraine. At the date of purchase, the target possessed relevant land lease rights and has performed a wind monitoring survey. This transaction is to be accounted for as an acquisition of the group of assets that does not constitute a business. After acquisition the Group started development of Tiligul Wind Electric Plant with a planned capacity 500 MW. At the date these financial statements were signed, construction works has not started yet.

DTEK Renewables B.V.

Independent Auditor's Report

31 December 2017

Independent auditor's report

To: the general meeting and supervisory board of DTEK Renewables B.V.

Report on the financial statements 2017

Our opinion

In our opinion DTEK Renewables B.V.'s financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2017, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2017 of DTEK Renewables B.V., Amsterdam ('the Company'). The financial statements include the consolidated financial statements of DTEK Renewables B.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company statement of financial position as at 31 December 2017;
- the following statements for 2017: the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of DTEK Renewables B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors' report;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 23 February 2018
PricewaterhouseCoopers Accountants N.V.

A.G.J. Gerritsen RA

Appendix to our auditor's report on the financial statements 2017 of DTEK Renewables B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board 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.

DTEK Renewables B.V.

International Financial Reporting Standards and Consolidated Financial Statements

31 December 2017

Directors' report

31 December 2017

DIRECTORS' REPORT

Introduction

The Management Board of DTEK Renewables B.V. (the "Company") presents their report in order to disclose the results of the activity of the Company for the year ended 31 December 2017.

Principal activities

DTEK Renewables B.V. is a private limited liability company incorporated on 9 September 2013, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company and its subsidiaries (together referred to as "the Group" or "DTEK Renewables") are beneficially owned by Mr. Rinat Akhmetov, through various entities commonly referred to as System Capital Management ("SCM").

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind and solar power plants in Ukraine. The Company is the holding entity of the renewables activities within the Group, mainly located in Ukraine. Currently the DTEK Renewables and its subsidiaries are producing and selling the electricity generated at wind and solar power plants in Ukraine and developing a project of construction of wind and solar farms in Ukraine.

On 3 April 2017 the Group completed the acquisition of 100% shares of Tryfanovka Energy LLC for a cash consideration of UAH 5,854 thousand. This transaction was accounted for as an acquisition of the group of assets that does not constitute a business. After acquisition Group started construction of solar panels and related infrastructure (Note 6) with a planned capacity 9.99 MW. As at reporting date construction was completed and company started electricity generation.

Financial position and performance

The profit of the DTEK Renewables for the year ended 31 December 2017 was UAH 402,947 thousand. The profit of the DTEK Renewables for the year ended 31 December 2016 was UAH 676,296 thousand. On 31 December 2017 the total assets of the DTEK Renewables were UAH 15,710,190 thousand (as at 31 December 2016 UAH 7,338,728 thousand) and the positive amount of equity UAH 9,959,356 thousand (as at 31 December 2016 the amount of equity was UAH 2,149,169 thousand).

Issued Capital and Capital Distributions

As at 31 December 2014 the authorised and issued ordinary share capital amounted to EUR 1,000, divided into 100 shares with a par value of EUR 10 per share. All issued shares are fully paid. In November 2015 the Company issued 1 (one) share, with a nominal value of EUR 10, numbered 101 in the capital of Company against the contribution of EUR 60,500,000 in cash. In December 2017 and with purposes of future Group expansion for renewable energy segments generation, the DTEK B.V. made a voluntary share premium contribution in cash to the DTEK Renewables B.V. amounted to EUR 210,000 thousand. As at 31 December 2017 the authorised and issued ordinary share capital amounted to EUR 1.010, divided into 101 shares with a par value of EUR 10 per share.

There is no capital distribution scheduled in the near future and the result for the period is retained.

Financing activity

Financing activity of the Company consists mainly of intra-group loans, which are managed by the Company's Treasury department. The DTEK Group's overall risk management policies are also applicable to the DTEK Renewables Group. These seek to minimise the potential adverse effects on the DTEK Group's financial performance for those risks that are manageable or noncore to the power generating business.

The financing activity of the Company is managed centrally by the Company's Treasury department. The overall risk management policies seek to minimise the potential adverse effects on the Company's financial performance for those risks that are manageable or noncore to the power generating business.

Financial risk management is carried out by the Company's treasury department, under policies approved by the Supervisory Board. The Treasury department identifies, evaluates and proposes risk management techniques to minimise these exposures.

Additionally, DTEK Group has developed a compliance function to monitor and analyse financial, reputation or legal risks connected with business activities.

Financial risk management

Exposure of the DTEK Renewables to different financial risks is disclosed in Note 19 of the accompanying Consolidated Financial Statements.

Principal Risks and Uncertainties

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in both 2016 and 2017, though to a much lesser extent as compared to 2014 and 2015.

As at 23 February 2018 the official NBU exchange rate of Hryvnya against Euro was UAH 33.23 per Euro 1, compared to 33.50 per Euro 1 as at 31 December 2017 (31 December 2016: UAH 28.42 per Euro 1). During the year 2017 the Ukrainian Hryvnya ("UAH") decreased in value against the major world currencies. The devaluation of the Ukrainian Hryvnya during 2017 has increased the Group's debt in Hryvnya terms and resulted in a charge to the Group's income statement.

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors. Currency control restrictions were introduced is 2014-15 and remain in force, though less severe as compared to 2014-15.

The relationships between Ukraine and the Russian Federation have remained strained. On 1 January 2016, the agreement on the free trade area between Ukraine and the EU came into force. Just after that, the Russian government implemented a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products.

The conflict in the parts of Eastern Ukraine, which started in spring 2014, has not been resolved to date. Approximately 96% of Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line.

Despite certain improvements in 2016 and 2017, the final resolution and the ongoing effects of the political and economic situation are difficult to predict, but they may have further severe effects on the Ukrainian economy and the Group's business.

Risk Management Framework

The Company's risk management function is performed on the DTEK Group's level as well as the level of production units. Risk management approaches are the same for all units (unified process of management by risks and opportunities, unified insurance principles).

DTEK Group implemented Internal Control and Risk Management system which is based mainly on COSO framework. It is fully integrated into strategic and tactical planning, including but not limited to business planning and budgeting processes, investment projects, etc. The risk management function is present at the Corporate Centre level (Internal Control and Risk Management Department) as well as at the level of business and production units (risk managers and coordinators). Risk management approach and processes are unified across all units, iterative bottom-up and top-down approaches are in place for identification and assessment of risks and opportunities, three-lines of defence principle is used. The DTEK Group's Executive Board is responsible in general for the development of strategic and operational targets and for identification, assessment and mitigation of associated risks. The Executive Board established the Risk Committee, which tackles with risk management issues on regular basis. For the identified risks deemed to be material, comprehensive mitigating action plans are developed and reviewed on a regular basis to ensure that the risks' levels remain at acceptable levels. Management is kept informed via regular risk reports and understands how risks influence the achievement of business targets, so managements decisions are made based on existent/potential risks and opportunities. DTEK Group strives to implement necessary internal controls into the business processes based on performed risk assessments. Preference is given to automated controls that are embedded into IT systems. DTEK Renewables makes use of insurance programs in order to safeguard its most critical assets and activities from low-probability/high-impact risks (PD, BI, and other policies).

For all the risk categories within the Group's risk management framework, the Group's risk appetite is defined as low tolerance.

During 2017 the Group concentrated on management of the following main risks:

Strategic risks:
- Risk of decreasing, no revision under effective EUR/UAH exchange rate or cancellation of green tariff;
- Deterioration of economic conditions on the electricity sales market.

Operational risks:
- Loss or unavailability of suitable key suppliers or subcontractors for maintenance services;
- Potential impact of accidents and incidents.

Financial risks:

- Devaluation of Hryvnia during the year more than anticipated in the Group's macroeconomic forecast.

IT risks:

- Technical malfunction, virus attacks, data loss or downtime of IT systems can have significant negative impact on the DTEK Group's activities, taking into account high level of integration of informational and communicational systems into the DTEK Group's business processes. The following tools were implemented in order to manage these risks: control over unauthorized software (SCCM, etc.), the Intrusion Prevention System (IPS), DLP policies, the MDM system, group policies of the EMET tool, antivirus control, anti-SPAM systems, etc.

  In 2017 the Group had experienced external virus attacks (Wannacry, Petya), but due to the preventive measures taken these incidents did not significantly affect the DTEK Group's operations.

Compliance risk:

- The Group takes appropriate measures to mitigate any compliance risk (risk of non-compliance with laws and regulations, including but not limited to the financial reporting, health and safety related regulations).

Environmental issues

DTEK Renewables activities are not tightly connected with production cycles impacting heavily the environment. Despite of this fact, compliance with high ecological standards is a crucial point for the business development of the Group.

Social responsibility

A balance is a necessary condition for developing DTEK Renewables business, for increasing its competitiveness on the market and for the performing of its obligations in the area of corporate social responsibility (CSR). That is why sustainable growth in economic and environment protection areas is an important part of the Group's strategy. DTEK Renewables systematically develops its activity in CSR, and strives to work in accordance with international CSR standards, while remaining a domestic employer and social investor, aiding the social and economic development of the regions where it operates, and not replacing the functions of the State.

Research and Development Costs

During 2017 the Group was not involved in any activities concerning research and development.

Human resources

The Group employed approximately 75 people by the end of 2017 (2016: 55 people). To ensure the constant development of its employees, in 2010 DTEK Group launched its corporate university – DTEK Academy. The main goal in this area is to cover at least 80% of job vacancies for middle and top management from internal human resource. Currently there are two basic programmes aimed to develop human resources and develop successor practice for main managerial positions in the DTEK Group. Main providers and programme developers of DTEK Academy programmes are Kyiv-Mohyla Academy Business School and INSEAD. In 2011 DTEK Academy joined CEEMAN (Central and East European Management Development Association) and EFMD (European Foundation for Management Development). DTEK Group is focused on providing qualified staff of workers and lower level management through corporate system of production education.

Code of Ethics

The DTEK Group has a Code of Ethics developed and approved in 2011 with changes introduced in 2014. It is mandatory for all the Group entities and prescribes the key principles that the Group follows in its operations, including relationship with its employees, counterparties, state authorities and non-governmental and public authorities, responsibility for all activities the Group performs, conflicts of interests etc. The Code is available on the DTEK Group's official web-site.

Male/female ratio of Executive/Supervisory Board

The Company strives to get the best applicable persons in the Supervisory board and Executive board despite the gender or culture.

As at 31 December 2017, the Supervisory Board consists of one woman and five men and the Executive board of two legal persons.

Future Developments

In Note 2 of the consolidated financial statements, the political uncertainty in Eastern Ukraine has been set out in detail. The final resolution and the ongoing effects of the political and economic situation are difficult to predict, but they may have further severe effects on the Ukrainian economy and the Group's business.

Further development of wind and solar power generation implies maximum use of the sector expertise accumulated during the construction of the Botievo Wind Farm and Tryfanovka Solar Farm: The following is planned:

- Implementation of the construction project of Primorskaya Wind Farm;
- Preparation of further projects under the planned construction rates and implementation of another wind and solar power project.

As within the strategic objective of Group expansion for renewable energy segments generation the following is planned:

- Increasing installed capacity, production and sales to a level where DTEK Renewables has the critical mass required to be able to assume a prominent role in European markets being among top 20 European energy companies;
- Achieving operational and financial performance excellence. Being among the top 10 renewable energy producers globally as measured by key performance metrics;
- Enhancing the standing and reputation of DTEK Group by demonstrating the DTEK Group's commitment to the decarbonisation of its activities engaging in a technologically advanced area of the electricity industry.

Taking into account uncertainties in the year 2018 the Group will focus on the following key areas:

- Focus on the liquidity through driving power generation output;
- Optimise operating costs and capex investments;
- Support reforms in energy sector aimed at increasing transparency of tariffs setting.

Management Board

The company strives to get the best applicable persons in the Management Board despite the gender or culture. The Management Board currently consists of two trustees.

Post balance sheet events

In January 2018 the Group signed binding agreement with GE Wind Energy for wind turbine supply, installation and full service. According to this agreements GE Wind Energy should supply to Group's subsidiary Primorskaya WEP LLC 26 (twenty six) wind turbines, type 3.8-130@110mHH, with a nominal capacity of 3,8MW and hub height 110m. The approximate amount under GE Wind Energy agreements equal to EUR 81,250 thousand. The Group is currently in the process of negotiation with the lenders to obtain financing for capital expenditure.

Signed by entire Management Board, 23 February 2018

DTEK MANAGEMENT B.V.

By: Mr. Maksym Timchenko
Title: Executive Director

Director

SCM Management B.V.

By: Ms. Nataliya Muktan
Title: Director

By: N. Muktan as attorney in fact on behalf of:
~~By~~: Ms. Eliza Desiree den Aantrekker
Title: Director

Director

Consolidated Financial Statements

31 December 2017

In thousands of Ukrainian Hryvnia	Note	31 December 2017	31 December 2016
ASSETS			
Non-current assets			
Property, plant and equipment	7	6,462,892	5,870,799
Intangible assets		10,631	10,730
Financial investments	8	466,191	213,172
Deferred income tax asset	17	37,420	72,209
Total non-current assets		**6,977,134**	**6,166,910**
Current assets			
Inventories		6,272	6,528
Financial investments	8	-	341,601
Loans receivable	9	7,833,494	474,300
Trade and other receivables	10	182,360	146,814
Cash and cash equivalents	11	710,930	202,575
Total current assets		**8,733,056**	**1,171,818**
TOTAL ASSETS		**15,710,190**	**7,338,728**
EQUITY			
Share capital		11	11
Share premium		8,478,228	1,522,462
Other reserves		(433,612)	(433,612)
Revaluation reserve		2,927,103	2,597,392
Accumulated losses		(1,012,374)	(1,537,084)
TOTAL EQUITY		**9,959,356**	**2,149,169**
LIABILITIES			
Non-current liabilities			
Borrowings	12	4,414,025	4,398,520
Deferred income tax liabilities		118,557	-
Total non-current liabilities		**4,532,582**	**4,398,520**
Current liabilities			
Borrowings	12	1,051,052	649,782
Trade and other payables	13	128,588	138,932
Income tax payables		35,712	-
Liabilities to non-controlling participants		2,900	2,325
Total current liabilities		**1,218,252**	**791,039**
TOTAL LIABILITIES		**5,750,834**	**5,189,559**
TOTAL LIABILITIES AND EQUITY		**15,710,190**	**7,338,728**

Signed by entire Management Board,
23 February 2018

DTEK MANAGEMENT B.V., Director

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SCM MANAGEMENT B.V., Director

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Approved for issue and signed by entire
Supervisory Board

Oleg Popov _________________________

Sergey Korovin_______________________

Irina Mykh___________________________

Damir Akhmetov______________________

Johan Bastin_________________________

The accompanying notes are an integral part of these consolidated financial statements.

In thousands of Ukrainian Hryvnia	Note	2017	2016
Revenue		2,115,741	2,037,237
Cost of sales	14	(621,570)	(596,448)
Gross profit		**1,494,171**	**1,440,789**
Other operating income		7,906	1,298
General and administrative expenses	15	(93,603)	(69,348)
Other operating expenses		(10,055)	(4,669)
Net foreign exchange gains less losses on operating activities		61,791	8,058
Impairment of property, plant and equipment and intangibles assets		(16,786)	-
Operating profit		**1,443,424**	**1,376,128**
Foreign exchange losses less gains on financing and investing activities		(544,109)	(374,813)
Finance income	16	122,208	316,105
Finance costs	16	(539,148)	(496,853)
Profit before income tax		**482,375**	**820,567**
Income tax expense	17	(79,428)	(144,271)
Profit for the period		**402,947**	**676,296**
Profit is attributable to:			
Equity holders of the parent		402,703	675,825
Non-controlling interest		244	471

Consolidated Statement of Comprehensive Income

In thousands of Ukrainian Hryvnia	Note	2017	2016
Profit for the period		402,947	676,296
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Property, plant and equipment:			
- Revaluation of property plant and equipment	7	599,914	167,637
- Income tax recorded on revaluation of property plant and equipment	17	(107,985)	(30,175)
Total comprehensive income for the period		**894,876**	**813,758**
Total comprehensive income attributable to:			
Equity holders of the Company		894,302	813,304
Non-controlling interest		574	454

The accompanying notes are an integral part of these consolidated financial statements.

In thousands of Ukrainian Hryvnia	Share capital	Share premium	Revaluation reserve	Other reserve	(Accumulated losses)	Total equity
Balance at 1 January 2016	**11**	**1,522,462**	**2,613,747**	**(433,533)**	**(2,366,743)**	**1,335,944**
Profit for the period	-	-	-	-	675,825	**675,825**
Other comprehensive income	-	-	137,479	-	**-**	**137,479**
Total comprehensive income	**-**	**-**	**137,479**	**-**	**675,825**	**813,304**
Utilization of revaluation reserve, net of tax	-	-	(153,834)	-	153,834	**-**
Acquisition of subsidiary from parties under common control	-	-	-	(79)	-	**(79)**
Balance at 31 December 2016	**11**	**1,522,462**	**2,597,392**	**(433,612)**	**(1,537,084)**	**2,149,169**
Profit for the period	-	-	-	-	402,703	**402,703**
Other comprehensive income	-	-	491,599	-	-	**491,599**
Total comprehensive income	**-**	**-**	**491,599**	**-**	**402,703**	**894,302**
Utilization of revaluation reserve, net of tax	-	-	(161,888)	-	161,888	**-**
Share premium contribution	-	6,955,766	-	-	-	**6,955,766**
Dividends distribution	-	-	-	-	(39,881)	**(39,881)**
Balance at 31 December 2017	**11**	**8,478,228**	**2,927,103**	**(433,612)**	**(1,012,374)**	**9,959,356**

The accompanying notes are an integral part of these consolidated financial statements.

In thousands of Ukrainian Hryvnia	Note	2017	2016
Cash flows from operating activities			
Profit before income tax		**482,375**	**820,567**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets	14,15	383,149	361,858
Losses less gains on disposals of property plant and equipment		-	(350)
Foreign exchange losses less gains on financing and investing activities		544,109	374,813
Unrealised foreign exchange gain		(3,870)	(1,120)
Finance costs, net	16	416,940	180,748
Operating cash flows before working capital changes		**1,822,703**	**1,736,516**
(Increase) / decrease in trade and other receivables		(35,546)	3,477
Decrease / (increase) in inventories		256	(2,143)
Decrease in trade and other payables		(6,469)	(5,317)
Cash generated from operations		**1,780,944**	**1,732,533**
Interest paid	12	(146,031)	(251,992)
Interest received		67,063	128,474
Income tax paid		(2,239)	-
Cost and fees incurred on debt renegotiation		-	(77,207)
Net cash generated from operating activities		**1,699,737**	**1,531,808**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(378,394)	(8,311)
Placement of restricted cash		(187,767)	(212,052)
Loan provided to related party		(7,301,397)	(467,468)
Repayment of loans provided to related parties		2,034	777,308
Return of deposit		341,601	-
Deposit placement		-	(341,533)
Proceeds from sale of property plant and equipment and intangible assets		3,175	1,768
Net cash used in investing activities		**(7,520,748)**	**(250,288)**
Cash flows from financing activities			
Share premium contribution from shareholder		6,955,766	-
Dividend paid		(39,881)	-
Purchase of non-controlling interest		-	(79)
Proceeds from borrowings	12	215,382	450,000
Repayment of borrowings	12	(808,944)	(1,700,960)
Net cash generated / (used) in financing activities		**6,322,323**	**(1,251,039)**
Net increase in cash and cash equivalents		**501,312**	**30,481**
Cash and cash equivalents at the beginning of the year		202,575	177,924
Exchange gain / (loss) on cash and cash equivalents		7,043	(5,830)
Cash and cash equivalents at the end of the year		**710,930**	**202,575**

1 The Organisation and its Operations

DTEK Renewables B.V. ("the Company") is a private limited liability company incorporated on 9 September 2013, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company is controlled by DTEK B.V., which is the holding company of a vertically integrated power generating and distribution and gas production business of Joint Stock Company "System Capital Management Limited" ("SCM"). "SCM" is ultimately controlled by Mr. Rinat Akhmetov who has a number of other business interests outside of the Company. Related party transactions are detailed in Note 6.

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind and solar power plants in Ukraine.

On 3 April 2017 the Group completed the acquisition of 100% shares of Tryfanovka Energy LLC for a cash consideration of UAH 5,854 thousand. This transaction was accounted for as an acquisition of the group of assets that does not constitute a business. After acquisition the Group started construction of solar panels and related infrastructure (Note 7) with a planned capacity 9.99 MW. As at reporting date construction was completed and company started electricity generation.

During 2017 and based on expansion strategy for renewable energy segments generation, the Group established several new entities for wind (Primorskaya WEP - 2 LLC and Orlovskaya WEP LLC) and solar project (Solar Farm – 1 LLC, Solar Farm – 2 LLC, Solar Farm – 3 LLC and Solar Farm – 4 LLC).

The principal subsidiaries are presented below:

Name	% interest held as at 31 December 2017	2016	Country of incorporation
Primorskaya WEP B.V.	100.00	100.00	The Netherlands
Wind Power LLC	99.99	99.99	Ukraine
Wind Tech LLC	100.00	100.00	Ukraine
Primorskaya WEP LLC	100.00	100.00	Ukraine
Primorskaya WEP - 2 LLC	100.00	-	Ukraine
Tryfanovka Energy LLC	100.00	-	Ukraine
Orlovskaya WEP LLC	100.00	-	Ukraine
Solar Farm – 1 LLC	100.00	-	Ukraine
Solar Farm – 2 LLC	100.00	-	Ukraine
Solar Farm – 3 LLC	100.00	-	Ukraine
Solar Farm – 4 LLC	100.00	-	Ukraine

The Group is registered at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX Amsterdam, the Netherlands. The principal place of business of its operating subsidiaries is 57 Lva Tolstogo str, 01032 Kyiv Ukraine.

As at 31 December 2017, the Group employed 75 people, included 35 production and 40 administrative people (31 December 2016: 55 people, included 30 production and 25 administrative people).

2 Operating Environment of the Group

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in both 2016 and 2017, though to a much lesser extent as compared to 2014 and 2015.

As at 23 February 2018 the official NBU exchange rate of Hryvnya against Euro was UAH 33.23 per Euro 1, compared to 33.50 per Euro 1 as at 31 December 2017 (31 December 2016: UAH 28.42 per Euro 1). During the year 2017 the Ukrainian Hryvnya ("UAH") decreased in value against the major world currencies. The devaluation of the Ukrainian Hryvnya during 2017 has increased the Group's debt in Hryvnya terms and resulted in a charge to the Group's income statement.

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors. Currency control restrictions were introduced is 2014-15 and remain in force, though less severe as compared to 2014-15.

The relationships between Ukraine and the Russian Federation have remained strained. On 1 January 2016, the agreement on the free trade area between Ukraine and the EU came into force. Just after that, the Russian government implemented a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products.

The conflict in the parts of Eastern Ukraine, which started in spring 2014, has not been resolved to date. Approximately 96% of Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line.

2 Operating Environment of the Group (continued)

Despite certain improvements in 2016 and 2017, the final resolution and the ongoing effects of the political and economic situation are difficult to predict, but they may have further severe effects on the Ukrainian economy and the Group's business.

3 Summary of Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union using the historical cost convention, as modified by the revaluation of property, plant and equipment (revaluation model under IAS 16 *Property, plant and equipment*), and certain financial instruments measured in accordance with the requirements of IAS 39 *Financial instruments: recognition and measurement*. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Going concern. As of 31 December 2017 the Group had net current assets of UAH 7,514,804 thousand (31 December 2016: net current assets of UAH 380,779 thousand) and earned a net profit of UAH 402,947 thousand for the year ended 31 December 2017 (31 December 2016: net profit of UAH 676,296 thousand).

Management believes that the application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

Use of estimates. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas, involving a high degree of judgement, complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 4.

Functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in Ukrainian Hryvnia ("UAH"), which is the Company's functional and the Group's presentation currency.

Transactions denominated in currencies other than the relevant functional currency are translated into the functional currency, using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses, resulting from settlement of such transactions and from the translation of foreign currency denominated monetary assets and liabilities at year end, are recognised in the income statement. Translation at year end does not apply to non-monetary items including equity investments. The effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

As at 31 December 2017, the exchange rates used for translating foreign currency balances were USD 1 = UAH 28.07 (31 December 2016: USD 1 = UAH 27.19); EUR 1 = UAH 33.50 (31 December 2016: EUR 1 = UAH 28.42); RUB 10 = UAH 4.87 (31 December 2016: RUB 10 = UAH 4.51). Exchange restrictions in Ukraine are limited to compulsory receipt of foreign receivables within 180 days of sales and to the compulsory conversion of 50% of proceeds in foreign currency to Ukrainian Hryvnia. In 2014 the National Bank of Ukraine implemented regulations that required foreign currency receipts to be converted to UAH and prohibited dividend payments for certain legal entities to foreign entities. The restriction was prolonged several times during 2016 and 2017 and was effective until March 2018.

Consolidated financial statements. Subsidiaries are those companies and other entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions among the companies of the Group are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 Summary of Significant Accounting Policies (continued)

Common control business combinations. Purchases of subsidiaries from parties under common control are recorded using the predecessor values, in a manner similar to the pooling of interests method. Under this method the financial statements of the entity are presented as if the businesses had been consolidated from the beginning of the earliest period presented (or the date that the entities were first under common control, if later). The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying values. The difference between the consideration given and the aggregate carrying value of the assets and liabilities (as of the date of the merge) of the acquired entity is recorded as a merge reserve in equity. No additional goodwill is created by such purchases.

Property, plant and equipment. Initial purchases of property plant and equipment are recorded at cost. Subsequently The Group uses the revaluation model to measure property, plant and equipment. The frequency of revaluation depends upon the movements in the fair values of the assets being revalued. Subsequent additions to property plant and equipment are recorded at cost. Cost includes expenditure directly attributable to acquisition of the items. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the replaced component being written off. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Property, plant and equipment items are derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Gains and losses on disposals determined by comparing proceeds with carrying amount of property, plant and equipment are recognised in the consolidated income statement. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred. The carrying amount of any replaced or sold component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation. Depreciation is charged to the income statement on a straight-line basis to allocate costs of individual assets to their residual value over their estimated useful lives. Depreciation commences on the date of acquisition or, in respect of self-constructed assets, from the time an asset is completed and ready for use. The estimated useful lives are as follows:

	Useful lives in years
Buildings and structures	from 10 to 40
Plant and machinery	from 2 to 20
Furniture, fittings and equipment	from 2 to 15

Construction in progress represents the cost of property, plant and equipment, including advances to suppliers, which has not yet been completed. No depreciation is charged on such assets until they are available for use.

Intangible assets. All of the Group's intangible assets have definite useful lives and primarily include wind monitoring reports and capitalised computer software. Acquired intangible assets are capitalised on the basis of the costs incurred to acquire and bring them to use. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell. Amortisation is charged to the income statement on a straight line basis.

Impairment of non-financial assets. Assets that are subject to depreciation are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. For purposes of assessing impairment, assets are grouped to the lowest levels for which there are separately identifiable cash flows (cash generating unit). Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Classification of financial assets. The Group classifies its financial assets as loans and receivables.

Initial recognition of financial instruments. The Group's principal financial instruments comprise loans and borrowings, cash and cash equivalents. The Group has other various financial instruments, such as trade creditors, which arise directly from its operations.

3 Summary of Significant Accounting Policies (continued)

All purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Group commits to deliver a financial instrument. All other purchases and sales are recognised on the settlement date with the change in value between the commitment date and settlement date not recognised for assets carried at cost or amortised cost, and recognised in equity for assets classified as available-for-sale.

Subsequent measurement of financial instruments. Subsequent to initial recognition, the Group's financial liabilities, loans and receivables are measured at amortised cost. Amortised cost is calculated using the effective interest rate method and, for financial assets, it is determined net of any impairment losses. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

The face values of financial assets and liabilities with a maturity of less than one year, less any estimated credit adjustments, are assumed to be their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

A provision for impairment of loans and accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered to be indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability by adjusting the effective interest rate.

Derecognition of financial assets. The Group derecognises financial assets when (i) the assets are redeemed or the rights to cash flows from the assets have otherwise expired or (ii) the Group has transferred substantially all the risks and rewards of ownership of the assets or (iii) the Group has neither transferred nor retained substantially all risks and rewards of ownership but has not retained control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Derecognition of financial liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. While assessing if modification is substantial, management considers both quantitative and qualitative factors. Qualitative factors include change of form of the instrument, interest rate, change in covenants and guarantors. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss. If the exchange or modification of financial liability is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with Ukrainian and Dutch legislation enacted or substantively enacted by the balance sheet date. The income tax charge comprises current tax and deferred tax and is recognised in the income statement unless it relates to transactions that are recognised, in the same or a different period, directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

3 Summary of Significant Accounting Policies (continued)

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is provided on post-acquisition retained earnings and other post-acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Inventories. Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the first in first out basis for raw materials and spare parts. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Loans provided. Loans provided are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Bank overdrafts are included into borrowings line item in the consolidated balance sheet.

Cash and cash equivalents. Cash and cash equivalents include cash on hand, demand deposits, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is presented in the notes as share premium.

As at 31 December 2017 and 31 December 2016 the total authorised number of ordinary shares was 101 ordinary shares with a par value of EUR 10 per share. The total issued share capital amounts to UAH 11.041 (EUR 1.010). All issued shares are fully paid.

Dividends. Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the consolidated financial statements are authorised for issue.

Other reserves. The other reserves represented by merge reserve and are the difference between the fair value of investments of the parent company in respect of the subsidiary share capital acquisition and the nominal value of the share capital of the subsidiary. The merge reserve subsequently will be utilised through the positive amount of retaining earnings.

Value added tax ("VAT"). In Ukraine VAT is levied at two rates: 20% on sales within the country and imports of goods and, services and 0% on the export of goods and services. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period, and arises on the cash basis for the year 2017. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods or services are received. VAT related to sales and purchases is recognised in the consolidated balance sheet on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Long-term debt. On initial recognition long-term debt is recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debt are included in the initial recognition. After initial recognition long-term debt is recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. The difference between the stated book value and the mature redemption value is accounted for as finance expense in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debt. Long-term debt comprises intra-group debt issued and is recognised initially at fair value, net of transaction costs incurred.

Trade and other payables. Trade and other payables are recognised and initially measured under the policy for financial instruments mentioned above. Subsequently, instruments with a fixed maturity are re-measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any transaction costs and any discount or premium on settlement.

3 Summary of Significant Accounting Policies (continued)

Contingent assets and liabilities. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the financial statements unless it is probable that an outflow of economic resources will be required to settle the obligation and it can be reasonably estimated. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Revenue recognition. The Group sells electricity produced by its electricity generation plants to Energorynok, a state-owned electricity distribution monopoly.

Revenues from sales of goods are recognised at the point of transfer of risks and rewards associated with ownership to immediate customers of the Group. Revenues are measured at the fair value of the consideration received or receivable, and are shown net of value added tax and discounts.

Recognition of expenses. Expenses are recorded on an accrual basis. The cost of goods sold comprises the purchase price, transportation costs, commissions relating to supply agreements and other related expenses.

Finance income and costs. Finance income and costs comprise interest income and interest expense on loans and borrowings, income on origination of financial instruments, losses on early repayment of loans and unwinding of discount on financial instruments.

Borrowing costs that relate to assets that take a substantial period of time to construct are capitalised as part of the cost of the asset. All the other interest and costs incurred in connection with borrowings are expensed using the effective interest rate method.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

4 Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Deferred tax asset recognition. The net deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the balance sheet. Deferred tax assets are recorded to the extent that realisation of the related tax benefit is probable. In determining future taxable profits and the amount of tax benefits that are probable in the future, management makes judgements and applies estimation based on historic taxable profits and expectations of future income that are believed to be reasonable under the circumstances.

Revaluation of property, plant and equipment. On an annual basis management of the Group carries out an analysis to assess whether carrying amounts of items of property, plant and equipment differ materially from amounts which would be determined using fair value at the end of the reporting period. Fair value of property, plant and equipment and remaining useful lives as at 1 December 2017 were determined by an independent appraiser.

As most of the Group's property, plant and equipment is of specialised nature, its fair value is determined using depreciated replacement cost (Level 3).

When performing a valuation using these methods, the key estimates and judgments applied by the independent appraisers, in discussion with the Group's internal valuation team and technicians, are as follows:

- choice of information sources for construction costs analysis (actual costs recently incurred by the Group, specialised reference materials and handbooks, estimates for cost of construction of various equipment etc.);
- determination of comparatives for replacement cost of certain equipment, as well as corresponding adjustments required to take into account differences in technical characteristics and condition of new and existing equipment; and
- determination of applicable cumulative price indices or changes in foreign exchange rates which would most reliably reflect the change in fair value of assets revalued using indexation of carrying amounts.

The fair values obtained using depreciated replacement cost and indexation of carrying amounts are validated using discounted cash flow models (income approach, Level 3), and there are no adjustments to the values obtained using depreciated replacement cost.

The results of this revaluation of property, plant and equipment is disclosed further in Note 7.

Changes in the estimates and judgments could have a material effect on the fair value of property, plant and equipment, which, however, is impracticable to quantify due to the wide variety of assumptions and assets being valued.

4 Critical Accounting Estimates and Judgements (continued)

Impairment of property, plant and equipment. The Group is required to perform impairment tests for its cash-generating units if there are indicators of impairment.

This testing requires the estimation of value in use / fair value less costs of disposal of the cash-generating unit. Estimating value in use/ fair value less costs of disposal requires the Group to make an estimate of expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of cash-generating unit was estimated based on a fair value less cost of disposal calculations. No impairment of property, plant and equipment is recognized as result of the assessment.

Changes in the estimates and judgments used could have a material effect on the recording or amount of impairment. The estimates used to assess impairment are impacted by the anticipated tariff for electricity produced and uncertainty caused by events in Eastern Ukraine (see discussion of operating environment in Note 2).

Tax legislation. Ukrainian tax, currency and customs legislation continues to evolve. Conflicting regulations are subject to varying interpretations. Management believes its interpretations are appropriate and sustainable, but no guarantee can be provided against a challenge from the tax authorities (Note 18).

Related party transactions. In the normal course of business the Group enters into transactions with related parties. Judgement is applied in determining if transactions are priced at market or non-market rates, where there is no active market for such transactions. Financial instruments are recorded at origination at fair value using the effective interest method. The Group's accounting policy is to record gains and losses on related party transactions in the income statement. The basis for judgement is pricing for similar types of transactions with unrelated parties and an effective interest rate analysis.

5 Adoption of New or Revised Standards and Interpretations

The following new standards and amendments to the standards which are relevant to the Group's consolidated financial statements, have been issued, but have not been endorsed by European Union:

- ***Annual Improvements to IFRS Standards 2014-2016 Cycle*** (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2017 and 1 January 2018);
- ***IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration*** (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRIC 23 Uncertainty over Income Tax Treatments*** (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019);
- ***Annual Improvements to IFRS Standards 2015-2017 Cycle*** *(issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019).*

The following new standards which are relevant to the Group's consolidated financial statements, have been issued and endorsed by European Union, but have not been effective for financial periods beginning on or after 1 January 2017:

- ***IFRS 9, Financial Instruments*** (issued on 24 July 2014 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRS 15 - Revenue from Contracts with Customers*** (issued on 28 May 2014 and effective for annual periods beginning on or after 1 January 2018);
- ***Clarifications to IFRS 15 Revenue from Contracts with Customers*** (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRS 16 – Leases*** (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).

Starting from 1 January 2018 the Group is obliged to apply IFRS 15 Revenue from Contracts with Customers. The new standard recognition requirements provide more advanced guidance on complex transactions, such as accounting for multiple-element arrangements.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

5 Adoption of New or Revised Standards and Interpretations (continued)

For the purpose of transition to accounting according to IFRS 15 the Group decided to apply method of retrospective presentation with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings of the annual reporting period that starts from 1 January 2018.

The Group will apply the standard retrospectively only to contracts that are not completed as at 1 January 2018.

During prior accounting analysis, the management reviewed number of typical sales agreements used for revenue stream. Examining sales recognition procedures management tried to identify all performance obligations (if more than one), their interrelations, separability and contract costs.

Due to simplicity of revenue structure within the current business activity, management did not identify any sales contract in force with multiple performance obligations.

Taking into account specific of business activity of the Group, current sales structure and near future business development, management does not expect sales contracts with multiple performance obligations to be common business practice. Consequently, management does not consider IFRS 15 will bring material changes in sales recognition rules and, therefore, its possible misapplication will not result in mistakes or omissions that may influence the consolidated financial statements user decision. Nevertheless, management regularly reviews business changes and all new or unusual transactions are separately examined for proper treatment, recognition and disclosure within consolidated financial statements.

There are no sales agreements with multiple performance obligations, which will require correction as at 1 January 2018.

Management believes that the new standard requirements in respect of disclosures are extensively satisfied with existing disclosures, except cases where the Group is obliged to describe the judgements, and changes in the judgements concerning multiple performance obligation such as: the timing of satisfaction of performance obligations; the transaction price and the amounts allocated to performance obligations. Management will implement such disclosures within consolidated financial statements for the transactions when it is appropriate from materiality and substance view.

The new standard IFRS 9 Financial Instruments issued by the Board in July 2014 is obligatory for implementation for the periods beginning on or after January 1, 2018. The standard replaces IAS 39 previously regulated operations with financial instruments.

The objective of the new standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The standard also regulates hedge accounting and provide explicit rules for calculation of loss allowance.

During prior assessment the management reviewed the Group's financial instruments as at end of December 2017. Iteratively analyzed their maturity, ageing, credibility and purpose of holding with respect of requirements of new standard.

The management examined all material financial instruments according to new models for classifying and measuring financial assets and liabilities after initial recognition. The management tested financial assets as an object to another fundamental change – implementation of "expected credit loss" model, which generally focuses on the risk that an instrument will default rather than whether a loss has been incurred.

During prior analysis management did not identify any financial instrument that would change its classification due to new requirement of IFRS 9.

The Group is still assessing the impact of the new standards on its financial statements, however, it does not expect them to have significant impact to the consolidated financial statements. Specifically, IFRS 15 is not expected to impact the Group's revenue recognition and the Group has determined that it has minimum leasing activities and consequently IFRS 16 will have no significant impact.

6 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties represent entities with significant concentration of transactions, but which are not under common control.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December is detailed below:

6 Balances and Transactions with Related Parties (continued)

	31 December 2017			31 December 2016		
In thousands s of Ukrainian Hryvnia	**Parent**	**DTEK Group**	**Entities under common control of SCM**	**Parent**	**DTEK Group**	**Entities under common control of SCM**
Trade and other receivables	-	1,984	4,402	-	1,902	5,010
Loans receivable from related party	6,934,707	339,881	547,093	-	-	464,135
Cash and cash equivalents – current account	-	-	69,952	-	-	66,238
Borrowings	-	(563,154)	-	-	(461,434)	-
Trade and other payables	-	(8,609)	(111)	-	(2,783)	(106)

The income and expense items with related parties for the years ended 31 December were as follows:

	2017			2016		
In thousands of Ukrainian Hryvnia	**Parent**	**DTEK Group**	**Entities under common control of SCM**	**Parent**	**DTEK Group**	**Entities under common control of SCM**
Purchase of services	-	(16,698)	(8,919)	-	(84,172)	(10,500)
Gain on early repayment on loans provided to related parties	-	-	-	-	229,685	-
Interest income on loans receivable	4,818	-	35,817	-	21,863	4,091
Unwinding of discount on loans provided to related parties	897	39,952	16,545	-	8,795	9,165
Interest income on bank deposits	-	-	11,827	-	-	8,392
Loss on origination on loans provided to related parties	(100,228)	(41,040)	(18,464)	-	(23,392)	(17,139)
Loss on origination on financial investments	-	-	-	-	(12,607)	-
Interest expense on loans payable	-	(135,000)	-	-	(112,869)	-
Operating lease expenses	-	(4,938)	-	-	(6,192)	-

Key management personnel compensation

In 2017 total compensation to key management personnel included in administrative expenses amounted to UAH 13,739 thousand (2016: UAH 12,458 thousand). Compensation to the key management personnel consists of salary, bonus payments and social contribution costs.

7 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

In thousands of Ukrainian Hryvnia	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
NBV at 1 January 2016	**565,302**	**5,456,754**	**9,277**	**27,085**	**6,058,418**
Additions	1,461	4,844	540	1,053	7,898
Disposals	-	-	(2)	(1,418)	(1,420)
Revaluation	70,144	396,710	975	-	467,829
Reversal of revaluation	(922)	(299,178)	(92)	-	(300,192)
Depreciation charge	(32,343)	(327,409)	(1,982)	-	(361,734)
Transfer	-	5,497	23	(5,520)	-
NBV at 31 December 2016	**603,642**	**5,237,218**	**8,739**	**21,200**	**5,870,799**
At 31 December 2016					
Cost or valuation	633,043	5,266,538	12,137	21,200	5,932,918
Accumulated depreciation	(29,401)	(29,320)	(3,398)	-	(62,119)
Additions	10,494	210,947	1,373	147,582	370,396
Disposals	-	-	-	(3,175)	(3,175)
Impairment	-	-	-	(8,004)	(8,004)
Revaluation	4,626	595,249	39	-	599,914
Depreciation charge	(37,739)	(328,753)	(546)	-	(367,038)
Transfer	582	78	655	(1,315)	-
NBV at 31 December 2017	**581,605**	**5,714,739**	**10,260**	**156,288**	**6,462,892**
At 31 December 2017					
Cost or valuation	604,491	5,733,647	12,045	156,288	6,506,471
Accumulated depreciation	(22,886)	(18,908)	(1,785)	-	(43,579)
NBV without revaluation at 31 December 2016	**276,151**	**2,395,897**	**3,998**	**9,698**	**2,685,744**
NBV without revaluation at 31 December 2017	**258,756**	**2,542,491**	**4,565**	**69,533**	**2,875,345**

During 2017, the Group engaged independent appraisers to determine the fair value of its property, plant and equipment. Fair value was determined with reference to depreciated replacement cost or market-based evidence, in accordance with International Valuation Standards. During 2017, the Group based on the results of annual stocktaking, made decision to create a reserve for construction in progress represented by wind monitoring assets for which the Group has no intentions for development in the nearest time.

The majority of the structures, plant and machinery are specialised in nature and are rarely sold in the open market in Ukraine, other than as part of a continuing business. The market for similar property, plant and equipment is not active in Ukraine and does not provide a sufficient number of sales of comparable assets to allow for using a market-based approach for determining fair value. Consequently, the fair value of structures, plant and machinery was primarily determined using depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economic depreciation, and obsolescence. In late 2016 recent information about the vendor's prices of the similar plant and machinery became available for Group's management and was incorporated into the independent appraiser's assessment. Independent appraiser applied significant adjustment to vendor's prices to calculate the depreciated replacement cost of property, plant and equipment. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement.

In 2017, the depreciation expense of UAH 366,089 thousand (2016: UAH 361,450 thousand) was included in cost of sales, UAH 140 thousand (2016: UAH 284 thousand) in general and administrative expenses and 809 thousand (2016: UAH nil thousand) were capitalised as part of self-constructed assets.

As at 31 December 2017 the Group's property, plant and equipment carried at UAH 6,294,257 thousand have been pledged as collateral for bank borrowings (31 December 2016: UAH 5,854,716 thousand).

Borrowing cost capitalised during 2017 amounted to UAH 426 thousand (2016: UAH nill).

8 Financial investments

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Non-current		
Restricted cash	466,191	213,172
Total non-current financial investments	**466,191**	**213,172**
Current		
Deposits placed	-	337,721
Interest under deposit	-	3,880
Total current financial investments	**-**	**341,601**

Non-current financial investments are represented by restricted cash ("Debt Service Account" or DSA) under the requirements of the Novation Agreement with Landesbank Berlin AG. As at 31 December 2017 the DSA was placed in bank rated Aa3, assigned by Moody's Investors Service. The restricted cash is non-interest-bearing asset. The restricted cash is pledged throughout the bank borrowings repayment period (Note 12).

As at 31 December 2016 the current financial investments are represented by a deposit with an interest rate equal 15% and a maturity date 1 April 2017. The deposit was placed in the bank with a rating of Ca, assigned by Moody's Investors Service. As at 1 April 2016 the Group guaranteed obligations of related party under the bank loan and pledged deposits placed as collateral. The carrying amount of financial guarantee as at 31 December 2016 amounted to UAH 3,812 thousand. As at 31 December 2016 the deposits placed carrying amount shown net of financial guarantee provided. In April 2017 the deposits placed were returned and the guarantee was derecognised due to it being cancelled.

Financial investments are neither past due nor impaired. The carrying amounts of financial assets approximate their fair values.

9 Loans receivable

As at 31 December, receivables were as follows:

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Current		
Loans receivable from related parties	7,816,863	464,096
Loans receivable	11,813	10,165
Interest receivable	4,818	39
Total current receivable	**7,833,494**	**474,300**

During 2017 and with purposes of future Group expansion for renewable energy generation, DTEK B.V. made a voluntary share premium contribution in cash to DTEK Renewables B.V. in the amount of EUR 210,000 thousand (UAH 6,955,766 thousand). The cash received from the increase of share premium then used to subsequently lend to a Parent for repayment by 30 November 2018 with effective interest rate of 6.6%.

The other current loans denominated in Euro, besides mentioned above, are recognised at fair value at initial recognition with subsequent measurement at amortised cost under effective interest rate of 10.4% (as at 31 December 2016 – 10.4%). Loans receivable denominated in UAH has effective interest rate 13.4% (as at 31 December 2016 – 18%)

As at 31 December 2017 loans receivable in amount UAH 7,486,890 thousand was denominated in Euro (31 December 2016: UAH 464,135 thousand) and UAH 346,604 thousand (31 December 2016: 10,165 thousand) was denominated in Ukrainian Hryvnia.

Loans receivable are neither past due nor impaired. The carrying amounts of loans receivable approximate their fair values.

10 Trade and Other Receivables

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Trade receivables	152,287	125,742
Other	995	1,113
Total financial assets	**153,282**	**126,855**
Prepayments to suppliers	15,497	16,114
VAT recoverable	13,581	3,837
Other	-	8
Total non-financial assets	**29,078**	**19,959**
Total trade and other receivables	**182,360**	**146,814**

As at 31 December 2017 and as at 31 December 2016, 100% of trade and other receivables are denominated in UAH. Trade and other receivables are neither past due nor impaired.

The Group has pledged all existing and future amounts of Wind Power LLC trade receivables in connection with selling contract with the State Enterprise Energorynok as collateral for bank borrowings in respect of Landesbank Berlin AG. As at 31 December 2017 existing receivables was pledged in amount UAH 150,800 thousand. The pledge of trade receivables should be effective throughout the bank borrowings period (Note 12).

11 Cash and Cash Equivalents

As at 31 December, cash and cash equivalents were as follows:

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Bank balances payable on demand	707,547	202,575
Restricted cash	3,383	-
Total cash and cash equivalents	**710,930**	**202,575**

As at 31 December 2017 cash and cash equivalents in EUR amounted to UAH 676,513 thousand and cash and cash equivalents in UAH amounted to UAH 34,417 thousand (as at 31 December 2016 – UAH 136,337 thousand in EUR and UAH 66,238 thousand in UAH).

Bank balances in the amount of UAH 69,952 thousand (31 December 2016: UAH 66,238 thousand) were placed in PJSC FUIB (a related party which is under common control of SCM, non-rated as at 31 December 2017 and 31 December 2016), in amount of UAH 632,952 thousand (as at 31 December 2016 – UAH 136,337 thousand) in Deutsche Bank AG Amsterdam (Bank Credit Rating as at 31 December 2017 – A3, assigned by Moody's Investors Service), in amount UAH 7,803 thousand (as at 31 December 2016 – nil) in JSB "UKRGASBANK" (non-rated as at 31 December 2017) and in amount UAH 223 thousand (as at 31 December 2016 – nil) in PJSC "Ukrsotsbank" (non-rated as at 31 December 2017).

As at 31 December 2017 cash and cash equivalents in the amount UAH 31,306 thousand were pledged. Further, future rights with respect to each bank account and bank account agreement of Wind Power are pledged as collateral for bank borrowings without restriction to use. The pledge of cash and cash equivalents is effective throughout the bank borrowings repayment period (Note 12).

12 Borrowings

As at 31 December, borrowings and interest payables were as follows:

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Non-current		
Bank borrowings	3,964,025	3,948,520
Bonds from related parties	450,000	450,000
	4,414,025	**4,398,520**
Current		
Bank borrowings	927,400	630,688
Interest accrual to bank borrowings	10,498	7,660
Interest accrual to related parties	113,154	11,434
	1,051,052	**649,782**
Total borrowings	**5,465,077**	**5,048,302**

12 Borrowings (continued)

During July-August 2017 the Group received a loan from Ukrgasbank in amount EUR 7,100 thousand. The loan matures on 30 August 2024 and bears an interest of 7%

In March 2016 the Group's subsidiary issued bonds with a nominal value UAH 450,000 thousands. The buyer of the bonds was a related party DTEK LLC. The bonds mature on 30 December 2025 and bear an interest rate of 30%.

In February 2016 the Group signed a Novation Agreement with Landesbank Berlin AG in relation to EUR 205,473 thousand loan. The Novation Agreement became effective since registration in National Bank of Ukraine (further, NBU) in May 2016. Under the Novation Agreement repayment schedule changed to a quarterly basis (rather than semi-annual). Final repayment dates were changed to 30 June 2022 under Loan Agreement 1 and to 4 May 2023 under Loan Agreement 2 (rather than 28 March 2023 and 5 August 2024, respectively). The nominal interest rate remains unchanged.

The difference in present value between bank borrowings as result of negotiations and the present value of the old cash flows is less than 10%. The modification was not accounted as an extinguishment in 2016. The modification effect is recognized through the income statement over the modified instrument's remaining life.

As at 31 December 2017, bank borrowings totalling UAH 4,653,272 thousand (31 December 2016: UAH 4,579,208 thousand) were secured with property, plant and equipment (Note 7), financial investments (Note 8), trade and other receivables (Note 10) and cash and cash equivalents (Note 11),

During the year 2016 borrowings from related parties in the amount of UAH 1,462,000 thousand were offset with loans granted to related parties denominated in Euro.

The Group's borrowings were denominated in the following currencies:

In thousands of Ukrainian Hryvnia		31 December 2017	31 December 2016
Borrowings denominated in:	- EUR	4,901,923	4,586,868
	- UAH	563,154	461,434
Total borrowings		**5,465,077**	**5,048,302**

The effective interest rates of loans and borrowings as at 31 December 2017 and 31 December 2016 were in the range of 5% - 7%. The effective interest rates of loans and borrowings denominated in UAH as at 31 December 2017 were 30% (31 December 2016: 30%).

Movements in borrowings during the period are as follows:

In thousands of Ukrainian Hryvnia	2017	2016
Opening balance as at 1 January	**5,048,302**	**5,746,428**
Proceeds from borrowings	215,382	450,000
Repayment of borrowings	(808,944)	(1,700,960)
Interest accrued during the period (Note 16)	248,096	226,094
Interest paid during the period	(146,031)	(251,992)
Foreign exchange loss	776,952	440,584
Amortisation of discount (Note 16)	131,320	138,148
Closing balance as at 31 December	**5,465,077**	**5,048,302**

As at 31 December, the Group's loans and borrowings maturity and re-pricing were as follows:

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Loans and borrowings due:		
- within 1 year	1,051,052	649,782
- between 1 and 5 years	3,728,585	3,144,233
- after 5 years	685,440	1,254,287
Total borrowings	**5,465,077**	**5,048,302**

13 Trade and Other Payables

In thousands of Ukrainian Hryvnia	31 December 2017	31 December 2016
Trade payables	58,358	66,819
Liabilities for purchased property, plant and equipment	4,077	124
Total financial payables	**62,435**	**66,943**
VAT payable	52,113	54,429
Wages and salaries payable	12,740	11,611
Other	1,300	5,949
Total non-financial payables	**66,153**	**71,989**
Total	**128,588**	**138,932**

Analysis by currency and future undiscounted cash flows of financial trade and other payables are as follows:

	31 December 2017		31 December 2016	
In thousands of Ukrainian Hryvnia	Liabilities for purchased property, plant and equipment	Trade payables	Liabilities for purchased property, plant and equipment	Trade payables
Currency analysis:				
UAH denominated	4,077	54,385	124	64,334
EUR denominated	-	3,973	-	2,485
Total	**4,077**	**58,358**	**124**	**66,819**
Future undiscounted cash flow analysis:				
Up to 3 months	-	58,358	-	66,819
From 3 to 6 months	4,077	-	124	-
Total	**4,077**	**58,358**	**124**	**66,819**

14 Cost of Sales

In thousands of Ukrainian Hryvnia	2017	2016
Depreciation of property, plant and equipment and amortisation of intangible assets	366,147	361,523
Maintenance and repairs	192,840	181,585
Production overheads	45,705	39,517
Staff cost, including payroll taxes	10,057	8,684
Transportation services and utilities	3,997	3,534
Raw materials	2,046	1,337
Other costs	778	268
Total	**621,570**	**596,448**

For the year 2017 the staff costs included payroll costs equal to UAH 6,426 thousand (2016: UAH 6,279 thousand), bonus and unused vacation cost equal to UAH 1,701 thousand (2016: UAH 999 thousand), social contribution costs equal to UAH 1,569 thousand (2016: UAH 1,331 thousand) and other costs equal to UAH 361 thousand (2016: UAH 75 thousand).

15 General and Administrative Expenses

In thousands of Ukrainian Hryvnia	**2017**	**2016**
Professional fees	39,723	28,731
Staff cost, including payroll taxes	37,858	24,742
Lease	4,938	6,192
Bank charges	1,859	1,663
Transportation	1,610	1,635
Taxes, other than income tax	631	596
Depreciation of property, plant and equipment and amortisation of intangible assets	216	335
Other costs	6,768	5,454
Total	**93,603**	**69,348**

For the year 2017 the staff costs included payroll costs equal to UAH 24,691 thousand (2016: UAH 14,909 thousand), bonus and unused vacation cost equal to UAH 7,584 thousand (2016: UAH 7,016 thousand), social contribution costs equal to UAH 2,758 thousand (2016: UAH 1,810 thousand) and other costs equal to UAH 2,825 thousand (2016: UAH 1,007 thousand).

16 Finance Income and Costs

In thousands of Ukrainian Hryvnia	**2017**	**2016**
Finance income		
Interest income on loans receivable and bank deposit	64,814	68,460
Unwinding of discount on loans provided to related parties	57,394	17,960
Gain on early repayment on loans provided to related parties	-	229,685
Total finance income	**122,208**	**316,105**
Finance costs		
Loss on origination on loans provided to related parties	159,732	40,531
Interest expense on non-bank borrowings	135,000	112,869
Amortized cost expenses on borrowings	131,320	138,148
Interest expense on bank borrowings	113,096	113,225
Professional fees	-	77,207
Loss on origination on financial investments	-	12,607
Other finance costs	-	2,266
Total finance costs	**539,148**	**496,853**

17 Income Taxes

Income tax expense comprises the following:

In thousands of Ukrainian Hryvnia	**2017**	**2016**
Current tax	34,067	641
Deferred tax expense	45,361	143,630
Income tax expense	**79,428**	**144,271**

The Group is subject to taxation in several tax jurisdictions, depending on the residence of its subsidiaries (primarily in Ukraine).

17 Income Taxes (continued)

Reconciliation between the expected and the actual taxation charge is provided below.

In thousands of Ukrainian Hryvnia	2017	2016
Profit before income tax	**482,375**	**820,567**
Profit before income tax of Ukrainian companies	125,116	431,134
Profit before income tax of Dutch companies	357,259	389,433
Income tax at statutory rates of 18% (Ukrainian operations)	22,521	77,604
Profit taxed at different rates (25% for Dutch operations)	89,315	97,358
Expenses not deductible for tax purposes	-	23,225
Under provision of tax in prior years	51,135	-
Non-taxable income	(3,932)	(34,652)
Tax effect of non-taxable forex gains on foreign subsidiaries, net	(79,611)	(19,264)
Income tax expense	**79,428**	**144,271**

The parent and its subsidiaries are separate tax payers and therefore the deferred tax assets and liabilities are presented on an individual basis. The deferred tax liabilities and assets reflected in the consolidated balance sheet as at 31 December 2017 are as follows:

In thousands of Ukrainian Hryvnia	1 January 2017	Charged to equity	Credited/ (charged) to income	31 December 2017
Tax effect of deductible temporary differences				
Loans receivable from related parties	-	-	24,833	24,833
Trade and other payables	5,105	-	1,004	6,109
Tax losses	561,983	-	(77,474)	484,509
Gross deferred tax asset	**567,088**	**-**	**(51,637)**	**515,451**
Less offsetting with deferred tax liabilities	(494,879)	-	16,848	(478,031)
Recognised deferred tax asset	**72,209**	**-**	**(34,789)**	**37,420**
Tax effect of taxable temporary differences				
Borrowings	(60,936)	-	(23,362)	(84,298)
Property, plant and equipment	(433,943)	(107,985)	29,638	(512,290)
Gross deferred tax liability	**(494,879)**	**(107,985)**	**6,276**	**(596,588)**
Less offsetting with deferred tax assets	494,879	-	(16,848)	478,031
Recognised deferred tax liability	**-**	**(107,985)**	**(10,572)**	**(118,557)**

Deferred income tax asset is recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The deferred tax liabilities and assets reflected in the consolidated balance sheet as at 31 December 2016 are as follows:

In thousands of Ukrainian Hryvnia	1 January 2016	Charged to equity	Credited/ (charged) to income	31 December 2016
Tax effect of deductible temporary differences				
Loans receivable from related parties	49,235	-	(49,235)	-
Trade and other payables	10,891	-	(5,786)	5,105
Tax losses	644,009	-	(82,026)	561,983
Gross deferred tax asset	**704,135**	**-**	**(137,047)**	**567,088**
Less offsetting with deferred tax liabilities	(458,121)	(30,175)	(6,583)	(494,879)
Recognised deferred tax asset	**246,014**	**(30,175)**	**(143,630)**	**72,209**
Tax effect of taxable temporary differences				
Borrowings	(27,352)	-	(33,584)	(60,936)
Property, plant and equipment	(430,769)	(30,175)	27,001	(433,943)
Gross deferred tax liability	**(458,121)**	**(30,175)**	**(6,583)**	**(494,879)**
Less offsetting with deferred tax liabilities	458,121	30,175	6,583	494,879
Recognised deferred tax liability	**-**	**-**	**-**	**-**

18 Contingencies, Commitments and Operating Risks

Tax legislation. Ukrainian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The Group conducts intercompany transactions. It is possible with evolution of the interpretation of tax law in Ukraine and changes in the approach of tax authorities under the new Tax Code, that such transactions could be challenged in the future. The impact of any such challenge cannot be estimated; however, management believes that it should not be significant.

The Group has income tax liabilities in various countries. The ultimate tax consequences of many transactions and calculations are uncertain, partly because of uncertainty concerning their timing. The Group continually assesses such matters and where final tax sums differ from the estimates such differences are recognised as income tax provisions in the period in which the differences become apparent.

On 1 September 2013 the Law “On Changes to the Tax Code of Ukraine in respect of transfer pricing rules” came into effect. These transfer pricing rules were much more detailed than previous legislation and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). The new legislation allows the tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), if the transaction price is not arm's length and not supported by relevant documentation. Since 1 January 2015, the transfer pricing rules were amended so that transactions between Ukrainian companies (irrespective whether they are related parties or not) ceased to be treated as controlled transactions.

Management believes it is taking appropriate measures to ensure compliance with the new transfer pricing legislation.

Capital expenditure commitments. As at 31 December 2017 and 31 December 2016 the Group did not have contractual capital expenditure commitments in respect of property, plant and equipment.

Purchase commitments. As at 31 December 2017 and 31 December 2016 the Group did not have contractual purchase commitments.

Compliance with covenants. The Group is subject to certain covenants related primarily to bank borrowings. Non-compliance with such covenants may result in negative consequences for the Group, including increase in the cost of borrowings, declaration of default and demand for immediate repayment of borrowings. The Group is in compliance with covenants as at 31 December 2017 and as at 31 December 2016.

Environmental matters. The enforcement of environmental regulation in Ukraine is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations or legislation, and civil litigation, cannot be estimated but could be material. Management believes that there are no significant liabilities for environmental damage.

Insurance. At present, Group insurance policy covers risks for the first and second stage of Botievo associated with the loss or damage of property, plant and equipment and loss of profit resulting from the work breakdown. As at 31 December 2017 the Group has insured operating costs and losses incurred by the Group in case of failure to reach the planned target of power generation by the first and second stage of Botievo wind farm.

Lease of land. The Group leases the land on which its assets are located. The annual lease payment in 2017 amounted to UAH 888 thousand and in 2016 amounted to UAH 816 thousand. Those payments are cancellable lease commitments.

19 Financial Risk Management

The Group’s activities expose it to financial risks: market risk (including cash flow and fair value interest rate risk) and liquidity risk. The Group’s overall risk management policies seek to minimise the potential adverse effects on the Group’s financial performance for those risks that are manageable or noncore to the power generating business.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, and (b) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Credit risks concentration. There is counterparty to the Group, with which accounts receivable balance individually represents 10% or more of the Group’s trade and other accounts receivable. As at 31 December 2017 the Group had one counterparty (as at 31 December 2016: one counterparty) with aggregated receivables balance amounting to UAH 152,287 thousand (as at 31 December 2016: UAH 125,742 thousand) or 84% of the total amount of trade and other receivables (2016: 86%).

The Group’s non-current financial investments are held within one bank and Group’s current financial investments was held within one bank.

19 Financial Risk Management (continued)

The Group's cash and cash equivalents are mainly held only within two banks (2016: two banks).

As at 31 December 2017 the Group had three counterparties (as at 31 December 2016: one counterparty) with aggregated loans receivable from related party balances amounting to UAH 7,821,681 thousand (as at 31 December 2016: UAH 464,135 thousand).

Interest rate risk. The Group's income and operating cash flows are substantially independent of changes in market interest rate. The Group has significant interest bearing assets with related parties. Borrowings at fixed rates expose the Group to fair value interest rate risk.

Currency risk. The Group operates within Ukraine and accordingly its exposure to foreign currency risk is mainly determined by borrowings, loan receivable and cash balances, which are denominated in EUR. Increasing domestic uncertainty led to volatility in the currency exchange market and resulted in significant downward pressure on the Ukrainian Hryvnia relative to major foreign currencies.

The following table presents sensitivities of profit or loss and equity before tax to reasonably possible changes in exchange rates applied at the balance sheet date with all other variables held constant:

	At 31 December 2017		**At 31 December 2016**	
In thousands of Ukrainian Hryvnia	**Impact on profit or loss**	**Impact on equity**	**Impact on profit or loss**	**Impact on equity**
Euro strengthening by 25%	(1,226,474)	(1,226,474)	(1,028,142)	(1,028,142)
Euro weakening by 25%	1,226,474	1,226,474	1,028,142	1,028,142

Liquidity risk. Prudent liquidity management implies maintaining sufficient cash and the availability of funding to meet existing obligations as they fall due. Management monitors liquidity and cash collections on a daily basis to ensure liquidity targets are actively monitored.

The following table analyses the Group's financial assets and liabilities by maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the undiscounted cash flows. The maturity analysis of financial assets and liabilities as at 31 December 2017 is as follows:

In thousands of Ukrainian Hryvnia	**Up to 6 months**	**6 -12 months**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**	**Total**
Trade and other receivables	(153,282)	-	-	-	-	(153,282)
Loans receivable from related party	(541,276)	(7,765,933)	-	-	-	(8,307,209)
Borrowings	673,561	756,381	1,286,033	3,497,020	1,144,297	7,357,292
Trade and other payables	62,435	-	-	-	-	62,435
Net future payments/(receipts) including future principal and interest	**41,438**	**(7,009,552)**	**1,286,033**	**3,497,020**	**1,144,297**	**(1,040,764)**

The maturity analysis of financial assets and liabilities as at 31 December 2016 is as follows:

In thousands of Ukrainian Hryvnia	**Up to 6 months**	**6 -12 months**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**	**Total**
Trade and other receivables	(126,855)	-	-	-	-	(126,855)
Loans receivable from related party	(30,683)	(496,702)	-	-	-	(527,385)
Guarantee under the borrowings of related parties (Note 8)	341,533	-	-	-	-	341,533
Borrowings	483,562	518,108	1,216,618	3,135,992	1,743,095	7,097,375
Trade and other payables	66,943	-	-	-	-	66,943
Net future payments/(receipts) including future principal and interest	**734,500**	**21,406**	**1,216,618**	**3,135,992**	**1,743,095**	**6,851,611**

20 Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt. Additionally, management may defer certain capital spending to enhance its debt position. Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio (Debt/Equity).Total debt equals nominal amount of the bank borrowings less the Debt Service Account (Note 8). The equity is calculated as total equity in the consolidated balance sheet excluded other reserves plus bonds from related parties.

Group's debt to equity ratio as at 31 December 2017 has reached 31/69, Debt/Equity (31 December 2016: 61/39).

21 Fair Value of Assets and Liabilities

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodology as considered appropriate. However considerable judgement is required in interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation.

As at 31 December 2017 and 31 December 2016 the carrying values of cash and cash equivalents, trade and other accounts receivable and payable and borrowings approximate their fair values due to the short maturities of these instruments.

Fair value of financial assets and liabilities as at 31 December 2017 and 31 December 2016 is as follows:

	31 December 2017		31 December 2016	
In thousands of Ukrainian Hryvnia	**Level 2**	**Carrying value**	**Level 2**	**Carrying value**
Financial assets				
Financial investments	466,191	466,191	558,585	554,773
Loans receivable	7,833,494	7,833,494	474,300	474,300
Trade and other receivables	153,282	153,282	126,855	126,855
Cash and cash equivalents	710,930	710,930	202,575	202,575
TOTAL ASSETS	**9,163,897**	**9,163,897**	**1,362,315**	**1,358,503**
Financial liabilities				
Borrowings	5,540,900	5,465,077	5,157,792	5,048,302
Trade and other payables	62,435	62,435	66,943	66,943
TOTAL LIABILITIES	**5,603,335**	**5,527,512**	**5,224,735**	**5,115,245**

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

22 Subsequent events

In January 2018 the Group signed binding agreement with GE Wind Energy for wind turbine supply, installation and full service. According to this agreements GE Wind Energy should supply to Group's subsidiary Primorskaya WEP LLC 26 (twenty six) wind turbines, type 3.8-130@110mHH, with a nominal capacity of 3,8MW and hub height 110m. The approximate amount under GE Wind Energy agreements equal to EUR 81,250 thousand. The Group is currently in the process of negotiation with the lenders to obtain financing for capital expenditure.

DTEK Renewables B.V.

Independent Auditor's Report

31 December 2016

Independent auditor's report

To: the general meeting and supervisory board of DTEK Renewables B.V.

Report on the financial statements 2016

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of DTEK Renewables B.V. as at 31 December 2016, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2016 of DTEK Renewables B.V., Amsterdam ('the company'). The financial statements include the consolidated financial statements of DTEK Renewables B.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company statement of financial position as at 31 December 2016;
- the following statements for 2016: the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows;
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

Ref.: e0400909

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Independence

We are independent of DTEK Renewables B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Uncertainties in the financial statements with respect to the political and economic uncertainties in Ukraine

We draw your attention to Note 2 and Note 4 of the consolidated financial statements. As disclosed in Note 2, the operations of the Group have been affected, and may continue to be affected for the foreseeable future, by the continuing political and economic uncertainties in Ukraine. The events in Ukraine increase uncertainties regarding the Group's assessment of the revaluation of property, plant and equipment and the recoverable amounts of property, plant and equipment as disclosed in Note 4.

Our opinion is not qualified in respect of this matter.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors' report;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures were substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report and the other information pursuant to Part 9 Book 2 of the Dutch Civil Code.

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Responsibilities for the financial statements and the audit

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 28 April 2017
PricewaterhouseCoopers Accountants N.V.

Original has been signed by P.C. Dams RA

Appendix to our auditor's report on the financial statements 2016 of DTEK Renewables B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.
Our audit consisted, among other things of the following:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole.

Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board 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.

DTEK Renewables B.V.

International Financial Reporting Standards Consolidated Financial Statements

31 December 2016

Directors' report

31 December 2016

DIRECTORS' REPORT

Introduction

The Management Board of DTEK Renewables B.V. (the "Company") presents their report in order to disclose the results of the activity of the Company for the year ended 31 December 2016.

Principal activities

DTEK Renewables B.V. is a private limited liability company incorporated on 9 September 2013, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company and its subsidiaries (together referred to as "the Group" or "DTEK Renewables") are beneficially owned by Mr. Rinat Akhmetov, through various entities commonly referred to as System Capital Management ("SCM").

The principal activity of the Company is the financial activity for DTEK and its subsidiaries (the "DTEK Group"), including any interest earning activity. The Company will be the holding entity of the renewables activities within the Group, mainly located in Ukraine. Currently the DTEK Renewables and its subsidiaries are producing and selling the electricity generated at wind power plants in Ukraine and developing a project of construction of wind farms in Zaporizhzhya region.

In 2013 the Group's immediate parent initiated a reorganisation project aimed to separate the strategic functions (such as development of new businesses) from operational functions. According to the project, strategic functions should be concentrated on the level of strategic holding (DTEK B.V.) and the operational functions – on the level of three subholdings: DTEK Energy, DTEK Oil&Gas and DTEK Renewables. On 18 December 2013 the Supervisory board of DTEK Holdings B.V., approved the reorganisation plan. As at 31 December 2014, DTEK B.V. separated DTEK Renewables B.V., Wind Tech LLC and Primorskaya WEP LLC - into the Renewable energy holding, under control of the new Parent – DTEK B.V. In accordance with the reorganisation project on 9 March 2015 shares of Wind Power LLC were sold by DTEK Energy B.V to DTEK Renewables B.V for the cash consideration of UAH 433,633 thousand.

Financial position and performance

The profit of the DTEK Renewables for the year ended 31 December 2016 was UAH 676,296 thousand. The loss of the DTEK Renewables for the year ended 31 December 2015 was UAH 771,253 thousand. On 31 December 2016 the total assets of the DTEK Renewables were UAH 7,338,728 thousand (as at 31 December 2015 UAH 7,227,849 thousand) and the positive amount of equity UAH 2,149,169 thousand (as at 31 December 2015 the amount of equity was UAH 1,335,944 thousand).

Issued Capital and Capital Distributions

As at 31 December 2014 the authorised and issued ordinary share capital amounted to EUR 1,000, divided into 100 shares with a par value of EUR 10 per share. All issued shares are fully paid. In November 2015 the Company issued 1 (one) share, with a nominal value of EUR 10, numbered 101 in the capital of Company against the contribution of EUR 60,500,000 in cash. As at 31 December 2016 the authorised and issued ordinary share capital amounted to EUR 1.010, divided into 101 shares with a par value of EUR 10 per share.

There is no capital distribution scheduled in the near future and the result for the period is retained.

Financing activity

Financing activity of the Company consists mainly of intra-group loans, which are managed by the Company's Treasury department. The DTEK Group's overall risk management policies are also applicable to the DTEK Renewables Group. These seek to minimise the potential adverse effects on the DTEK Group's financial performance for those risks that are manageable or noncore to the power generating business.

Financing activity of the Company is managed centrally by the Company's Treasury department. The overall risk management policies seek to minimise the potential adverse effects on the Company's financial performance for those risks that are manageable or noncore to the power generating business.

Financial risk management is carried out by the Company's treasury department, under policies approved by the Supervisory Board. The Treasury department identifies, evaluates and proposes risk management techniques to minimise these exposures.

Additionally, DTEK Group has developed a compliance function to monitor and analyse financial, reputation or legal risks connected with business activities.

Financial risk management

Exposure of the DTEK Renewables to different financial risks is disclosed in Note 20 of the accompanying Consolidated Financial Statements.

Principal Risks and Uncertainties

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in 2016, though to a lesser extent as compared to 2014–2015.

The inflation rate in Ukraine during 2016 reduced to 12% (as compared to 43% in 2015), while GDP returned to growth of 1% (after 9% decline in 2015).

In 2016 the National Bank of Ukraine ("NBU") has made certain steps to ease the currency control restrictions introduced in 2014–2015. In particular, the required share of foreign currency for mandatory sale was decreased from 75% to 65% starting from 9 June 2016 and the settlement period for export-import transactions in foreign currency was increased from 90 to 120 days starting from 28 July 2016. Also starting from 13 June 2016, the NBU allowed Ukrainian companies to pay dividends to non-residents with a limit of USD 5 million per month (equivalent of UAH 136 million applying exchange rate as at 31 December 2016).

The central bank of Ukraine prolonged these restrictions several times during 2015 – 2016 years and the current restrictions are effective until rescinded by the NBU (with minor exceptions, including mandatory conversion of foreign currency proceeds, which are set to expire on 16 June 2017). The IMF continued to support the Ukrainian government under the four-year Extended Fund Facility ("EFF") Programme approved in March 2015, providing the third tranche of approximately USD 1 billion in September 2016. Further disbursements of IMF tranches depend on the continued implementation of Ukrainian government reforms, and other economic, legal and political factors.

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors.

The conflict in the parts of Eastern Ukraine which started in spring 2014 has not been resolved to date. The relationships between Ukraine and the Russian Federation remained strained. The Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line.

On 1 January 2016, the agreement on the free trade area between Ukraine and the EU came into force. Just after that the Russian government implemented a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products.

Despite certain improvements in 2016, the final resolution and the ongoing effects of the political and economic situation are difficult to predict but they may have further severe effects on the Ukrainian economy and the Group's business.

Risk Management Framework

The Company's risk management approach includes internal control and risk management system based on strategic planning and budgeting. Risk management function is performed on the DTEK Group's level as well as the level of production units. Risk management approaches are the same for all units (unified process of management by risks and opportunities, unified insurance principles). Through the DTEK Group's risk management framework, the Company's management seeks to provide reasonable assurance that the Company's business objectives can be achieved and the Company's obligations to customers, shareholders, employees and society can be met. The DTEK Renewables Board is responsible for identification, assessment and mitigation of risks, which may have a negative effect on achieving operational and strategic targets. Management is informed and understands how risks may affect the achievement of such targets. Managerial decisions are made based on current and potential threats and opportunities.

For all the risk categories within the Group's risk management framework, the Group's risk appetite is defined as low tolerance.

During 2016 the Group concentrated on management of the following main risks:

Strategic risks:

- Risk of decreasing, no revision under effective EUR/UAH exchange rate or cancellation of green tariff;
- Deterioration of economic conditions on the electricity sales market.

Operational risks:

- Loss or unavailability of suitable key suppliers or subcontractors for maintenance services;
- Potential impact of accidents and incidents.

Financial risks:

- Devaluation of Hryvnia during the year more than anticipated in the Group's macroeconomic forecast.

IT risks:

- To prevent errors in technological processes functioning and external interference to key operational processes, were introduced systems to prevent network intrusions (IPS), security information and event management (SIEM) and security vulnerability management system (VMS).

Compliance risk:

- The Group takes appropriate measures to mitigate any compliance risk (risk of non-compliance with laws and regulations, including but not limited to the financial reporting, health and safety related regulations).

In 2012, DTEK Group started a program aimed at automatisation of the main business processes through implementation of a number of world class IT systems and platforms. It includes full scope ERP (SAP) implementation across all business units aimed to improve quality and efficiency of information and decision making process.

Environmental issues

DTEK Renewables activities are not tightly connected with production cycles impacting heavily the environment. Despite of this fact, compliance with high ecological standards is a crucial point for the business development of the Group.

Social responsibility

A balance is a necessary condition for developing DTEK Renewables business, for increasing its competitiveness on the market and for the performing of its obligations in the area of corporate social responsibility (CSR). That is why sustainable growth in economic and environment protection areas is an important part of the Group's strategy. DTEK Renewables systematically develops its activity in CSR, and strives to work in accordance with international CSR standards, while remaining a domestic employer and social investor, aiding the social and economic development of the regions where it operates, and not replacing the functions of the State.

Research and Development Costs

During 2016, the Group was not involved in any activities concerning research and development.

Human resources

The Group employed approximately 55 people by the end of 2016 (2015: 51 people). To ensure the constant development of its employees, in 2010 DTEK Group launched its corporate university – DTEK Academy. The main goal in this area is to cover at least 80% of job vacancies for middle and top management from internal human resource. Currently there are two basic programmes aimed to develop human resources and develop successor practice for main managerial positions in the DTEK Group. Main providers and programme developers of DTEK Academy programmes are Kyiv-Mohyla Academy Business School and INSEAD. In 2011 DTEK Academy joined CEEMAN (Central and East European Management Development Association) and EFMD (European Foundation for Management Development). DTEK Group is focused on providing qualified staff of workers and lower level management through corporate system of production education.

Code of Ethics

The DTEK Group has a Code of Ethics developed and approved in 2011 with changes introduced in 2014. It is mandatory for all the Group entities and prescribes the key principles that the Group follows in its operations, including relationship with its employees, counterparties, state authorities and non-governmental and public authorities, responsibility for all activities the Group performs, conflicts of interests etc. The Code is available on the DTEK Group's official web-site.

Male/female ratio of Executive/Supervisory Board

The Company strives to get the best applicable persons in the Supervisory board and Executive board despite the gender or culture.

As at 31 December 2016, the Supervisory Board consists of one woman and five men and the Executive board of two legal persons.

Future Developments

In Note 2 of the consolidated financial statements the political uncertainty in Eastern Ukraine has been set out in detail. The Company has assets and liabilities at DTEK Group Companies which in turn have financial ties with operations in Ukraine. The final resolution of the political and economic situation in Ukraine and the final effects of this are difficult to predict, however it may have further severe effects on the DTEK Group's business and consequently the valuation of the Company.

Further development of wind power generation implies maximum use of the sector expertise accumulated during the construction of the Botievo Wind Farm: The following is planned:

- Implementation of the construction project of Primorskaya Wind Farm (200 MW);
- Preparation of further projects under the planned construction rates and implementation of another wind power project.

As within the strategic objective of monitoring of the renewable energy segments solar power generation shows significant prospects. The following is planned:

- Setting of the strategic goals of the solar energy business development;
- Implementation of a solar plant pilot project in order to obtain an expertise in this field and fixing the Group commitment in the field of solar power generation for further negotiations with the parties involved; and,
- Preparation of the sites of 100 MW, structuring of the financing and submission for approval to the Supervisory Board of DTEK Renewables to commence.

It is planned to continue monitoring other renewable energy segments for better understanding of their current investment attractiveness and prospects for entry into new businesses.

Following a period of continued depreciation in 2015 and 2016, the value of Ukrainian hryvnia is likely to stabilise in 2017 at the level of 27 Ukrainian hryvnias against the U.S. dollar following the renewal of cooperation with the IMF as well as with other international partners.

Taking into account uncertainties in the year 2017 the Group will focus on the following key areas:

- Focus on the liquidity through driving power generation output;
- Optimise operating costs and capex investments;
- Work on full settlements for electricity produced from Energy Market;
- Support reforms in energy sector aimed at increasing transparency of tariffs setting.

Management Board

The company strives to get the best applicable persons in the Management Board despite the gender or culture. The Management Board currently consists of two trustees.

Post balance sheet events

On 3 April 2017 the Group completed acquisition of 100% shares of Tryfanovka Energy LLC for a cash consideration of UAH 5,854 thousand. Tryfanovka Energy LLC is a pilot solar project with planned capacity 9.99 MW after completion of construction. Management is currently assessing the fair values of the identifiable net assets and reporting implications.

Signed by entire Management Board, 28 April 2017

DTEK MANAGEMENT B.V.

By: Mr. Maksim Timchenko

Title: Executive Director

Director

SCM Management B.V.

By: Ms. Nataliya Muktan

Title: Director

By: Ms. Eliza Desiree den Aantrekker
Title: Director

Director

Consolidated Financial Statements

31 December 2016

In thousands of Ukrainian Hryvnia	**Note**	**31 December 2016**	**31 December 2015**
ASSETS			
Non-current assets			
Property, plant and equipment	7	5,870,799	6,058,418
Intangible assets		10,730	10,435
Financial investments	8	213,172	-
Loans receivable	9	-	504,208
Deferred income tax asset	18	72,209	246,014
Total non-current assets		**6,166,910**	**6,819,075**
Current assets			
Inventories		6,528	4,385
Financial investments	8	341,601	-
Loans receivable	9	474,300	76,174
Trade and other receivables	10	146,814	150,291
Cash and cash equivalents	11	202,575	177,924
Total current assets		**1,171,818**	**408,774**
TOTAL ASSETS		**7,338,728**	**7,227,849**
EQUITY			
Share capital		11	11
Share premium		1,522,462	1,522,462
Other reserves		(433,612)	(433,533)
Revaluation reserve		2,597,392	2,613,747
Accumulated losses		(1,537,084)	(2,366,743)
TOTAL EQUITY		**2,149,169**	**1,335,944**
LIABILITIES			
Non-current liabilities			
Borrowings	12	4,398,520	4,238,168
Total non-current liabilities		**4,398,520**	**4,238,168**
Current liabilities			
Borrowings	12	649,782	1,508,260
Trade and other payables	13	138,932	143,606
Liabilities to non-controlling participants		2,325	1,871
Total current liabilities		**791,039**	**1,653,737**
TOTAL LIABILITIES		**5,189,559**	**5,891,905**
TOTAL LIABILITIES AND EQUITY		**7,338,728**	**7,227,849**

Signed by entire Management Board,
28 April 2017

DTEK MANAGEMENT B.V., Director

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SCM MANAGEMENT B.V., Director

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Approved for issue and signed by entire
Supervisory Board

Oleg Popov ________________________

Sergey Korovin______________________

Irina Mykh__________________________

Guerman Aynbinder___________________

Damir Akhmetov_____________________

Johan Bastin________________________

The accompanying notes are an integral part of these consolidated financial statements.

In thousands of Ukrainian Hryvnia	**Note**	**2016**	**2015**
Revenue		2,037,237	1,683,680
Cost of sales	14	(596,448)	(517,411)
Gross profit		**1,440,789**	**1,166,269**
Other operating income	17	1,298	31,834
General and administrative expenses	15	(69,348)	(71,825)
Other operating expenses		(4,669)	(7,561)
Net foreign exchange gain / (loss) on operating activities		8,058	(5,825)
Operating profit		**1,376,128**	**1,112,892**
Foreign exchange losses less gains on financing and investing activities		(374,813)	(1,638,006)
Finance income	16	316,105	1,677,754
Finance costs	16	(496,853)	(2,134,556)
Profit / (Loss) before income tax		**820,567**	**(981,916)**
Income tax (expense) / benefit	18	(144,271)	210,663
Profit / (Loss) for the period		**676,296**	**(771,253)**
Profit / (Loss) is attributable to:			
Equity holders of the parent		675,825	(768,556)
Non-controlling interest		471	(2,697)

Consolidated Statement of Comprehensive Income

In thousands of Ukrainian Hryvnia	**Note**	**2016**	**2015**
Profit / (Loss) for the period		676,296	(771,253)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Property, plant and equipment:			
- Revaluation of property plant and equipment	7	167,637	1,342,130
- Income tax recorded on revaluation of property plant and equipment	18	(30,175)	(241,582)
Total comprehensive income for the period		**813,758**	**329,295**
Total comprehensive income attributable to:			
Equity holders of the Company		813,304	327,247
Non-controlling interest		454	2,048

The accompanying notes are an integral part of these consolidated financial statements.

In thousands of Ukrainian Hryvnia	Share capital	Share premium	Revaluation reserve	Other reserve	(Accumulated losses)	Total equity
Balance at 1 January 2015	**11**	**-**	**1,638,158**	**100**	**(1,718,401)**	**(80,132)**
Loss for the period	-	-	-	-	(768,556)	(768,556)
Other comprehensive income	-	-	1,095,803	-	-	1,095,803
Total comprehensive income	**-**	**-**	**1,095,803**	**-**	**(768,556)**	**327,247**
Utilization of revaluation reserve, net of tax	-	-	(120,214)	-	120,214	-
Acquisition of subsidiary from parties under common control	-	-	-	(433,633)	-	(433,633)
Share premium contribution	-	1,522,462	-	-	-	1,522,462
Balance at 31 December 2015	**11**	**1,522,462**	**2,613,747**	**(433,533)**	**(2,366,743)**	**1,335,944**
Profit for the period	-	-	-	-	675,825	**675,825**
Other comprehensive income	-	-	137,479	-	-	**137,479**
Total comprehensive income	**-**	**-**	**137,479**	**-**	**675,825**	**813,304**
Utilization of revaluation reserve, net of tax	-	-	**(153,834)**	-	**153,834**	**-**
Acquisition of subsidiary from parties under common control	-	-	-	(79)	-	**(79)**
Balance at 31 December 2016	**11**	**1,522,462**	**2,597,392**	**(433,612)**	**(1,537,084)**	**2,149,169**

The accompanying notes are an integral part of these consolidated financial statements.

In thousands of Ukrainian Hryvnia	Note	2016	2015
Cash flows from operating activities			
Profit / (loss) before income tax		**820,567**	**(981,916)**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets	14,15	361,858	301,570
Losses less gains on disposals of property plant and equipment		(350)	-
Foreign exchange losses less gains on financing and investing activities		374,813	1,638,006
Unrealised foreign exchange gain		(1,120)	-
Finance costs, net	16	180,748	456,802
Operating cash flows before working capital changes		**1,736,516**	**1,414,462**
Decrease / (increase) in trade and other receivables		3,477	(17,885)
Increase in inventories		(2,143)	(3,782)
(Decrease) / increase in trade and other payables		(5,317)	64,776
Cash generated from operations		**1,732,533**	**1,457,571**
Interest paid		(249,020)	(164,407)
Interest received		128,474	46,941
Income tax paid		(2,972)	(14,946)
Cost and fees incurred on debt renegotiation		(77,207)	-
Net cash generated from operating activities		**1,531,808**	**1,325,159**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(8,311)	(16,124)
Capitalised borrowings cost paid		-	(250)
Placement of restricted cash		(212,052)	-
Loan provided to related party		(467,468)	(2,020,670)
Cash paid for acquisition of the entity under common control		-	(433,633)
Proceeds from sale of property plant and equipment and intangible assets		1,768	-
Deposit placement		(341,533)	-
Repayment of loans provided to related parties		777,308	2,474,960
Net cash (used) / generated in investing activities		**(250,288)**	**4,283**
Cash flows from financing activities			
Increase of share premium		-	1,522,462
Purchase of non-controlling interest		(79)	-
Proceeds from borrowings		450,000	913,656
Repayment of borrowings		(1,700,960)	(3,600,337)
Net cash used in financing activities		**(1,251,039)**	**(1,164,219)**
Net increase in cash and cash equivalents		**30,481**	**165,223**
Cash and cash equivalents at the beginning of the year		177,924	12,701
Exchange loss on cash and cash equivalents		(5,830)	-
Cash and cash equivalents at the end of the year		**202,575**	**177,924**

The accompanying notes are an integral part of these consolidated financial statements.

1 The Organisation and its Operations

DTEK Renewables B.V. ("the Company") is a private limited liability company incorporated on 9 September 2013, under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands. The Company is controlled by DTEK B.V., which is the holding company of a vertically integrated power generating and distribution and gas production business of Joint Stock Company "System Capital Management Limited" ("SCM"). "SCM" is ultimately controlled by Mr. Rinat Akhmetov who has a number of other business interests outside of the Company. Related party transactions are detailed in Note 6.

The Company's and its subsidiaries' (together referred to as "the Group" or "DTEK Renewables") principal activity is the production and sale of electricity generated at wind power plants in Ukraine.

In 2013 the Group's immediate parent initiated a reorganisation project aimed to separate the strategic functions (such as development of new businesses) from operational functions. According to the project, strategic functions should be concentrated on the level of strategic holding (DTEK B.V.) and the operational functions – on the level of three subholdings: DTEK Energy, DTEK Oil&Gas and DTEK Renewables. On 18 December 2013 the Supervisory board of DTEK Holdings B.V. approved the reorganisation plan. As at 31 December 2014, DTEK B.V. separated DTEK Renewables B.V., Wind Tech LLC and Primorskaya WEP LLC - into the Renewable energy holding, under control of the new Parent – DTEK B.V. In accordance with the reorganisation project on 9 March 2015 shares of Wind Power LLC were sold by DTEK Energy B.V to DTEK Renewables B.V for the cash consideration of UAH 433,633 thousand.

The principal subsidiaries are presented below:

Name	% interest held as at 31 December		Country of incorporation
	2016	2015	
Primorskaya WEP B.V.	100.00	100.00	The Netherlands
Wind Power LLC	99.99	99.51	Ukraine
Wind Tech LLC	99.99	99.99	Ukraine
Primorskaya WEP LLC	99.99	99.99	Ukraine

The Group is registered at Strawinskylaan 1531, Tower B, Level 15, grid TB-15-046/089, 1077XX Amsterdam, the Netherlands. The principal place of business of its operating subsidiaries is 57 Lva Tolstogo str, 01032 Kyiv Ukraine.

As at 31 December 2016, the Group employed 55 people, included 29 production and 25 administrative people (31 December 2015: 51 people, included 25 production and 26 administrative people).

2 Operating Environment of the Group

The ongoing political and economic instability in Ukraine which commenced at the end of 2013 and led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and depreciation of the national currency against major foreign currencies has continued in 2016, though to a lesser extent as compared to 2014–2015.

The inflation rate in Ukraine during 2016 reduced to 12% (as compared to 43% in 2015), while GDP returned to growth of 1% (after 9% decline in 2015).

As at 27 April 2016 the official NBU exchange rate of Hryvnia against Euro was UAH 28.96 per Euro 1, compared to 28.42 per Euro 1 as at 31 December 2016 (31 December 2015: UAH 26.22 per Euro 1). During the year 2016 the Ukrainian Hryvnia ("UAH") decreased in value against the major world currencies. The devaluation of the Ukrainian Hryvnia during 2016 has significantly increased the Group's debt in Hryvnia terms and resulted in a substantial charge to the Group's income statement.

In 2016 the National Bank of Ukraine ("NBU") has made certain steps to ease the currency control restrictions introduced in 2014–2015. In particular, the required share of foreign currency for mandatory sale was decreased from 75% to 65% starting from 9 June 2016 and to 50% starting from 5 April 2017 and the settlement period for export-import transactions in foreign currency was increased from 90 to 120 days starting from 28 July 2016.

Also starting from 13 June 2016, the NBU allowed Ukrainian companies to pay dividends to non-residents with a limit of USD 5 million per month (equivalent of UAH 136 million applying exchange rate as at 31 December 2016).

The National Bank of Ukraine prolonged these restrictions several times during 2015 and 2016 years and the current restrictions are effective until rescinded by the NBU (with minor exceptions, including mandatory conversion of foreign currency proceeds, which are set to expire on 16 June 2017). The IMF continued to support the Ukrainian government under the four-year Extended Fund Facility ("EFF") Programme approved in March 2015, providing the third tranche of approximately USD 1 billion in September 2016. Further disbursements of IMF tranches depend on the continued implementation of Ukrainian government reforms, and other economic, legal and political factors.

2 Operating Environment of the Group (continued)

The banking system remains fragile due to its weak level of capital, low asset quality caused by the economic situation, currency depreciation, changing regulations and other factors.

The conflict in the parts of Eastern Ukraine which started in spring 2014 has not been resolved to date. The relationships between Ukraine and the Russian Federation remained strained. The Group's property, plant and equipment are located in Botievo, Zaporizhzhya region, 180 kilometres away from the current ceasefire line.

On 1 January 2016, the agreement on the free trade area between Ukraine and the EU came into force. Just after that the Russian government implemented a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products.

Despite certain improvements in 2016, the final resolution and the ongoing effects of the political and economic situation are difficult to predict but they may have further severe effects on the Ukrainian economy and the Group's business.

Going concern. As of 31 December 2016 the Group had net current assets of UAH 380,779 thousand (31 December 2015: net current liabilities UAH 1,244,963 thousand) and earned a net profit of UAH 676,296 thousand for the year ended 31 December 2016 (31 December 2015: loss of UAH 771,253 thousand).

The Group has prepared quarterly future cash flow projections for the period to 30 April 2018. These cash flow projections show that the Group will generate sufficient cash flows from operations to pay both interest and principal on borrowings.

Considering the above, management believes that the application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

3 Summary of Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union using the historical cost convention, as modified by the revaluation of property, plant and equipment (revaluation model under IAS 16 *Property, plant and equipment*), and certain financial instruments measured in accordance with the requirements of IAS 39 *Financial instruments: recognition and measurement*. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

As discussed in Note 1, the Company was incorporated on 9 September 2013. Further, in 2014, an additional share capital was contributed into Primorskaya WEP LLC and Wind Tech LLC. During the 2015 additional share capital was contributed into Wind Power LLC. This contribution has been accounted for as a business combination from parties under common control in accordance with the Group's accounting policy. Accordingly, predecessor values (similar to the pooling of interest method) have been presented from the beginning of the earliest period presented.

Use of estimates. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas, involving a high degree of judgement, complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 4.

Functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in Ukrainian Hryvnia ("UAH"), which is the Group's functional and the Group's presentation currency.

Transactions denominated in currencies other than the relevant functional currency are translated into the functional currency, using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses, resulting from settlement of such transactions and from the translation of foreign currency denominated monetary assets and liabilities at year end, are recognised in the income statement. Translation at year end does not apply to non-monetary items including equity investments. The effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

3 Summary of Significant Accounting Policies (continued)

As at 31 December 2016, the exchange rates used for translating foreign currency balances were USD 1 = UAH 27.19 (31 December 2015: USD 1 = UAH 24.00); EUR 1 = UAH 28.42 (31 December 2015: EUR 1 = UAH 26.22); RUB 10 = UAH 4.51 (31 December 2015: RUB 10 = UAH 3.29). Exchange restrictions in Ukraine are limited to compulsory receipt of foreign receivables within 90 days of sales and to the compulsory conversion of 75% of proceeds in foreign currency to Ukrainian Hryvnia. In 2014 the National Bank of Ukraine implemented regulations that required foreign currency receipts to be converted to UAH and prohibited dividend payments for certain legal entities to foreign entities. The restriction was prolonged several times during 2015 and 2016 and was effective until 8 June 2016. From the 9 June 2016 the National Bank of Ukraine has imposed of restriction on the compulsory conversion of 65% of proceeds in foreign currency to Ukrainian Hryvnia and this restriction effective till 16 June 2017.

Consolidated financial statements. Subsidiaries are those companies and other entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions among the companies of the Group are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Common control business combinations. Purchases of subsidiaries from parties under common control are recorded using the predecessor values, in a manner similar to the pooling of interests method. Under this method the financial statements of the entity are presented as if the businesses had been consolidated from the beginning of the earliest period presented (or the date that the entities were first under common control, if later). The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying values. The difference between the consideration given and the aggregate carrying value of the assets and liabilities (as of the date of the merge) of the acquired entity is recorded as a merge reserve in equity. No additional goodwill is created by such purchases.

Property, plant and equipment. Initial purchases of property plant and equipment are recorded at cost. Subsequently The Group uses the revaluation model to measure property, plant and equipment. The frequency of revaluation depends upon the movements in the fair values of the assets being revalued. Subsequent additions to property plant and equipment are recorded at cost. Cost includes expenditure directly attributable to acquisition of the items. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the replaced component being written off. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Property, plant and equipment items are derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. Gains and losses on disposals determined by comparing proceeds with carrying amount of property, plant and equipment are recognised in the consolidated income statement. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred. The carrying amount of any replaced or sold component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation. Depreciation is charged to the income statement on a straight-line basis to allocate costs of individual assets to their residual value over their estimated useful lives. Depreciation commences on the date of acquisition or, in respect of self-constructed assets, from the time an asset is completed and ready for use. The estimated useful lives are as follows:

	Useful lives in years
Buildings and structures	from 10 to 40
Plant and machinery	from 2 to 20
Furniture, fittings and equipment	from 2 to 15

Construction in progress represents the cost of property, plant and equipment, including advances to suppliers, which has not yet been completed. No depreciation is charged on such assets until they are available for use.

3 Summary of Significant Accounting Policies (continued)

Intangible assets. All of the Group's intangible assets have definite useful lives and primarily include wind monitoring reports and capitalised computer software. Acquired intangible assets are capitalised on the basis of the costs incurred to acquire and bring them to use. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell. Amortisation is charged to the income statement on a straight line basis.

Impairment of non-financial assets. Assets that are subject to depreciation are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. For purposes of assessing impairment, assets are grouped to the lowest levels for which there are separately identifiable cash flows (cash generating unit). Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Classification of financial assets. The Group classifies its financial assets as loans and receivables.

Initial recognition of financial instruments*.* The Group's principal financial instruments comprise loans and borrowings, cash and cash equivalents. The Group has other various financial instruments, such as trade creditors, which arise directly from its operations.

All purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Group commits to deliver a financial instrument. All other purchases and sales are recognised on the settlement date with the change in value between the commitment date and settlement date not recognised for assets carried at cost or amortised cost, and recognised in equity for assets classified as available-for-sale.

Subsequent measurement of financial instruments. Subsequent to initial recognition, the Group's financial liabilities, loans and receivables are measured at amortised cost. Amortised cost is calculated using the effective interest rate method and, for financial assets, it is determined net of any impairment losses. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

The face values of financial assets and liabilities with a maturity of less than one year, less any estimated credit adjustments, are assumed to be their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

A provision for impairment of loans and accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered to be indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability by adjusting the effective interest rate.

Derecognition of financial assets. The Group derecognises financial assets when (i) the assets are redeemed or the rights to cash flows from the assets have otherwise expired or (ii) the Group has transferred substantially all the risks and rewards of ownership of the assets or (iii) the Group has neither transferred nor retained substantially all risks and rewards of ownership but has not retained control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

3 Summary of Significant Accounting Policies (continued)

Derecognition of financial liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. While assessing if modification is substantial, management considers both quantitative and qualitative factors. Qualitative factors include change of form of the instrument, interest rate, change in covenants and guarantors. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss. If the exchange or modification of financial liability is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with Ukrainian and Dutch legislation enacted or substantively enacted by the balance sheet date. The income tax charge comprises current tax and deferred tax and is recognised in the income statement unless it relates to transactions that are recognised, in the same or a different period, directly in equity.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is provided on post-acquisition retained earnings and other post-acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary’s dividend policy and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Inventories. Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the first in first out basis for raw materials and spare parts. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Loans provided. Loans provided are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Bank overdrafts are included into borrowings line item in the consolidated balance sheet.

Cash and cash equivalents. Cash and cash equivalents include cash on hand, demand deposits, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is presented in the notes as share premium.

As at 31 December 2016 and 31 December 2015 the total authorised number of ordinary shares was 101 ordinary shares with a par value of EUR 10 per share. The total issued share capital amounts to UAH 11.041 (EUR 1.010). All issued shares are fully paid.

Dividends. Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the consolidated financial statements are authorised for issue.

Other reserves. The other reserves represented by merge reserve and are the difference between the fair value of investments of the parent company in respect of the subsidiary share capital acquisition and the nominal value of the share capital of the subsidiary. The merge reserve subsequently will be utilised through the positive amount of retaining earnings.

3 Summary of Significant Accounting Policies (continued)

Value added tax ("VAT"). In Ukraine VAT is levied at two rates: 20% on sales within the country and imports of goods and, services and 0% on the export of goods and services. A taxpayer's VAT liability equals the total amount of VAT collected within a reporting period, and arises on the earlier of the date of shipping goods or providing services to a customer or the date of receiving payment from the customer for the year 2015 and on the cash basis for the year 2016. A VAT credit is the amount that a taxpayer is entitled to offset against his VAT liability in a reporting period. Rights to VAT credit arise when a VAT invoice is received, which is issued on the earlier of the date of payment to the supplier or the date goods or services are received. VAT related to sales and purchases is recognised in the consolidated balance sheet on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Long-term debt. On initial recognition long-term debt is recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debt are included in the initial recognition. After initial recognition long-term debt is recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. The difference between the stated book value and the mature redemption value is accounted for as finance expense in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debt. Long-term debt comprises intra-group debt issued and is recognised initially at fair value, net of transaction costs incurred.

Trade and other payables. Trade and other payables are recognised and initially measured under the policy for financial instruments mentioned above. Subsequently, instruments with a fixed maturity are re-measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any transaction costs and any discount or premium on settlement.

Contingent assets and liabilities. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the financial statements unless it is probable that an outflow of economic resources will be required to settle the obligation and it can be reasonably estimated. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Revenue recognition. The Group sells electricity produced by its electricity generation plants to Energorynok, a state-owned electricity distribution monopoly.

Revenues from sales of goods are recognised at the point of transfer of risks and rewards associated with ownership to immediate customers of the Group. Revenues are measured at the fair value of the consideration received or receivable, and are shown net of value added tax and discounts.

Recognition of expenses. Expenses are recorded on an accrual basis. The cost of goods sold comprises the purchase price, transportation costs, commissions relating to supply agreements and other related expenses.

Finance income and costs. Finance income and costs comprise interest income and interest expense on loans and borrowings, income on origination of financial instruments, losses on early repayment of loans and unwinding of discount on financial instruments.

Borrowing costs that relate to assets that take a substantial period of time to construct are capitalised as part of the cost of the asset. All the other interest and costs incurred in connection with borrowings are expensed using the effective interest rate method.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

4 Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Deferred tax asset recognition. The net deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the balance sheet. Deferred tax assets are recorded to the extent that realisation of the related tax benefit is probable. In determining future taxable profits and the amount of tax benefits that are probable in the future, management makes judgements and applies estimation based on historic taxable profits and expectations of future income that are believed to be reasonable under the circumstances.

4 Critical Accounting Estimates and Judgements (continued)

Revaluation of property, plant and equipment. On an annual basis management of the Group carries out an analysis to assess whether carrying amounts of items of property, plant and equipment differ materially from amounts which would be determined using fair value at the end of the reporting period. As at 1 December 2016, the Group's management decided to carry out the revaluation of property, plant and equipment based on changes in economic conditions of business environment and devaluation of the Hryvnia against major currencies (see discussion of operating environment in Note 2). Fair value of property, plant and equipment and remaining useful lives as at 1 December 2016 were determined by an independent appraiser.

As most of the Group's property, plant and equipment is of specialised nature, its fair value is determined using depreciated replacement cost (Level 3).

When performing a valuation using these methods, the key estimates and judgments applied by the independent appraisers, in discussion with the Group's internal valuation team and technicians, are as follows:

- choice of information sources for construction costs analysis (actual costs recently incurred by the Group, specialised reference materials and handbooks, estimates for cost of construction of various equipment etc.);
- determination of comparatives for replacement cost of certain equipment, as well as corresponding adjustments required to take into account differences in technical characteristics and condition of new and existing equipment; and
- determination of applicable cumulative price indices or changes in foreign exchange rates which would most reliably reflect the change in fair value of assets revalued using indexation of carrying amounts.

The fair values obtained using depreciated replacement cost and indexation of carrying amounts are validated using discounted cash flow models (income approach, Level 3), and there are no adjustments to the values obtained using depreciated replacement cost.

The results of this revaluation of property, plant and equipment is disclosed further in Note 7.

Changes in the estimates and judgments could have a material effect on the fair value of property, plant and equipment, which, however, is impracticable to quantify due to the wide variety of assumptions and assets being valued.

Impairment of property, plant and equipment. The Group is required to perform impairment tests for its cash-generating units if there are indicators of impairment.

This testing requires the estimation of value in use / fair value less costs of disposal of the cash-generating unit. Estimating value in use/ fair value less costs of disposal requires the Group to make an estimate of expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of cash-generating unit was estimated based on a fair value less cost of disposal calculations. No impairment of property, plant and equipment is recognized as result of the assessment.

Changes in the estimates and judgments used could have a material effect on the recording or amount of impairment. The estimates used to assess impairment are impacted by the anticipated tariff for electricity produced and uncertainty caused by events in Eastern Ukraine (see discussion of operating environment in Note 2).

Tax legislation. Ukrainian tax, currency and customs legislation continues to evolve. Conflicting regulations are subject to varying interpretations. Management believes its interpretations are appropriate and sustainable, but no guarantee can be provided against a challenge from the tax authorities (Note 19).

Related party transactions. In the normal course of business the Group enters into transactions with related parties. Judgement is applied in determining if transactions are priced at market or non-market rates, where there is no active market for such transactions. Financial instruments are recorded at origination at fair value using the effective interest method. The Group's accounting policy is to record gains and losses on related party transactions in the income statement. The basis for judgement is pricing for similar types of transactions with unrelated parties and an effective interest rate analysis.

5 Adoption of New or Revised Standards and Interpretations

The following new standards and amendments to the standards which are relevant to the Group's consolidated financial statements and have been adopted by the European Union are effective for the first time for financial year beginning on or after 1 January 2016, but do not have a material impact on these consolidated financial statements:

- ***Amendments to IAS 1: Disclosure Initiative*** (issued on 18 December 2014 and effective for annual periods beginning on or after 1 January 2016);
- ***Annual Improvements to IFRS 2012–2014 Cycle*** (issued on 25 September 2014 and effective for annual periods beginning on or after 1 January 2016);

5 Adoption of New or Revised Standards and Interpretations (continued)

- ***Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation*** (issued on 12 May 2014 and effective for annual periods beginning on or after 1 January 2016).

The following new standards which are relevant to the Group's consolidated financial statements, has been issued, but has not been adopted by European Union or have not been effective for financial periods beginning on or after 1 January 2016:

- ***Amendments to IAS 7: Disclosure Initiative*** *(*issued on 29 January 2016 and effective for annual periods on or after 1 January 2017);
- ***Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses*** *(*issued on 19 January 2016 and effective for annual periods on or after 1 January 2017);
- ***Annual Improvements to IFRS Standards 2014-2016 Cycle*** ***(****issued on 8 December 2016* and effective for annual periods beginning on or after 1 January 2017);
- ***IFRS 9, Financial Instruments*** (issued on 24 July 2014 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRS 15 - Revenue from Contracts with Customers*** (issued on 28 May 2014 and effective for annual periods beginning on or after 1 January 2018).
- ***IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration*** (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRS 16 Leases*** (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).

These and other new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements. Specifically, IFRS 15 is not expected to impact the Group's revenue recognition and the Group has determined that it has minimum leasing annuity and consequently IFRS 16 will have no significant impact.

6 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties represent entities with significant concentration of transactions, but which are not under common control.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December is detailed below:

	31 December 2016		31 December 2015	
In thousands s of Ukrainian Hryvnia	**Entities under common control of SCM**	**DTEK Group**	**Entities under common control of SCM**	**DTEK Group**
Trade and other receivables	5,010	1,902	4,701	3,292
Loans receivable from related party	464,135	-	-	565,931
Cash and cash equivalents – current account	66,238	-	91,113	-
Borrowings	-	(461,434)	-	(667,025)
Trade and other payables	(106)	(2,783)	-	(758)
Borrowing cost capitalised	-	-	-	250

6 Balances and Transactions with Related Parties (continued)

The income and expense items with related parties for the years ended 31 December were as follows:

In thousands of Ukrainian Hryvnia	2016 Entities under common control of SCM	2016 DTEK Group	2015 Entities under common control of SCM	2015 DTEK Group
Purchase of services	(10,500)	(84,172)	(8,956)	(14,215)
Gain on early repayment on loans provided to related parties	-	229,685	-	871,244
Interest income on loans receivable	4,091	21,863	-	95,724
Recognition of discount during the period	-	-	-	650,578
Unwinding of discount on loans provided to related parties	9,165	8,795	-	53,905
Other income	-	-	12,018	-
Interest income on bank deposits	8,392	-	6,303	-
Loss on origination on loans provided to related parties	(17,139)	(23,392)	-	-
Loss on early repayment on loans payable to related parties	-	-	-	(966,700)
Loss on origination on deposits placed		(12,607)		
Interest expense on loans payable	-	(112,869)	-	(150,930)
Recognition of discount during the period	-	-	-	(759,038)
Operating lease expenses	-	(6,192)	-	(1,583)

Key management personnel compensation

In 2016 total compensation to key management personnel included in administrative expenses amounted to UAH 12,458 thousand (2015: UAH 22,270 thousand). Compensation to the key management personnel consists of salary and bonus payments.

7 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

In thousands of Ukrainian Hryvnia	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
NBV at 1 January 2015	**251,361**	**4,409,294**	**10,686**	**332,164**	**5,003,505**
Additions	-	363	73	17,762	18,198
Disposals	-	(3,733)	-	-	(3,733)
Increase in valuation	67,163	1,273,048	-	1,919	1,342,130
Depreciation charge	(17,525)	(282,628)	(1,529)		(301,682)
Transfer	264,303	60,410	47	(324,760)	-
NBV at 31 December 2015	**565,302**	**5,456,754**	**9,277**	**27,085**	**6,058,418**
At 31 December 2015					
Cost or valuation	567,358	5,484,585	11,818	27,085	6,090,846
Accumulated depreciation	(2,056)	(27,831)	(2,541)	-	(32,428)
Additions	1,461	4,844	540	1,053	7,898
Disposals	-	-	(2)	(1,418)	(1,420)
Revaluation	70,144	396,710	975	-	467,829
Reversal of revaluation	(922)	(299,178)	(92)	-	(300,192)
Depreciation charge	(32,343)	(327,409)	(1,982)	-	(361,734)
Transfer	-	5,497	23	(5,520)	-
NBV at 31 December 2016	**603,642**	**5,237,218**	**8,739**	**21,200**	**5,870,799**
At 31 December 2016					
Cost or valuation	633,043	5,266,538	12,137	21,200	5,932,918
Accumulated depreciation	(29,401)	(29,320)	(3,398)	-	(62,119)
NBV without revaluation at 31 December 2015	**266,246**	**2,570,025**	**4,370**	**12,757**	**2,853,398**
NBV without revaluation at 31 December 2016	**276,151**	**2,395,897**	**3,998**	**9,698**	**2,685,744**

7 Property, Plant and Equipment (continued)

During 2016, the Group engaged independent appraisers to determine the fair value of its property, plant and equipment. Fair value was determined with reference to depreciated replacement cost or market-based evidence, in accordance with International Valuation Standards.

The majority of the structures, plant and machinery are specialised in nature and are rarely sold in the open market in Ukraine, other than as part of a continuing business. The market for similar property, plant and equipment is not active in Ukraine and does not provide a sufficient number of sales of comparable assets to allow for using a market-based approach for determining fair value. Consequently, the fair value of structures, plant and machinery was primarily determined using depreciated replacement cost. This method considers the cost to reproduce or replace the property, plant and equipment, adjusted for physical, functional or economic depreciation, and obsolescence. In late 2016 recent information about the vendor's prices of the similar plant and machinery became available for Group's management and was incorporated into the independent appraiser's assessment. Independent appraiser applied significant adjustment to vendor's prices to calculate the depreciated replacement cost of property, plant and equipment. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. Change in inputs to more market-driven compared to the prior year, rather than physical or economical obsolescence, lead to reversal of revaluation gains recognised both in previous years and as at interim balance sheet date in the amount UAH 300,192 thousand.

In 2016, the depreciation expense of UAH 361,450 thousand (2015: UAH 301,314 thousand) was included in cost of sales, UAH 284 thousand (2015: UAH 228 thousand) in general and administrative expenses and nil thousand (2015: UAH 140 thousand) were capitalised as part of self-constructed assets.

As at 31 December 2016 the Group's property, plant and equipment carried at UAH 5,854,716 thousand have been pledged as collateral for bank borrowings. As at 31 December 2015 the Group's property, plant and equipment carried at UAH 5,464,101 thousand may not be sold, pledged or disposed without prior consent of the Group's bank lender.

No borrowing cost was capitalised during 2016 (2015: UAH 250 thousand using 7% to estimate borrowing costs subject to capitalisation).

8 Financial investments

In thousands of Ukrainian Hryvnia	**31 December 2016**	**31 December 2015**
Non-current		
Restricted cash	213,172	-
Total non-current financial investments	**213,172**	**-**
Current		
Deposits placed	337,721	-
Interest under deposit	3,880	
Total current financial investments	**341,601**	**-**

Non-current financial investments are represented by restricted cash ("Debt Service Reserve Account" or DSRA) under the requirements of the Novation Agreement with Landesbank Berlin AG. As at 31 December 2016 the DSRA amounted to EUR 7,500 thousands and was placed in bank rated Aa3, assigned by Moody's Investors Service. Further, the Group is required to increase amount of DSRA to EUR 15,000 thousand till May 2017. The restricted cash is non-interest-bearing asset. The restricted cash is pledged throughout the bank borrowings repayment period (Note 12).

Current financial investments are represented by a deposit with an interest rate equal 15% and a maturity date 1 April 2017. The deposit was placed in the bank with a rating of Ca, assigned by Moody's Investors Service. As at 1 April 2016 the Group guaranteed obligations of related party under the bank loan and pledged deposits placed as collateral. The carrying amount of financial guarantee as at 31 December 2016 amounted to UAH 3,812 thousand. As at 31 December 2016 the deposits placed carrying amount shown net of financial guarantee provided. In April 2017 the deposits placed were returned and the guarantee was derecognised due to it being cancelled.

Financial investments are neither past due nor impaired. The carrying amounts of financial assets approximate their fair values.

9 Loans receivable

As at 31 December, receivables were as follows:

In thousands of Ukrainian Hryvnia	**31 December 2016**	**31 December 2015**
Non-current		
Loans receivable from related party	-	504,208
Total non-current receivable from related parties	**-**	**504,208**
Current		
Loans receivable from related party	464,096	-
Loans receivable	10,165	14,451
Interest receivable	39	61,723
Total current receivable	**474,300**	**76,174**

Loans receivable are neither past due nor impaired. The carrying amounts of loans receivable approximate their fair values.

The current loans are recognised at fair value at initial recognition with subsequent measurement at amortised cost under effective interest rate of 10.4% (as at 31 December 2015 – 10.4%). As at 31 December 2016 and 31 December 2015 loans receivable from related parties and interest receivables were denominated in Euro.

The non-current loans were initially recognised at fair value and accounted under an effective interest rate of 8%. The non-current loans were denominated in Euro.

10 Trade and Other Receivables

In thousands of Ukrainian Hryvnia	**31 December 2016**	**31 December 2015**
Trade receivables	125,742	121,604
Other	1,113	-
Total financial assets	**126,855**	**121,604**
Prepayments to suppliers	16,114	25,172
VAT recoverable	3,837	3,463
Other	8	52
Total non-financial assets	**19,959**	**28,687**
Total trade and other receivables	**146,814**	**150,291**

As at 31 December 2016 and as at 31 December 2015, 100% of trade and other receivables are denominated in UAH. Trade and other receivables are neither past due nor impaired.

As at 31 December 2016 the Group has pledged any existing and future amounts of trade receivables in connection with selling contract with the State Enterprise Energorynok as collateral for bank borrowings. The pledge of trade receivables should be effective throughout the bank borrowings period (Note 12).

11 Cash and Cash Equivalents

As at 31 December 2016 cash and cash equivalents in EUR amounted to UAH 136,337 thousand and cash and cash equivalents in UAH amounted to UAH 66,238 thousand (as at 31 December 2015 – UAH 86,811 thousand in EUR and UAH 91,113 thousand in UAH).

The bank balances in the amount of UAH 66,238 thousand (31 December 2015: UAH 91,113 thousand) were placed in PJSC FUIB (a related party which is under common control of SCM, non-rated as at 31 December 2016 and 31 December 2015) and in amount of UAH 136,337 thousand (as at 31 December 2015 – UAH 86,811 thousand) in Deutsche Bank AG Amsterdam (Bank Credit Rating as at 31 December 2015 – A3, assigned by Moody's Investors Service).

As at 31 December 2016 the cash and cash equivalents in the amount UAH 60,334 thousand were pledged. Further, future rights with respect to each bank account and bank account agreement of Wind Power are pledged as collateral for bank borrowings without restriction to use. The pledge of cash and cash equivalents is effective throughout the bank borrowings repayment period (Note 12).

12 Borrowings

As at 31 December, borrowings and interest payables were as follows:

In thousands of Ukrainian Hryvnia	**31 December 2016**	**31 December 2015**
Non-current		
Bank borrowings	3,948,520	4,238,142
Bonds from related parties	450,000	-
Borrowings from related parties	-	26
	4,398,520	**4,238,168**
Current		
Bank borrowings	630,688	803,235
Borrowings from related parties	-	666,996
Interest accrual to bank borrowings	7,660	38,026
Interest accrual to related parties companies	11,434	3
	649,782	**1,508,260**
Total borrowings	**5,048,302**	**5,746,428**

As at 31 December 2015 bank borrowings are secured by guarantees of related parties, DTEK Energy B.V. and DTEK Holding Limited. As at 31 December 2016 the DTEK Energy Group guarantees under the bank borrowings of Wind Power were cancelled.

In March 2016 the Group's subsidiary issued bonds with a nominal value UAH 450,000 thousands. The buyer of the bonds was a related party DTEK LLC. The bonds mature on 30 December 2025 and bear an interest rate of 30%.

In February 2016 the Group signed a Novation Agreement with Landesbank Berlin AG. The Novation Agreement became effective since registration in National Bank of Ukraine (further, NBU) in May 2016. Under the Novation Agreement repayment schedule changed to a quarterly basis (rather than semi-annual). Final repayment dates were changed to 30 June 2022 under Loan Agreement 1 and to 4 May 2023 under Loan Agreement 2 (rather than 28 March 2023 and 5 August 2024, respectively). The nominal interest rate remains unchanged.

The difference in present value between bank borrowings as result of negotiations and the present value of the old cash flows is less than 10%. The modification is not accounted as extinguishment. The modification effect is recognized through the income statement over the modified instrument's remaining life.

As at 31 December 2016, bank borrowings totalling UAH 4,579,208 thousand (31 December 2015: nil) were secured with property, plant and equipment (Note 7), financial investments (Note 8), trade and other receivables (Note 10) and cash and cash equivalents (Note 11),

During the year 2015 borrowings from related parties in the amount of UAH 1,462,000 thousand were offset with loans granted to related parties denominated in Euro. The cash received from increase of share premium during the year 2015 was used for repayment of borrowings from related parties in the amount UAH 1,522,462 thousand.

12 Borrowings (continued)

The Group's borrowings were denominated in the following currencies:

In thousands of Ukrainian Hryvnia		31 December 2016	31 December 2015
Borrowings denominated in:	- Euro	4,586,868	5,079,432
	- UAH	461,434	666,996
Total borrowings		**5,048,302**	**5,746,428**

Movements in borrowings during the period are as follows:

In thousands of Ukrainian Hryvnia	2016	2015
Opening balance as at 1 January	**5,746,428**	**8,221,887**
Proceeds from borrowings	450,000	913,656
Repayment of borrowings	(1,700,960)	(3,600,338)
Settlements of loans obtained from related parties	-	(2,268,986)
Interest accrued during the period (Note 16)	226,094	267,508
Interest paid during the period	(251,992)	(164,407)
Foreign exchange loss	440,584	1,925,001
Recognition discount during the period	-	(650,578)
Loss on early repayment on loans payable to related parties	-	966,800
Amortisation of discount (Note 16)	138,148	135,885
Closing balance as at 31 December	**5,048,302**	**5,746,428**

As at 31 December, the Group's loans and borrowings maturity and re-pricing were as follows:

In thousands of Ukrainian Hryvnia	31 December 2016	31 December 2015
Loans and borrowings due:		
- within 1 year	649,782	1,508,260
- between 1 and 5 years	3,144,233	1,752,839
- after 5 years	1,254,287	2,485,329
Total borrowings	**5,048,302**	**5,746,428**

The effective interest rates of loans and borrowings as at 31 December 2016 and 31 December 2015 were in the range of 5% - 7%. The effective interest rates of loans and borrowings denominated in UAH as at 31 December 2016 were 30% (31 December 2015: 19%).

13 Trade and Other Payables

In thousands of Ukrainian Hryvnia	31 December 2016	31 December 2015
Trade payables	66,819	97,209
Liabilities for purchased property, plant and equipment	124	324
Total financial payables	**66,943**	**97,533**
VAT payable	54,429	24,332
Wages and salaries payable	11,611	18,756
Other	5,949	2,985
Total non-financial payables	**71,989**	**46,073**
Total	**138,932**	**143,606**

13 Trade and Other Payables (continued)

Analysis by currency and future undiscounted cash flows of financial trade and other payables are as follows:

	31 December 2016		31 December 2015	
In thousands of Ukrainian Hryvnia	**Liabilities for purchased property, plant and equipment**	**Trade payables**	**Liabilities for purchased property, plant and equipment**	**Trade payables**
Currency analysis:				
UAH denominated	124	64,334	324	96,036
EUR denominated	-	2,485	-	1,173
Total	**124**	**66,819**	**324**	**97,209**
Future undiscounted cash flow analysis:				
Up to 3 months	-	66,819	-	97,209
From 3 to 6 months	124	-	324	-
Total	**124**	**66,819**	**324**	**97,209**

14 Cost of Sales

In thousands of Ukrainian Hryvnia	**2016**	**2015**
Depreciation of property, plant and equipment and amortisation of intangible assets	361,523	301,314
Maintenance and repairs	181,585	189,454
Production overheads	39,517	18,715
Staff cost, including payroll taxes	8,684	4,853
Transportation services and utilities	3,534	2,638
Raw materials	1,337	264
Other costs	268	173
Total	**596,448**	**517,411**

For the year 2016 the staff costs included payroll costs equal to UAH 6,279 thousand (2015: UAH 2,977 thousand), bonus and unused vacation cost equal to UAH 999 thousand (2015: UAH 679 thousand), social contribution costs equal to UAH 1,331 thousand (2015: UAH 1,067 thousand) and other costs equal to UAH 75 thousand (2015: UAH 130 thousand).

15 General and Administrative Expenses

In thousands of Ukrainian Hryvnia	**2016**	**2015**
Staff cost, including payroll taxes	24,742	43,119
Professional fees	28,731	15,614
Lease	6,192	1,672
Bank charges	1 663	1,326
Transportation	1,635	2,421
Taxes, other than income tax	596	440
Depreciation of property, plant and equipment and amortisation of intangible assets	335	256
Other costs	5,454	6,977
Total	**69,348**	**71,825**

For the year 2016 the staff costs included payroll costs equal to UAH 14,909 thousand (2015: UAH 20,591 thousand), bonus and unused vacation cost equal to UAH 7,016 thousand (2015: UAH 19,520 thousand), social contribution costs equal to UAH 1,810 thousand (2015: UAH 2,515 thousand) and other costs equal to UAH 1,007 thousand (2015: UAH 493 thousand).

16 Finance Income and Costs

In thousands of Ukrainian Hryvnia	**2016**	**2015**
Finance income		
Gain on early repayment on loans provided to related parties	229,685	871,244
Interest income on loans receivable and bank deposit	68,460	102,027
Unwinding of discount on loans provided to related parties	17,960	53,905
Recognition of discount during the period	-	650,578
Total finance income	**316,105**	**1,677,754**
Finance costs		
Amortized cost expenses on borrowings	138,148	135,885
Interest expense on bank borrowings	113,225	116,578
Interest expense on non-bank borrowings	112,869	150,930
Professional fees	77,207	-
Loss on origination on loans provided to related parties	40,531	-
Loss on origination on deposits placed	12,607	-
Loss on early repayment on loans payable to related parties	-	966,800
Recognition discount during the period	-	762,063
Other finance costs	2,266	2,300
Total finance costs	**496,853**	**2,134,556**

17 Other operating income

In thousands of Ukrainian Hryvnia	**2016**	**2015**
Other	1,298	1,843
Business interruption insurance	-	12,018
Compensation under maintenance services	-	17,973
Total	**1,298**	**31,834**

During 2015 income totalling UAH 12,018 thousand represents settlement of the insurance of loss of profit resulting from business interruption.

18 Income Taxes

Income tax expense comprises the following:

In thousands of Ukrainian Hryvnia	**2016**	**2015**
Current tax	641	14,946
Deferred tax expense / (benefit)	143,630	(225,609)
Income tax expense / (benefit)	**144,271**	**(210,663)**

The Group is subject to taxation in several tax jurisdictions, depending on the residence of its subsidiaries (primarily in Ukraine).

Reconciliation between the expected and the actual taxation charge is provided below.

In thousands of Ukrainian Hryvnia	**2016**	**2015**
Profit / (loss) before tax	**820,567**	**(981,916)**
Profit / (loss) before income tax of Ukrainian companies	431,134	(809,664)
Profit / (loss) before income tax of Dutch companies	389,433	(172,252)
Income tax at statutory rates of 18% (Ukrainian operations)	77,604	(145,739)
Profit / (loss) taxed at different rates (25% for Dutch operations)	97,358	(43,063)
Expenses not deductible for tax purposes	23,225	52,075
Non-taxable income	(34,652)	(62,402)
Tax effect of non-taxable forex losses/(gains) on foreign subsidiaries, net	(19,264)	(11,534)
Income tax expense / (benefit)	**144,271**	**(210,663)**

18 Income Taxes (continued)

The parent and its subsidiaries are separate tax payers and therefore the deferred tax assets and liabilities are presented on an individual basis. The deferred tax liabilities and assets reflected in the consolidated balance sheet as at 31 December 2016 are as follows:

In thousands of Ukrainian Hryvnia	1 January 2016	Charged to equity	Credited/ (charged) to income	31 December 2016
Tax effect of deductible temporary differences				
Loans receivable from related parties	49,235	-	(49,235)	-
Trade and other payables	10,891	-	(5,786)	5,105
Tax losses	644,009	-	(82,026)	561,983
Gross deferred tax asset	**704,135**	**-**	**(137,047)**	**567,088**
Less offsetting with deferred tax liabilities	(458,121)	(30,175)	(6,583)	(494,879)
Recognised deferred tax asset	**246,014**	**(30,175)**	**(143,630)**	**72,209**
Tax effect of taxable temporary differences				
Borrowings	(27,352)	-	(33,584)	(60,936)
Property, plant and equipment	(430,769)	(30,175)	27,001	(433,943)
Gross deferred tax liability	**(458,121)**	**(30,175)**	**(6,583)**	**(494,879)**
Less offsetting with deferred tax liabilities	458,121	30,175	6,583	494,879
Recognised deferred tax liability	**-**	**-**	**-**	**-**

Deferred income tax asset is recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Management expects that deferred tax asset in the amount of UAH 72,209 thousand being mainly the deferred tax assets on tax losses from activities not exempt from taxation is going to be recovered starting from January 2019.

The deferred tax liabilities and assets reflected in the consolidated balance sheet as at 31 December 2015 are as follows:

In thousands of Ukrainian Hryvnia	1 January 2015	Charged to equity	Credited/ (charged) to income	31 December 2015
Tax effect of deductible temporary differences				
Loans receivable from related parties	140,094	-	(90,859)	49,235
Trade and other payables	10,479	-	412	10,891
Tax losses	460,649	-	183,360	644,009
Gross deferred tax asset	**611,222**	**-**	**92,913**	**704,135**
Less offsetting with deferred tax liabilities	(349,235)	(241,582)	132,696	(458,121)
Recognised deferred tax asset	**261,987**	**(241,582)**	**225,609**	**246,014**
Tax effect of taxable temporary differences				
Borrowings	(140,094)	-	112,742	(27,352)
Property, plant and equipment	(209,141)	(241,582)	19,954	(430,769)
Gross deferred tax liability	**(349,235)**	**(241,582)**	**132,696**	**(458,121)**
Less offsetting with deferred tax liabilities	349,235	241,582	(132,696)	458,121
Recognised deferred tax liability	**-**	**-**	**-**	**-**

19 Contingencies, Commitments and Operating Risks

Tax legislation. Ukrainian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years proceeding the year of review. Under certain circumstances reviews may cover longer periods.

The Group conducts intercompany transactions. It is possible with evolution of the interpretation of tax law in Ukraine and changes in the approach of tax authorities under the new Tax Code, that such transactions could be challenged in the future. The impact of any such challenge cannot be estimated; however, management believes that it should not be significant.

Capital expenditure commitments. As at 31 December 2016 and 31 December 2015 the Group did not have contractual capital expenditure commitments in respect of property, plant and equipment.

19 Contingencies, Commitments and Operating Risks (continued)

Purchase commitments. As at 31 December 2016 and 31 December 2015 the Group did not have contractual purchase commitments.

Compliance with covenants. The Group is subject to certain covenants related primarily to bank borrowings. Non-compliance with such covenants may result in negative consequences for the Group, including increase in the cost of borrowings, declaration of default and demand for immediate repayment of borrowings. The Group is in compliance with covenants as at 31 December 2016 and as at 31 December 2015.

Environmental matters. The enforcement of environmental regulation in Ukraine is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations or legislation, and civil litigation, cannot be estimated but could be material. Management believes that there are no significant liabilities for environmental damage.

Insurance. At present, Group insurance policy covers risks for the first and second stage of Botievo associated with the loss or damage of property, plant and equipment and loss of profit resulting from the work breakdown. As at 31 December 2016 the Group has insured operating costs and losses incurred by the Group in case of failure to reach the planned target of power generation by the first and second stage of Botievo wind farm.

Lease of land. The Group leases the land on which its assets are located. The annual lease payment in 2016 amounted to UAH 816 thousand and in 2015 amounted to UAH 573 thousand. Those payments are cancellable lease commitments.

20 Financial Risk Management

The Group's activities expose it to financial risks: market risk (including cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management policies seek to minimise the potential adverse effects on the Group's financial performance for those risks that are manageable or noncore to the power generating business.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, and (b) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Credit risks concentration. There is counterparty to the Group, with which accounts receivable balance individually represents 10% or more of the Group's trade and other accounts receivable. As at 31 December 2016 the Group had one counterparty (as at 31 December 2016: one counterparty) with aggregated receivables balance amounting to UAH 125,742 thousand (as at 31 December 2015: UAH 121,604 thousand) or 86% of the total amount of trade and other receivables (2015: 81%).

The Group's non-current financial investments are held within one bank and Group's current financial investments are held within one bank.

The Group's cash and cash equivalents are mainly held only within two banks (2015: two banks).

As at 31 December 2016 the Group had one counterparty (as at 31 December 2015: two counterparties) with aggregated loans receivable from related party balances amounting to UAH 464,135 thousand (as at 31 December 2015: UAH 580,382 thousand).

Interest rate risk. The Group's income and operating cash flows are substantially independent of changes in market interest rate. The Group has significant interest bearing assets with related parties. Borrowings at fixed rates expose the Group to fair value interest rate risk.

Currency risk. The Group operates within Ukraine and accordingly its exposure to foreign currency risk is mainly determined by borrowings, loan receivable and cash balances, which are denominated in EUR. Increasing domestic uncertainty led to volatility in the currency exchange market and resulted in significant downward pressure on the Ukrainian Hryvnia relative to major foreign currencies.

The following table presents sensitivities of profit or loss and equity before tax to reasonably possible changes in exchange rates applied at the balance sheet date with all other variables held constant:

	At 31 December 2016		**At 31 December 2015**	
In thousands of Ukrainian Hryvnia	**Impact on profit or loss**	**Impact on equity**	**Impact on profit or loss**	**Impact on equity**
Euro strengthening by 25% (2015 by 50%)	(1,028,142)	(1,028,142)	(2,235,810)	(2,235,810)
Euro weakening by 25% (2015 by 50%)	1,028,142	1,028,142	2,235,810	2,235,810

Liquidity risk. Prudent liquidity management implies maintaining sufficient cash and the availability of funding to meet existing obligations as they fall due. Management monitors liquidity and cash collections on a daily basis to ensure liquidity targets are actively monitored.

20 Financial Risk Management (continued)

The following table analyses the Group's financial assets and liabilities by maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the undiscounted cash flows. The maturity analysis of financial assets and liabilities as at 31 December 2016 is as follows:

In thousands of Ukrainian Hryvnia	**Up to 6 months**	**6 -12 months**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**	**Total**
Trade and other receivables	(126,855)	-	-	-	-	(126,855)
Loans receivable from related party	(30,683)	(496,702)	-	-	-	(527,385)
Guarantee under the borrowings of related parties (Note 8)	341,533	-	-	-	-	341,533
Borrowings	483,562	518,108	1,216,618	3,135,992	1,743,095	7,097,375
Trade and other payables	66,943	-	-	-	-	66,943
Net future payments/(receipts) including future principal and interest	**734,500**	**21,406**	**1,216,618**	**3,135,992**	**1,743,095**	**6,851,611**

The maturity analysis of financial assets and liabilities as at 31 December 2015 is as follows:

In thousands of Ukrainian Hryvnia	**Up to 6 months**	**6 -12 months**	**1 - 2 years**	**2 - 5 years**	**Over 5 years**	**Total**
Trade and other receivable	(121,604)	-	-	-	-	(121,604)
Loans receivable from related party	(24,594)	(24,594)	(49,188)	(147,565)	(997,823)	(1,243,764)
Borrowings	1,346,328	380,388	766,190	2,151,806	2,244,815	6,889,527
Trade and other payables	97,533	-	-	-	-	97,533
Net future payments/(receipts) including future principal and interest	**1,297,663**	**355,794**	**717,002**	**2,004,241**	**1,246,992**	**5,621,692**

21 Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt. Additionally, management may defer certain capital spending to enhance its debt position. Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio (Debt/Equity).Total debt equals nominal amount of the bank borrowings less the Debt Service Reserve Account (Note 8). The equity is calculated as total equity in the consolidated balance sheet excluded other reserves plus bonds from related parties.

Group's debt to equity ratio as at 31 December 2016 has reached 61/39 (Debt/Equity).

22 Fair Value of Assets and Liabilities

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodology as considered appropriate. However considerable judgement is required in interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation.

As at 31 December 2016 and 31 December 2015 the carrying values of cash and cash equivalents, trade and other accounts receivable and payable and borrowings approximate their fair values due to the short maturities of these instruments.

22 Fair Value of Assets and Liabilities (continued)

Fair value of financial assets and liabilities as at 31 December 2016 and 31 December 2015 is as follows:

	31 December 2016		31 December 2015	
In thousands of Ukrainian Hryvnia	**Level 2**	**Carrying value**	**Level 2**	**Carrying value**
Financial assets				
Financial investments	558,585	554,773	-	-
Loans receivable	474,300	474,300	580,382	580,382
Trade and other receivables	126,855	126,855	121,604	121,604
Cash and cash equivalents	202,575	202,575	177,924	177,924
TOTAL ASSETS	**1,362,315**	**1,358,503**	**879,910**	**879,910**
Financial liabilities				
Borrowings	5,157,792	5,048,302	5,746,428	5,746,428
Trade and other payables	66,943	66,943	97,533	97,533
TOTAL LIABILITIES	**5,224,735**	**5,115,245**	**5,843,961**	**5,843,961**

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

23 Subsequent events

On 3 April 2017 the Group completed acquisition of 100% shares of Tryfanovka Energy LLC for a cash consideration of UAH 5,854 thousand. Tryfanovka Energy LLC is a pilot solar project with planned capacity 9.99 MW after completion of construction. Management is currently assessing the fair values of the identifiable net assets and reporting implications.

APPENDIX A

Review of DTEK RENEWABLES B.V.
Financial Forecasts

October 2019

Prepared for:
DTEK RENEWABLES FINANCE B.V.

Thorndike Landing, LLC

www.thorndikelanding.com

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Some of the assumptions used in the preparation of this report, although considered reasonable at the time of preparation, inevitably will not materialize as projected as unanticipated events and circumstances occur subsequent to the date of this report. Accordingly, actual outcomes will vary from projected outcomes and the variations may be material. There is no representation that the projections will be realized. Any person reading this report acknowledges that Thorndike Landing assumes no responsibility for the use of the report by that person. Such person assumes sole responsibility for any use he or she makes of this report, or any reliance upon or decisions made based upon this report. Further, any person acquiring this report agrees and understands that Thorndike Landing's sole client in this matter is DTEK RENEWABLES FINANCE B.V., we are not undertaking any fiduciary or other duties to any party, we have no continuing obligation to update our report for the benefit of any party and the release of this report to any party shall be subject to the limitation on our liability set forth below.

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I. Approach to Thorndike Landing Analysis

Thorndike Landing, LLC ("Thorndike Landing") was engaged by DTEK RENEWABLES FINANCE B.V. ("DTEK Renewables Finance" or the "Issuer") to assist DTEK RENEWABLES B.V. ("DTEK Renewables", "Company" or "DRBV") in performing a financial review in connection with a potential Bond Offering ("Offering"). DTEK Renewables and certain of its subsidiaries (collectively, "Guarantors") will guarantee DTEK Renewables Finance obligations. These guarantees will be general obligations of the Guarantors.

The objective of this report is to review certain projections of operating and financial information associated with certain projects (individually, a "Project" and collectively, the "Projects") owned by DTEK Renewables and its subsidiaries (the "Group") from 2019 to 2022 including:

- Revenues.
- Operating Expenses.
- Administrative Expenses,
- Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"- see discussion below), and
- Total cash flow available after debt service[1].

Revenues and EBITDA as shown in this report may not be in accordance with International Financial Reporting Standards ("IFRS"). For instance, under IFRS accounting, power purchase agreements meeting certain criteria must be recognized as a financial lease. As such, revenue recognition under these agreements would be predefined and would differ from actual cash-based revenues. However, for the projections presented herein, revenues and EBITDA reflect projected volumes to be delivered in each year at the projected contract prices. In addition, annual revenues, expenses and EBITDA as shown herein are consolidated measures reflecting 100% ownership for each individual asset. These figures do not deduct for minority interests or other financial interests in the Projects.

In connection with this analysis, we performed the following (as described in more detail in the following pages):

- Obtained and reviewed summary project-level financial models prepared by the Company and evaluated model input assumptions for reasonableness in light of other information obtained and reviewed, including:
    - Reports issued by resource consultants (for wind projects), as well as outputs from "PVSYST", an industry standard software tool used for the study, sizing and data analysis of photovoltaic systems. Based on locational (i.e., longitude and latitude) and technical (i.e., panel and inverter types, etc.) inputs, PVSYST projects future expected generation from estimated irradiation levels and system efficiency.
    - Resolutions issued by Ukrainian regulatory authorities regarding feed-in tariffs ("FiT") related to the Projects.
    - Certain contracts including full-service agreements ("FSA") with original equipment manufacturers ("OEM"), other long-term maintenance agreements, lease agreements and other

[1] This represents after-tax cash flows available to DRBV after servicing existing project-level debt. The Bond proceeds and impact of the Bond Offering are not reflected in any financial forecasts herein. Refer to cash flow bridge at Table 4: Summary of DTEK Renewables Forecasts – Consolidated Basis.

contracts.

  - Actual operating and financial results for Projects in operation.
  - Certain debt agreements and supporting schedules.
  - Other documentation as noted herein.
  - Management representations.
- Reviewed and presented consolidated projected financial information based on the foregoing.

We did not review reports or contracts in their entirety but focused on key findings and contract terms (e.g. for turbine service agreements, term and pricing, etc.). We compared these key findings and terms to the assumptions underlying the financial models.

Our review of the model logic included a review of certain calculations and input assumptions below EBITDA, specifically debt service (principal and interest) on third party debt, which has the most significant impact on cash flow below EBITDA.

We found the model logic related to the operating and financial information in this report to be reasonable and accurate. We did not find any contract terms or other facts that caused us to believe that the assumptions or calculations were unreasonable. We note, however, that there are portions of operating and administrative expenses for which were not able to independently support. For these expenses, we have relied on management assumptions and calculations. See detailed discussion in Operating and Administrative Expenses approach / assumptions section below. We also relied on management assumptions and calculations related to cash flow items below EBITDA (other than debt service components mentioned above) including, but not limited to, income taxes, changes in working capital, capital expenditures (or investment cash flows) and loan proceeds. Refer to detailed findings in the sections below.

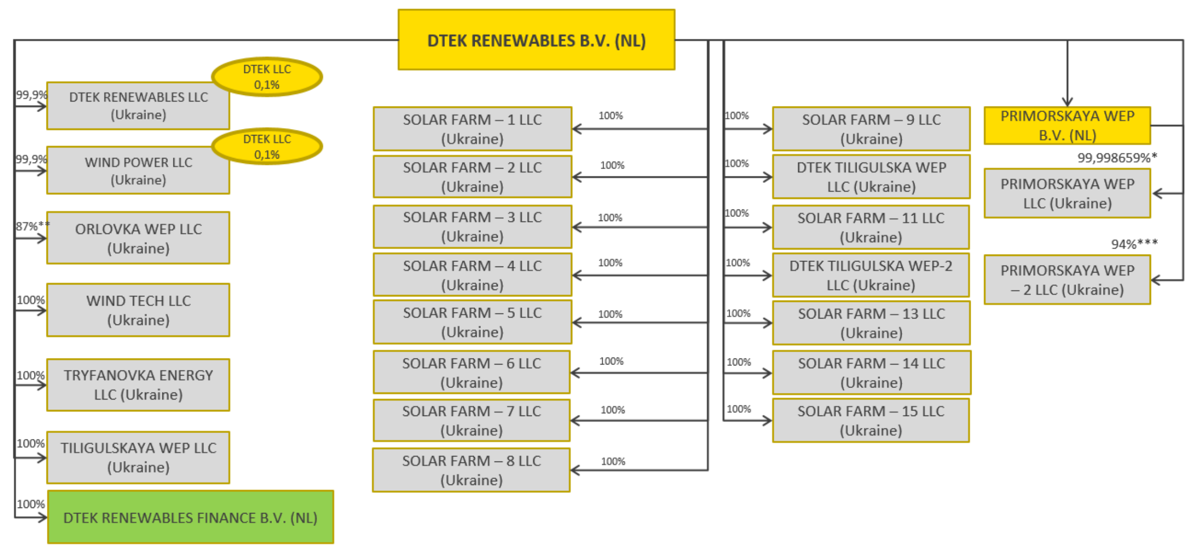
II. OVERVIEW OF DTEK RENEWABLES AND THE PROJECTS

Overview of DTEK Renewables

DTEK Renewables, established in 2008, is the leading renewable energy producer in Ukraine based on installed electric generation capacity. According to the National Energy and Utilities Regulatory Commission ("NEURC"), as of June 30, 2019, the Group's installed capacity (which amounted to a total of 510 MW) was 47% and 10% of the total Ukrainian wind and solar sectors, respectively[2]. The portfolio of the Group's constructed projects contains projects which (i) have been constructed, have completed electrical testing and can generate electricity (the "Operational" stage) and (ii) have additionally obtained a FiT certificate for the capacity of the project and are therefore able to sell electricity to the Guaranteed Buyer (the "Commercial Operation" stage), The Group has seven projects already in operation or expected to be operating by October 2019 with an aggregate installed capacity of approximately 950 MW. The Group expects that, due to expected ongoing development and construction of new projects, its electricity generation capacity will reach 1,170 MW by December 31, 2020, 1,840 MW by December 31, 2021 and 1,905 MW by December 31, 2022.

The Projects are owned—in whole or in part—through a number of various entities. The ownership structure of the Company and the Group are shown in the figure below.

Figure 1: DTEK Renewables Ownership Structure



**The rest minority interest belongs to DTEK RENEWABLES LLC*
*** 6% of corporate rights belongs to JSC "SCM" and 7% of corporate rights belongs to individual - Mr. Oleg Popov*
**** 6% of corporate rights belongs to Mr. Oleg Popov*

Description of the Projects

The tables below provide an overview of the DTEK Renewables facilities covered under the Offering.

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[2] In each case, capacity noted is net of the capacity attributable to the Autonomous Republic of Crimea and the occupied territories.

Table 1: Summary of DTEK Renewables Facilities

Project Name	Capacity (MW)[3]	Fuel Type	Commercial Operation Date	Annual Output (GWh)[4]	NCF[5]	Key Equipment Provider	FiT Tariff Rate (€/MWh)[6]	Total Project Cost[7]
Botievo	200	Wind	1st stage: operating – Sep 2012; full capacity -Feb 2013 2nd stage: operating - Dec 2013; full capacity - Mar 2014	655.2	38%	Vestas, ABB	113	€340 million
Primorsk I	100	Wind	Operating: Mar 2019 Full capacity: July 2019	338.7	39%	GE	102	€148 million
Nikopol	200	Solar	Operating: March 2019 Full capacity: March 2019	291.1	17%	CMEC, K-Star, Trina Solar	150	€211 million
Tryfanovka	10	Solar	Operating: August 2017 Full capacity: August 2017	12.5	14%	JA Solar, ABB	150	€10 million
Primorsk II	100	Wind	Operating: September 2019 Full capacity: November 2019	366.4	42%	GE	102	€147 million
Orlovsk	100	Wind	Operating: October 2019 Full capacity: October 2019	370.3	44%	Vestas	102	€116 million
Pokrovsk	240	Solar	Operating: October 2019 Full capacity: October 2019	405.3	19%	Risen Solar, K-Star	150	€181 million
Total	950			2,439.4				

The Projects are expected to derive substantially all of their revenues from feed-in tariff ("FiT") payments made by State Company ("Guaranteed Buyer") under terms outlined in power purchase agreements ("PPA") executed by the Group and Guaranteed Buyer and effective through January 1, 2030, the date on which the FiT regime terminates. The Guaranteed Buyer was established by the Resolution of CMU No. 324, dated April 17, 2019 and replaced state enterprise "Energorynok" as the sole off-taker for the Group and other renewable energy producers effective July 1, 2019. According to Company management, the Group has updated its PPA's for all Projects, where necessary, to comply with this new requirement. Under the PPA's, tariff rates for wind and solar energy projects are determined under a fixed FiT denominated in euros for each Project. For the wind Projects, the modeled FiT ranges from approximately €100 per MWh to €114 per MWh and for all solar Projects, the modeled FiT is approximately €150 per MWh. The NEURC adjusts the effective FiT on a quarterly basis to track the UAH/euro exchange rate. The FiT has been assigned for all Projects with the exception of 2 turbines (out of 26) at Primorsk II. According to Company management, the assignment of the FiT for these turbines is largely procedural; no issues for ultimate assignment of FiT for these turbines are anticipated.

On April 25, 2019, the Ukranian parliament approved the draft law "On Introduction of Certain Changes to Laws of Ukraine regarding Ensuring Competitive Conditions for Generation of Electricity from Alternative Energy Sources No. 8449-d", which became effective on May 22, 2019. This law ("the Auctions Law") provides that an auction regime will be introduced in the Ukraine beginning July 1, 2019.

According to the Auctions Law, the FiT for solar power plants will be decreased for projects commissioned in 2020 by 25% with a further decrease by approximately 3.5% each year for three subsequent years (i.e., inclusive

[3] For solar facilities, capacity shown is expressed in MW ac. See further discussion analysis under "Operating parameters / characteristics" below.

[4] Annual output shown is based on assumed production for 2020. We note that, due to degradation, production from solar facilities is assumed to decline over time. Differences in footing due to rounding. See further discussion / analysis under "Operating parameters / characteristics" below.

[5] Net Capacity Factor ("NCF") calculated as generation divided by (capacity x 8,760 hours). Differences in Botievo calculated NCF are attributable to rounding. NCF calculation for Tryfanovka based on 10 MW capacity.

[6] See further discussion / analysis under "Revenue approach / assumptions" section below.

[7] Total project costs consist of capital and operating expenditures, working capital, financial costs and funding restricted cash (if any) incurred during construction of the Project. For purposes of our review, we relied on management disclosures related to capitalized project costs.

of 2023), in each case as compared to the previously established FiT. In particular, the FiT index for solar projects commissioned in 2017-2019 amounts to 2.79, in 2020 – 2.09, in 2021 – 2.02, in 2022 - 1.95, and in 2023-2024 – 1.88. The FiT for wind power plants will be decreased for projects commissioned in 2020 by approximately 10%, (i) without further annual decrease - for turbines with the installed capacity exceeding 2 MW, and (ii) with a further decrease by approximately 1.5% each year for three subsequent years (i.e., inclusive of 2023) – for turbines up to 2 MW, in each case as compared to the previously established FiT. In particular, the FiT index for wind projects, with turbines exceeding 2 MW, commissioned in 2017-2019 amounts to 1.89, in 2020-2024 – 1.68. FiT index for wind projects, with turbines from 600kW to 2 MW, commissioned in 2017-2019 amounts to 1.26, in 2020 – 1.12, in 2021 – 1.10, in 2022 - 1.08, and in 2023-2024 – 1.06. FiT index for wind projects, with turbines up to 600kW, commissioned in 2017-2019 amounts to 1.08, in 2020 – 0.96, in 2021 – 0.94, in 2022 – 0.92, and in 2023-2024 – 0.91.

Legislation enacted in 2017 (the "Ukrainian Electricity Market Law") introduced a competitive balancing mechanism which requires renewable energy producers under the FiT regime (the "RES Producers") to be liable for a deviation from the estimated value of electricity supplied (the "Imbalances"). Beginning July 1, 2019, the RES Producers, including the Group, are required to join a group consisting of all of the RES Producers in Ukraine, where the Guaranteed Buyer is responsible for the balancing on behalf of all RES Producers and settling the Imbalances which may emerge within the group. The relevant RES Producers within the group are required to reimburse the costs related to any Imbalances. Until December 31, 2029, the RES Producers must reimburse the Imbalances Settlement Cost if it exceeds a threshold (10% for solar and 20% for wind) of deviations from its hourly supply schedules. From 2030 onwards, the thresholds will be removed and the renewable energy producers will bear the entire liability for any Imbalance.

General management and administration of operational Projects is performed by the Group's in-house team, while equipment service and maintenance are typically performed by the OEM or other third-party service provider. The Group's operating and maintenance ("O&M") contracts for wind turbines have a term of 20 years, while the O&M contracts for solar have a period of 2 to 5 years and are typically rolled forward. The wind O&M contracts provide for availability guarantees ranging from 92% in the first year of the O&M contract to 97-98% for the remaining years. Availability shortfalls are subject to liquidated damages under prescribed formulas in the related services agreements.

For purposes of disclosures herein, the Projects are grouped into the following categories:

- Orlovsk and Pokrovsk ("Guarantors Group")
- Botievo, Primorsk I, Primorsk II, Nikopol and Tryfanovsk ("Non-Guarantors Group")

Botievo

Botievo, a 200 MW wind farm, is owned by WIND POWER, LLC, a wholly owned subsidiary of the Company and is located in the province of Pryazovskyi within the central-southern Ukranian region Zaporiska oblast. Botievo was the first utility scale wind project in Ukraine and the first project operated by the Group. The project is covered by RE-GEN FACILITY (Axis Specialty Europe and Markel) for any property damage, third party liability and business interruption. The facility was developed and constructed in two phases:

- 1st Stage:
  - 92 MW
  - Commissioned in September 2012
  - Utilizes thirty (30) Vestas V112 3.0 MW wind turbines
- 2nd Stage:
  - 108 MW
  - Commissioned in December 2013
  - Utilizes thirty-five (35) Vestas V112 3.0 wind turbines

WIND POWER LLC executed a long-term O&M agreement with an affiliate of Vestas, the turbine OEM, on March 21, 2013. The agreement is priced at:

- Base fee €65,000 per turbine per year, indexed to inflation factors for materials and wages, and
- Annual variable fee: The higher of: (a) €0 and (b) energy sales (kWh) x €.0092 (indexed to inflation factors for materials and wages) less the base fee.

Primorsk I

The Primorsk I Project, a 100 MW wind facility, is owned by PRIMORSKAYA WEP LLC, a wholly owned subsidiary of the Company. The Project is located on the coast of the Sea of Azov in the south of Ukraine, approximately 50 kilometers from the Botievo Project. Primorsk is connected to the 150 kV distribution grid line of transmission operator Zaporizhzhyaoblenergo. The Project is covered by GCube and Allianz for any property damage, third party liability and business interruption, and assets that are exposed to political violence risks are covered by Lloyd's syndicate. The facility was commissioned in March 2019 and achieved full generation capacity in July 2019.

PRIMORSKAYA WEP LLC originally secured a pre-PPA on February 5, 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on June 30, 2019.

PRIMORSKAYA WEP LLC signed an ongoing operating and maintenance agreement with affiliates of General Electric Company ("GE") on January 17, 2018. Pricing under the contract is as follows:

Table 2: Primorsk I Turbine Service Agreement Cost

Base Year	Years	Cost per Turbine	Total Cost
2017	1 – 15	€60,000	€1,560,000
2017	16 - 20	€65,000	€1,690,000

Costs shown above are escalated annually based on the greater of: (a) 2.0% and (b) an inflationary index.

PRIMORSKAYA WEP LLC also executed a services agreement with affiliates of GE for maintenance of the Primorskaya substation. Total contract price consists of:

- Annual Service Prices:
    - Onshore portion: UAH 1,598,194
    - Offshore portion: €70,992
- Spare Parts: €288,404.79 (delivered in 2019), and
- Training Price.

Nikopol

The Nikopol Project, a 200 MWac solar facility, is owned by SOLAR FARM-1 LLC, a wholly-owned subsidiary of the Company, and is located in the Nikopol district of Dnipropetrovsk in the southwest of Ukraine. The project is connected to the Nikopolskaya 330/150 kV substation of Ukrenergo, the transmission grid operator. The Project is covered by AllianzeSE for any property damage, third party liability and business interruption. The facility was commissioned and reached full generation capacity in March 2019.

SOLAR FARM-1 LLC originally secured a pre-PPA with Energorynok on March 28, 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on June 30, 2019.

O&M arrangements for SOLAR FARM-1 LLC include performance guarantees and long-term product warranties by the OEMs with a term of 5 to 12 years, supplemented by on-site availability of spare parts and agreements with OEMs to respond to and remedy any machinery failures within an agreed time.

Tryfanovka

Tryfanovka, a 10 MWac solar project is owned by TRYFANOVKA ENERGY LLC, a wholly owned subsidiary of the Company, and is located in the Velykooleksandrivskiy District of Kherson in Ukraine. The Project began operating and reached full generation capacity in August 2017. It was the first solar project operated by the Group. The Project is covered by INGO Ukraine for any property damage, third party liability and business interruption insurance.

TRYFANOVKA ENERGY LLC originally secured a pre-PPA with Energorynok on July 31, 2017 and signed an updated PPA with Energorynok and the Guaranteed Buyer on June 30, 2019.

TRYFANOVKA ENERGY LLC has not entered into a full O&M contract with a third-party vendor as the Group is managing most of the O&M work for Tryfanovka internally. The Group additionally holds annual tenders for short-term maintenance contracts for certain O&M work as necessary.

Primorsk II[8]

Primorsk II, a 100 MW wind Project, is owned by PRIMORSKAYA WEP-2, LLC, a subsidiary of the Company and is located along the coast of the Sea of Azov near the existing Botievo Project and approximately 50 kilometers from Primorsk I. Primorsk II is connected to the Melitopolskaya 330/150 kV substation of the transmission grid operator, Ukernergo. According to Company management, Primorsk II has been partially operational since September 2019 and already obtained the FiT for 91.9 MW (of the 99.6 MW total); the Project is expected to reach full generation capacity under the FiT in November 2019. If the completion of Primorsk II is delayed until 2020, Primorsk II will receive a 10% reduction in the tariff. The Project utilizes twenty-six (26) GE 3.8-137 wind turbine generators. The Project is covered by AllianzeSE for any property damage, third party liability and business interruption and risks incurred during transportation, and assets that are exposed to political violence risks are covered by the Lloyd's syndicate.

PRIMORSKAYA WEP-2 LLC originally secured a pre-PPA with Energorynok on February 6, 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on August 12, 2019.

PRIMORSKAYA WEP-2 LLC signed an ongoing O&M agreement with affiliates of GE, the wind turbine OEM, on October 17, 2018. Pricing under the services agreement is as follows:

Table 3: Primorsk II Turbine Service Agreement Cost

Base Year	Years	Cost per Turbine	Total Cost
2018	1 – 2	€35,000	€910,000
2018	3 – 5	€43,000	€1,118,000
2018	6 – 15	€58,000	€1,508,000
2018	16 - 20	€61,000	€1,586,000

Costs shown above are escalated annually based on the greater of: (a) 2.0% and (b) an inflationary index.

PRIMORSKAYA WEP-2 LLC will additionally maintain property insurance covering all risks including property breakdown and business interruption, and cover risks of the O&M contractors for any loss or damage to such property.

Orlovsk[9]

Orlovsk WPP is a 100 MW wind development project owned by ORLOVKA WEP LLC, and is located on the coast of the Sea of Azov, approximately 10 kilometres from the Botievo project and the Primorsk II project. Orlovsk is connected to the same substation as the Primorsk II project. According to Company management, the development of the Project has been completed and the wind turbines are currently being installed. According to

[8] Difference between 100 MW listed capacity and FiT award is due to rounding.

[9] Difference between 100 MW listed capacity and FiT award is due to rounding.

Company management, the FiT has already been obtained for its full capacity (98.8 MW total) and the Project is operating at full generation capacity under the FiT as of October 2019. The Project is covered by PZU for any property damage, third party liability and business interruption insurance.

ORLOVKA WEP LLC signed an O&M contract with affiliates of Vestas, the wind turbine generator OEM, on December 12, 2018. The “annual base fee” under the agreement is €50,000 per turbine per year (€1.3 million per year), adjusted annual for an inflationary index based on materials and labor costs.

ORLOVKA WEP LLC signed a grid connection agreement with Ukrenergo, Public Joint Stock Company “Zaporizhoblenergo” and PRIMORSKAYA WEP-2 LLC on October 13, 2017.

Pokrovsk

Pokrovsk, a 240 MWac solar facility, is owned by SOLAR FARM-3 LLC, a wholly owned subsidiary of the Company, and is located in the Nikopol district of Dnipropetrovsk, southwest of Ukraine. Pokrovsk is connected to the Bogdanivska 150/35/6 kV substation of the distribution grid operator Dniprooblenergo. According to Company management, construction of the Pokrovsk project is complete and the FiT has already been obtained for full capacity; the project has generated at full generation capacity under the FiT since October 1, 2019. The Project is covered by RSA Group for any property damage, third party liability and business interruption insurance.

SOLAR FARM-3 LLC originally secured a pre-PPA on June 26, 2018 and signed an updated PPA with Energorynok and the Guaranteed Buyer on August 12, 2019.

SOLAR FARM-3 LLC has not entered into an O&M contract with a third-party vendor as the Group is managing all of the operating and maintenance work for Pokrovsk internally. Certain O&M arrangements with the original equipment manufacturers are in place that include long-term product warranties and provision of spare parts.

SOLAR FARM-3 LLC signed a grid connection agreement with Ukrenergo, Dtek Dnipro Grids Joint Stock Company and Dtek Dniproenergo Joint Stock Company on December 7, 2018.

III. CONSOLIDATED FORECASTS, FINDINGS

Forecasted DTEK Renewables' financials are presented below.

Table 4: Summary of DTEK Renewables Forecasts – Consolidated Basis[10]

(in € millions, except as noted)		2019	2020	2021	2022
Operating metrics:					
Capacity	MW	950	950	950	950
Generation	MWh	1,470.1	2,439.4	2,433.4	2,428.2
Net capacity factor:					
Wind		38%	40%	40%	40%
Solar		19%	18%	18%	17%
Availability factor:					
Wind		97%	97%	98%	98%
Solar		98%	98%	99%	99%
Financial forecasts:					
Revenues		173.3	285.4	285.2	285.7
Operating expenses		(27.9)	(27.9)	(27.2)	(27.4)
Administrative expenses		(4.6)	(6.3)	(5.8)	(6.0)
EBITDA		140.8	251.2	252.3	252.3
EBITDA margin		81%	88%	88%	88%
Income tax		(8.5)	(19.8)	(22.9)	(25.5)
Other changes in working capital		26.9	11.0	5.0	(0.3)
Operating cash flow		159.2	242.3	234.3	226.5
Investment cash flows		(379.1)	(0.8)	(0.9)	(0.9)
Financing cash flows:					
Loan proceeds		162.2	-	-	-
Loan principal repayment		(66.2)	(67.0)	(68.3)	(62.1)
Interest		(9.1)	(11.8)	(9.9)	(8.0)
ECA and other fees		(30.6)	(0.1)	(0.1)	(0.1)
Debt service reserve		(10.1)	0.6	0.5	7.5
Total financing cash flows		46.1	(78.3)	(77.8)	(62.6)
Total cash flow available after debt service		(173.8)	163.3	155.7	163.0

[10] Includes 100% of the revenues and expenses associated with the Projects and does not exclude impacts associated with minority interest. Revenues and expenses for 2019 are based on actuals through August 2019 and forecasts for the remainder of the year.

Table 5: Project Level Build-Up of EBITDA and Total Cash Flow Available After Debt Service

(in € millions, except as noted)		2019	2020	2021	2022
Botievo:					
Revenues:					
Generation	GWh	649.5	655.2	655.2	655.2
FiT	€/MWh	114.09	111.29	111.73	112.21
Total revenues		74.1	72.9	73.2	73.5
Operating expenses		(11.3)	(10.4)	(10.3)	(10.3)
Administrative expenses		-	(1.2)	(1.3)	(1.2)
EBITDA		62.8	61.3	61.6	62.0
Income tax		(2.2)	(7.5)	(7.3)	(8.4)
Other changes in working capital		5.1	(0.2)	1.5	(0.1)
Operating cash flow		65.7	53.6	55.8	53.5
Investment cash flows		(0.2)	(0.6)	(0.6)	(0.6)
Financing cash flows:					
Loan proceeds		-	-	-	-
Loan principal repayment		(30.5)	(30.5)	(30.5)	(24.3)
Interest		(2.5)	(1.7)	(1.0)	(0.4)
ECA and other fees		(0.0)	(0.0)	(0.0)	(0.0)
Debt service reserve		-	-	-	7.0
Total financing cash flows		(33.0)	(32.2)	(31.5)	(17.6)
Total cash flow available after debt service		32.5	20.7	23.7	35.3
Primorsk I:					
Revenues:					
Generation	GWh	253.9	338.7	338.7	338.7
FiT	€/MWh	100.6	100.2	100.5	101.0
Total revenues		25.6	33.9	34.1	34.2
Operating expenses		(3.0)	(3.9)	(3.7)	(3.8)
Administrative expenses		(2.1)	(1.2)	(0.9)	(1.0)
EBITDA		20.4	28.8	29.4	29.4
Income tax		(0.5)	(1.2)	(2.1)	(2.8)
Other changes in working capital		11.5	0.1	1.2	(0.0)
Operating cash flow		31.4	27.7	28.4	26.7
Investment cash flows		(22.1)	(0.1)	(0.1)	(0.1)
Financing cash flows:					
Loan proceeds		20.9	-	-	-
Loan principal repayment		(4.5)	(9.0)	(9.0)	(9.0)
Interest		(1.8)	(1.5)	(1.4)	(1.2)
ECA and other fees		(0.1)	(0.0)	-	-
Debt service reserve		6.0	0.1	0.1	0.1
Total financing cash flows		20.6	(10.5)	(10.3)	(10.1)
Total cash flow available after debt service		29.8	17.2	18.1	16.5
Nikopol:					
Revenues:					
Generation	GWh	280.8	291.1	285.0	282.7
FiT	€/MWh	150.1	147.9	148.4	149.1
Total revenues		42.2	43.0	42.3	42.1
Operating expenses		(1.9)	(2.9)	(3.0)	(3.1)
Administrative expenses		(2.4)	(1.1)	(0.9)	(1.0)
EBITDA		37.9	39.0	38.3	38.0
Income tax		(4.8)	-	-	-
Other changes in working capital		23.2	0.2	2.4	0.0
Operating cash flow		56.3	39.2	40.7	38.0
Investment cash flows		(2.4)	(0.0)	-	-
Financing cash flows:					
Loan proceeds		-	-	-	-
Loan principal repayment		-	(14.9)	(14.9)	(14.9)
Interest		(2.3)	(5.1)	(4.5)	(3.9)
ECA and other fees		(12.3)	-	-	-
Debt service reserve		(8.0)	0.3	0.3	0.3
Total financing cash flows		(22.6)	(19.7)	(19.1)	(18.5)
Total cash flow available after debt service		31.2	19.5	21.6	19.5

Table 5: Project Level Build-Up of EBITDA and Total Cash Flow Available After Debt Service (Continued)

(in € millions, except as noted)		2019	2020	2021	2022
Tryfanovka:					
Revenues:					
Generation	GWh	12.8	12.5	12.2	12.1
FiT	€/MWh	154.1	147.9	148.4	149.1
Total revenues		2.0	1.8	1.8	1.8
Operating expenses		(0.2)	(0.1)	(0.2)	(0.2)
Administrative expenses		(0.1)	(0.0)	(0.0)	(0.0)
EBITDA		1.7	1.6	1.6	1.6
Income tax		(0.1)	(0.1)	(0.1)	(0.1)
Other changes in working capital		(0.1)	(0.0)	0.1	(0.0)
Operating cash flow		1.5	1.6	1.6	1.4
Investment cash flows		(0.0)	-	-	-
Financing cash flows:					
Loan proceeds		-	-	-	-
Loan principal repayment		(1.1)	(1.1)	(1.1)	(1.1)
Interest		(0.3)	(0.3)	(0.2)	(0.1)
ECA and other fees		-	-	-	-
Debt service reserve		-	-	-	-
Total financing cash flows		(1.4)	(1.4)	(1.3)	(1.2)
Total cash flow available after debt service		0.1	0.2	0.3	0.2
Primorsk II:					
Revenues:					
Generation	GWh	119.5	366.4	366.4	366.4
FiT	€/MWh	99.5	99.8	100.5	101.0
Total revenues		11.9	36.6	36.8	37.0
Operating expenses		(3.5)	(3.3)	(3.1)	(3.2)
Administrative expenses		-	(0.7)	(0.9)	(0.9)
EBITDA		8.4	32.5	32.8	32.9
Income tax		(0.4)	(2.3)	(3.3)	(3.7)
Other changes in working capital		0.6	(0.0)	(0.1)	(0.1)
Operating cash flow		8.6	30.2	29.4	29.1
Investment cash flows		(97.2)	(0.1)	(0.1)	(0.1)
Financing cash flows:					
Loan proceeds		89.5	-	-	-
Loan principal repayment		-	(9.0)	(9.0)	(9.0)
Interest		(0.7)	(1.7)	(1.5)	(1.3)
ECA and other fees		(17.7)	(0.1)	(0.0)	(0.0)
Debt service reserve		(8.0)	0.2	0.1	0.1
Total financing cash flows		63.1	(10.6)	(10.4)	(10.2)
Total cash flow available after debt service		(25.5)	19.6	19.0	18.8
Orlovsk:					
Revenues:					
Generation	GWh	100.2	370.3	379.4	379.4
FiT	€/MWh	98.5	99.8	100.5	101.0
Total revenues		9.9	36.9	38.1	38.3
Operating expenses		(2.9)	(3.5)	(3.4)	(3.3)
Administrative expenses		-	(1.1)	(0.9)	(0.9)
EBITDA		6.9	32.4	33.9	34.1
Income tax		(0.5)	(3.4)	(4.6)	(4.9)
Other changes in working capital		(6.5)	4.7	(0.1)	(0.1)
Operating cash flow		0.0	33.6	29.1	29.1
Investment cash flows		(88.5)	(0.1)	(0.1)	(0.1)
Financing cash flows:					
Loan proceeds		51.8	-	-	-
Loan principal repayment		(30.1)	(2.5)	(3.9)	(3.9)
Interest		(1.5)	(1.6)	(1.3)	(1.0)
ECA and other fees		(0.5)	-	-	-
Debt service reserve		(0.1)	0.1	-	-
Total financing cash flows		19.6	(4.0)	(5.2)	(4.9)
Total cash flow available after debt service		(68.9)	29.6	23.9	24.2

Table 5: Project Level Build-Up of EBITDA and Total Cash Flow Available After Debt Service (Continued)

(in € millions, except as noted)		2019	2020	2021	2022
Pokrovsk:					
Revenues:					
Generation	GWh	53.4	405.3	396.5	393.7
FiT	€/MWh	146.5	148.5	148.7	149.1
Total revenues		7.8	60.2	59.0	58.7
Operating expenses		(5.0)	(3.8)	(3.5)	(3.5)
Administrative expenses		-	(0.9)	(0.9)	(0.9)
EBITDA		2.8	55.6	54.6	54.3
Income tax		(0.1)	(5.3)	(5.4)	(5.6)
Other changes in working capital		(7.0)	6.3	(0.0)	(0.0)
Operating cash flow		(4.3)	56.5	49.2	48.7
Investment cash flows		(168.8)	-	(0.1)	(0.1)
Financing cash flows:					
Loan proceeds		-	-	-	-
Loan principal repayment		-	-	-	-
Interest		-	-	-	-
ECA and other fees		-	-	-	-
Debt service reserve		-	-	-	-
Total financing cash flows		-	-	-	-
Total cash flow available after debt service		(173.1)	56.5	49.1	48.6

Table 6: EBITDA by Project

Project	Fuel Type	2019	2020	2021	2022
(in € millions, except as noted)					
Botievo	Wind	62.8	61.3	61.6	62.0
€/ KW		*314*	*306*	*308*	*310*
Primorsk I	Wind	20.4	28.8	29.4	29.4
€/ KW		*204*	*288*	*294*	*294*
Nikopol	Solar	37.9	39.0	38.3	38.0
€/ KW		*189*	*195*	*192*	*190*
Tryfanovka	Solar	1.7	1.6	1.6	1.6
€/ KW		*173*	*165*	*161*	*156*
Primorsk II	Wind	8.4	32.5	32.8	32.9
€/ KW		*84*	*325*	*328*	*329*
Orlovsk	Wind	6.9	32.4	33.9	34.1
€/ KW		*69*	*324*	*339*	*341*
Pokrovsk	Solar	2.8	55.6	54.6	54.3
€/ KW		*12*	*232*	*228*	*226*
Total EBITDA		140.8	251.2	252.3	252.3
EBITDA (€ / KW)		148.2	264.4	265.5	265.5

Table 7: Guarantor and Non-Guarantor Group Summaries

(in € millions, except as noted)	2019	2020	2021	2022
Guarantors Group:				
EBITDA				
Orlovsk	6.9	32.4	33.9	34.1
Pokrovsk	2.8	55.6	54.6	54.3
Total	9.7	87.9	88.5	88.3
Total cash flow available after debt service:				
Orlovsk	(68.9)	29.6	23.9	24.2
Pokrovsk	(173.1)	56.5	49.1	48.6
Total	(241.9)	86.1	73.0	72.7
Non-Guarantors Group:				
EBITDA				
Botievo	62.8	61.3	61.6	62.0
Primorsk I	20.4	28.8	29.4	29.4
Primorsk II	8.4	32.5	32.8	32.9
Nikopol	37.9	39.0	38.3	38.0
Tryfanovka	1.7	1.6	1.6	1.6
Total	131.1	163.3	163.8	163.9
Total cash flow available after debt service:				
Botievo	32.5	20.7	23.7	35.3
Primorsk I	29.8	17.2	18.1	16.5
Primorsk II	(25.5)	19.6	19.0	18.8
Nikopol	31.2	19.5	21.6	19.5
Tryfanovka	0.1	0.2	0.3	0.2
Total	68.1	77.2	82.7	90.3

In accordance with the methodology discussed in Section I above, we reviewed the logic of the Company's project level models and related consolidation[11] (collectively, the "Financial Model") as it relates to the financial and operating information included in this report. Based on the information we reviewed, we noted no issues with the model logic.

We also reviewed underlying input assumptions for operating characteristics / parameters, revenues and expenses.

General assumptions / parameters

The financial forecasts presented herein are expressed in euros (or "EUR"), unless otherwise noted. However, some cash flows accruing to the Projects are transacted in hryvnia (or "UAH"). Exchange rates used in the forecasts are shown in the table below.

Table 8: Euro / UAH Exchange Rate Assumptions

	2019	2020	2021	2022
Exchange rates (UAH/euro)	29.8	32.5	34.5	36.4

The exchange rate for 2019 was based on:

- Actual monthly averages through July
- Bloomberg forwards for the remainder of the year

The exchange rates for 2020 through 2022 are based on a combination of: USD[12] / UAH exchange rates and EUR / USD exchange rates where:

[11] The file reviewed was 'Model _7.10_2019-09-13_v2 (950 MW).xlsx'.

[12] US dollar.

- USD/UAH exchange rate for 2020 is based on a forecast from the Ukrainian Ministry of Economic Development, Trade and Agriculture ("MEDTA")
- USD / UAH exchange rates for 2021 and 2022 are based on comparative inflation factors between UAH and USD
- EUR/USD exchange rates for 2020 through 2022 are based on averages from EIU, Oxford Economics, IMF, IHS and Bloomberg.

Refer to recalculation in the table below.

Table 9: Calculation of UAH/EUR Exchange Rates

Factor	Source	2020	2021	2022
USD/UAH exchange rate	*Ministry of Finance*	28.2		
UAH inflation (CPI)	*Average of EIU, Oxford Economics, IMF, HIS, Ministry of Finance and Bloomberg*		6.8%	6.1%
USD CPI	*Average of EIU, Oxford Economics, IMF, IHS and Bloomberg*		2.1%	2.2%
USD/UAH exchange rate	*USD/UAH * (1+ UAH CPI) / (1+ USD CPI)*		29.5	30.6
EUR/USD exchange rate	*Average of EIU, Oxford Economics, IMF, IHS and Bloomberg*	1.2	1.2	1.2
EUR/UAH exchange rate	*USD/UAH exchange rate x EUR/USD exchange rate*	32.5	34.5	36.4

We agreed data per the exchange rate calculation to underlying data sources on a test (or sample) basis. Any differences noted are deemed immaterial.

Operating characteristics / parameters

Based on the revenue structure of individual project PPAs, we identified and reviewed key operational assumptions—most notably expected generation—in light of: (a) resource studies for wind projects, (b) PVSYST reports for solar projects, and (c) historical performance and/or (d) other data, where such information was available.

Based on our review of these documents, we noted that operational input assumptions reviewed were generally consistent with historical performance (where applicable) or expected operational performance according to reports by resource consultants or PVSYST outputs.

Revenue approach / assumptions

The forecasted revenues are based on: (a) expected generation (as discussed above) and (b) FiT tariff rates. FiT tariff rates are fixed in euros and paid in UAH; the amount paid in UAH is adjusted every 3 months based on currency movements. For all projects, we reconciled modeled rates (in euros) to rates reported on the website of the National Energy and Utilities Regulatory Commission with only immaterial differences noted. If any of the Projects currently under development do not achieve commercial operation by December 31, 2019, the FiT rate will be discounted by 10% for the wind projects (Primorsk II). We further note that, although no changes in laws, policies or programs are currently anticipated, there is no guarantee that there will not be future changes in such laws, policies or programs, including but not limited to retrospective reduction in the FiT, that could have a material adverse effect on the Projects.

Refer to further discussion below.

Operating and Administrative Expenses approach / assumptions

Expenses were reviewed in light of available information including, but not limited to, the following:

- Service agreements with original equipment manufacturers ("OEM").
- Other contracts or services agreements.
- Actual historical operations.
- Other management representations.

For purposes of our review, we evaluated expenses according to the following groups:

Table 10: Breakout of Operating Expense Line Items and Corresponding Expense Categories

Description	Total - 2020	% of 2020 Total	Total - 2021	% of 2021 Total	Total - 2022	% of 2022 Total
Contract with service company	10,110	36%	10,324	38%	10,686	39%
Energy costs	2,392	9%	2,407	9%	2,420	9%
Insurance	2,187	8%	2,163	8%	2,204	8%
Staff cost, including payroll taxes	2,036	7%	2,213	8%	2,353	9%
Maintenance and repairs	1,791	6%	1,538	6%	1,251	5%
Land lease	1,434	5%	1,462	5%	1,482	5%
Security	879	3%	897	3%	910	3%
Transformer and switchers maintenance	690	2%	704	3%	718	3%
Other O&M costs	593	2%	243	1%	235	1%
Mowing grass	505	2%	516	2%	526	2%
GE infrastructure maintanance	240	1%	245	1%	250	1%
Maintenance of ASCME	87	0%	89	0%	90	0%
Automatic process control system maintenance	59	0%	61	0%	62	0%
O&M costs	19	0%	21	0%	64	0%
Other	4,915	18%	4,299	16%	4,138	15%
Total	27,938	100%	27,183	100%	27,389	100%
Total per project/consolidated forecasts	27,923		27,168		27,374	
Delta	15		15		15	

As discussed in more detail below, we note the following:

- Operating Expenses:
  - Observations from review of historical financials:
    - For Botievo, which comprises 37-41% of projected annual operating expenses for 2020 through 2022, near-term operating expenses forecasts are, in total, generally consistent with recent (2018) actual operating expenses (excluding depreciation).
    - Operating expenses for other wind projects (Primorsk I, Primorsk II and Orlovsk), which collectively represent 27-31% of annual projected operating expenses were generally consistent with recent (2018) Botievo operating expenses on a $/kW-year basis after adjusting for differences in turbine OEM services agreements, which is the most significant operating expense line item (as shown in "contract with service company" line item in the table above).
  - Observations from review of other supporting documentation:
    - For expenses under OEM services agreements ("contract with service company" line item), expenses were reconciled with modeled expenses. Any differences between the contract and modeled expenses are deemed immaterial. Note that these expenses relate exclusively to the wind Projects (Botievo, Primorsk I, Primorsk II and Orlovsk).
    - For insurance, we reconciled schedule of policies to the Financial Model, noting differences deemed immaterial, and traced selected policies to underlying agreements without exception.
    - For lease costs, reconciled lease costs for Nikopol and Pokrovsk (90% of lease costs) to supporting schedule, noting differences deemed immaterial. Traced selected lease costs to underlying agreements without exception.
    - For security, reconciled modeled costs to selected agreements, noting immaterial

differences.

    - For other infrastructure agreements ("GE infrastructure maintenance" line item), expenses per services agreements were reconciled with expenses in the Financial Model. Any differences between the contract and modeled expenses are deemed immaterial.

  - Based on the foregoing:
    - Approximately 54% of operating expenses were traced, on a test basis, to underlying documents (as described above).
    - An incremental 30% of operating expenses associated with the wind Projects were reviewed based on Botievo operating history and found to be consistent with recent historicals.
    - For the remaining 16% of operating expenses, we have not been able to tie to independent sources (i.e., actual historical performance, independent engineering reports, contracts, etc.) or otherwise substantiate. For these expenses, we have relied on management calculations and assumptions

- Administrative expenses:
  - We compared year-to-date general & administrative expenses (excluding depreciation) per the unaudited financial statements for the period ending June 30, 2019 to the administrative expenses per the Financial Model and noted that the recalculated annualized G&A expenses were significantly higher than administrative expenses modeled (€4.6 – 6.3 million). According to Company management, administrative costs for 2019 were largely front-loaded to the beginning of the year due to costs associated with bringing Projects online. As such, administrative costs associated with these Projects for the second half of 2019, as well as 2020 and 2021 are expected to be reduced relative to the first 6 months of 2019.
  - For purposes of our review, we have relied on management assumptions and calculations for administrative expenses.

Refer to additional discussion below.

Other (Post- EBITDA) cash flows approach / assumptions

Adjustments to EBITDA to derive total cash available after debt service consist primarily of:

- Income taxes
- Changes in working capital
- Capital expenditures (or "Investment cash flows")
- Loan proceeds
- Debt service (loan principal repayment and interest)
- Other

The most significant driver of cash flows after EBITDA is debt service[13]. For these, we reconciled principal payments and interest rates per the Financial Model to debt summaries (including "External Loans.xlsx") and reconciled information therein to the related financing agreements as follows:

- Principal payments were reconciled to underlying amortization schedules in respective loan documents for Botievo, Primorsk I &II and Nikopol without exception.
- Interest was recalculated on a test basis without exception.

According to the Company, the financial modelling included a decision by the Group's management to revise the estimated useful life of solar panels from 15 years to five years when calculating the depreciation expense in the Group's financial statements, which is the only amendment to the Group's accounting estimates made after 30 June 2019. As a result, the Group's financial projections were prepared using a five-year useful life of solar panels to reflect the revised accounting estimate used from 1 July 2019. The Group's historical financial information as at and for the six-months ended 30 June 2019 and as at and for the years ended 31 December 2016, 2017 and 2018 were prepared based on a 15-year useful life of solar panels and management's accounting estimates applicable on those dates.

For all drivers other than debt service, we have relied on management assumptions and forecasts related to the post- EBITDA cash flow items described above.

[13] Refers to project level debt service. Debt service related to the Offering are not included in the financial forecasts herein.

IV. DISCUSSION OF KEY ASSUMPTIONS

The following summarizes key project assumptions underlying the Financial Model forecasts and our analysis related to these assumptions.

Operating Parameters

Capacity

The generating capacities of the Projects is shown in the table below.

Table 11: Generating Capacities of the Projects

(in MW)		
Botievo		200.0
Primorsk I		100.0
Nikopol		200.0
Tryfanovka		10.0
Primorsk II		100.0
Orlovsk		100.0
Pokrovsk		240.0
Total Generating Capacity		950.0

Note that the capacity shown for the solar projects is expressed in MW ac. For the wind projects, the capacity of the individual Projects was generally noted to be consistent with the capacity shown in the respective wind resource consultant reports. We did not slight differences for capacities of several wind projects from those in the listed documents but differences (+/- 0.3% of aggregate capacity) are due to rounding. For Nikopol and Pokrovsk, the capacity shown is consistent with technical documents reviewed including feasibility studies, energy / yield assessments, and/or technical due diligence reports.

Net Generation

The assumed net generation (and sales) for the Projects is summarized in the table below.

Table 12: Annual Net Generation by Project

(in GWh)		2019	2020	2021	2022
Botievo		649.5	655.2	655.2	655.2
Primorsk I		253.9	338.7	338.7	338.7
Nikopol		280.8	291.1	285.0	282.7
Tryfanovka		12.8	12.5	12.2	12.1
Primorsk II		119.5	366.4	366.4	366.4
Orlovsk		100.2	370.3	379.4	379.4
Pokrovsk		53.4	405.3	396.5	393.7
Total Net Generation		1,470.1	2,439.4	2,433.4	2,428.2

To assess the net generation assumptions, we performed the following:

- For wind projects: We compared generation assumptions to P50 cases per the wind resource consultants' reports.
- For solar projects: We compared the generation assumptions to the outputs from PVSYST, an industry standard software to for estimating production from photovoltaic solar systems based on: (1) location (i.e., irradiation), (2) configuration and (3) losses.
- For those Projects with an operating history (i.e., Botievo and Tryfanovsk), we also compared the assumed production with the historical actual production.

For the wind projects, we obtained P50 production from the following wind resource studies:

- Botievo:
    - Issuer: Deutsche WindGuard Consulting GmbH
    - Date: December 12, 2012
- Primorsk I:
    - Issuer: Deutsche WindGuard Consulting GmbH
    - Date: December 1, 2017
- Primorsk II:
    - Issuer: Deutsche WindGuard Consulting GmbH
    - Date: November 1, 2018
- Orlovsk:
    - Issuer: Deutsche WindGuard Consulting GmbH
    - Date: March 21, 2019

The table below summarizes our comparison of the assumed production per the Financial Model to the wind resource reports and the PVSYST outputs, as applicable. Note the following related to the table below:

- The "modeled output" is generally the assumed production for 2020, which for most wind projects remains constant over the forecast period.
- For Tryfanovka, modeled output is from 2019. As discussed in more detail below, the output from Tryfanovka and other solar facilities is assumed in the Financial Model to decline over time due to degradation.
- The wind resource reports typically have studies based on several (between 3 and 6) configurations. The actual configuration has been noted with a box around the vendor / turbine.
- For PVSYST reports, we relied on the outputs from reports as supplied by the Company. We did not review related inputs (i.e., losses, configuration, etc.).

Table 13: Comparison of Model Assumed Net Generation to Wind Resource Reports, PVSYST

Volumes in GWh/year, except as noted											
Project	Botievo		Primorsk I		Nikopol	Tryfanovka	Primorsk II		Orlovsk		Pokrovsk
Technology	Wind		Wind		Solar	Solar	Wind		Wind		Solar
Modeled output (typicallly 2020)		655.2		338.7	291.1	12.8		366.4		379.4	405.3
Wind resource reports:											
	$\boxed{\text{Vestas}}$	599.3	Vestas	370.0					Enercon	379.2	
	Siemes	608.7	$\boxed{\text{GE}}$	349.8			$\boxed{\text{GE (3.8-137)}}$	366.45	GE	392.4	
	GE	571.1	Siemens	386.2					SGRE	374.9	
									Vestas V136	388.6	
									Vestas V126	378.3	
									$\boxed{\text{Vestas V126}}$	379.4	
PVSYST:											
Output (MWh per year / 2.5 MW)					3,624						4,188.0
Capacity (MW)					200.0						240.0
Suggested output per PVSYST					289.9	12.9					402.0
Delta (model over (under) report) - GWh		**55.9**		**(11.1)**	**1.2**	**(0.1)**		**(0.0)**		**-**	**3.3**
Delta (model over (under) report) - %		**8.5%**		**-3.3%**	**0.4%**	**-0.9%**		**0.0%**		**0.0%**	**0.8%**

Based on the above, we note the following:

- For the solar projects, the assumed near-term output is consistent with the outputs from PVSYST. The model assumes annual degradation rates of approximately 0.7% to 0.8% annually. Such assumed degradation rates are generally consistent, if not slightly higher than, industry standard.

- Botievo: The modeled output is higher than the wind resource study. According to Company management, there has been an uprate (in 2017) since the study was commissioned. Refer to discussion of comparison to actual historical net generation below.
- Primorsk I: The modeled output is lower than the wind resource study. According to Company management, the modeled output was based on an earlier study. The Financial Model will eventually be updated based on actual operating results achieved. We note that modeled generation / capacity factor is consistent with other wind Projects that have had recent wind studies (Primorsk II (39% net capacity factor) and Orlovsk (44%) and or have been operating (Botievo (trailing 24 month actual capacity factor of 38%)).
- Nikopol: The modeled output is slightly (0.4%) above 2020 modeled generation. We note, however, that 2021 modeled generation is consistent with assumed annual degradation of 0.7 – 0.8%. Differences deemed immaterial.
- Tryfanovka: The modeled output is consistent with PVSYST output. Refer to additional discussion related to comparison to 2018 actual generation below.
- Primorsk II: The modeled output is consistent with the wind resource study.
- Orlovsk: Modeled output for 2021 and 2022 is consistent with wind resource study. Output for 2020 is slightly (2.4%) lower due to lower assumed availability in the first year of operation.
- Pokrovsk: The modeled output is slightly (0.8%) above 2020 modeled generation. We note, however, that 2021 modeled generation is consistent with assumed annual degradation of 0.7 – 0.8%. Differences deemed immaterial.

As noted above, the figures shown in the table above are generally for full year (2020) based on expected performance when the assets are fully operational. For 2019, we recalculated partial year generation based on:

- For wind projects: full year (2020) generation, adjusted for phase-in of turbines placed in service.
- For solar projects: seasonal (monthly) expected output per PVSYST reports.

The recalculated generation is compared to 2019 modeled generation in the table below:

Table 14: Comparison of Modeled and Calculated 2019 Generation for Projects Placed in Service in 2019

Project	In-Service Date	Full Year (2020) Generation	Calculaed Pro Rata 2019 Generation	Modeled 2019 Generation	Delta	Delta %
Primorsk I	March 2019	338.7	270.0	253.9	16.1	6.3%
Nikopol	March 2019	291.1	266.1	280.8	(14.6)	-5.2%
Primorsk II	Oct. 2019	366.4	118.1	119.5	(1.4)	-1.1%
Orlovsk	Oct. 2019	370.3	108.0	100.2	7.8	7.8%
Pokrovsk	Oct. 2019	405.3	53.7	53.4	0.3	0.5%

Note the following:

- For the solar projects (Nikopol and Pokrovsk), modeled generation was consistent with production recalculated from PVSYST reports' monthly output for each Project. Slightly higher Nikopol appears to be due to higher-than-usual (P50) generation / irradiation in the earlier part of the year.

- For the wind projects (Primorsk I, Primorsk II and Orlovsk), wind generation was calculated based on: (a) annual production per wind studies and (b) estimated turbine in-service dates. Differences (0.5 – 7.8%) noted are likely due :
    - Seasonal variations not captured in our recalculation, and/or
    - Start-up issues (i.e., phase-in of full output per turbine) not captured in our recalculation. Per review of wind studies, we noted warranted technical availability of: (a) for GE turbines (Primorsk I & II), 95% for the first year and 97% thereafter and (b) for Vestas turbines (Pokrovsk), 92% for the first year and 97% thereafter.

For Botievo and Tryfanovka, we also compared the modeled output to the historical output provided by the Company.

Table 15: Comparison of Modeled, Historical Generation for Botievo and Tryfanovka

	Average Annual Production			
Trailing X months >>>	**12 months**	**24 months**	**36 months**	**60 months**
Botievo:				
Annual Generation (GWh)	648.7	662.0	635.8	640.4
Projected generation (GWh)	655.2	655.2	655.2	655.2
Actual above (under) projections (GWh)	(6.5)	6.9	(19.3)	(14.8)
Actual above (under) projections (%)	-1.0%	1.0%	-3.0%	-2.3%
Tryfanovka:				
Annual Generation (GWh)	12.8	12.6		
Projected generation (GWh)	12.8	12.8		
Actual above (under) projections (GWh)	0.0	(0.2)		
Actual above (under) projections (%)	0.1%	-1.4%		

Based on the above:

- Botievo: According to Company management, differences between longer-term historical actuals (trailing 36 and 60 months) is due to an uprate at Botievo in 2017. The modeled output for 2019 is consistent with trailing 12-month actual generation. The modeled output for 2020 is generally consistent with 12- and 24-month actual generation.
- Tryfanovka: Modeled 2019 output is consistent with the trailing 12-month recent historicals.

Revenue / Pricing

As noted above, the Projects are expected to derive substantially all of their revenues through FiT payments made by the Guaranteed Buyer under terms outlined in PPA's executed by the Group and Guaranteed Buyer and effective through January 1, 2030.

Table 16: Modeled FiT Prices

(Euro per MWh)	2019	2020	2021	2022
Botievo	114.09	111.29	111.73	112.21
Primorsk I	100.62	100.16	100.55	100.98
Nikopol	150.13	147.86	148.44	149.07
Tryfanovka	154.12	147.86	148.44	149.07
Primorsk II	99.49	99.77	100.45	100.97
Orlovsk	98.49	99.77	100.45	100.97
Pokrovsk	146.46	148.53	148.68	149.13

The FiT prices for each of the Projects were reconciled to prices reported by the National Energy and Utilities Regulatory Commission effective June 30, 2019 (the most recent prices as of the date of our analysis) as shown below.

Table 17: Reconciliation of Regulator-Reported FiT prices to Financial Model (2019) Prices

	Notes	Unit	Botievo	Primorsk 1	Primorsk 2	Orlovsk	Nikopol	Pokrovsk	Tryfanovka	
Price per regulator		kopek / kWh	337.96	304.17	304.17	304.17	449.01	449.01	449.01	
Price per regulator	(100 kopek = 1 Hyrvnia)	Hyrvnia / kWh	3.4	3.0	3.0	3.0	4.5	4.5	4.5	
Exchange rate	Average - June 2019	Hyrvnia / euro	29.864	29.864	29.864	29.864	29.864	29.864	29.864	
FiT rate		euro / kWh	0.1132	0.1019	0.1019	0.1019	0.1504	0.1504	0.1504	
Starting (2019) price	Per model	euro / kWh	0.1141	0.1006	0.0995	0.0985	0.1501	0.1465	0.1541	
Delta		euro / kWh	(0.0009)	0.0012	0.0024	0.0034	0.0002	0.0039	(0.0038)	Avg.
Delta (%)		%	-0.8%	1.2%	2.3%	3.3%	0.1%	2.6%	-2.5%	0.9%

Table 18: Reconciliation of Regulator-Reported FiT prices to Financial Model (2020) Prices

	Notes	Unit	Botievo	Primorsk 1	Primorsk 2	Orlovsk	Nikopol	Pokrovsk	Tryfanovka
Price per regulator		kopek / kWh	337.96	304.17	304.17	304.17	449.01	449.01	449.01
Price per regulator	(100 kopek = 1 Hyrvnia)	Hyrvnia / kWh	3.4	3.0	3.0	3.0	4.5	4.5	4.5
Exchange rate	Average - June 2019	Hyrvnia / euro	29.864	29.864	29.864	29.864	29.864	29.864	29.864
FiT rate		euro / kWh	0.1132	0.1019	0.1019	0.1019	0.1504	0.1504	0.1504
Starting (2020) price	Per model	euro / kWh	0.1113	0.1002	0.0998	0.0998	0.1479	0.1485	0.1479
Delta		euro / kWh	0.0019	0.0017	0.0021	0.0021	0.0025	0.0018	0.0025
Delta (%)		%	1.7%	1.7%	2.0%	2.0%	1.7%	1.2%	1.7%

Modeled prices shown above are slightly lower than calculated FiT prices. The differences noted between modeled and recalculated FiT prices are deemed immaterial. Since the FiT prices are euro-denominated and repriced quarterly, modeled annual prices beyond 2020 consistent with those shown above (average annual change of 0.4%); any movement in FiT pricing would be due to short-term (< 90 day) changes assumed in UAH/euro exchange rates. The exchange rates used to calculate monthly FiT prices are consistent with the annual average exchange rate assumptions shown in Table 8: Euro / UAH Exchange Rate Assumptions. We further note that FiT prices for the Projects not yet operational are contingent upon these Projects achieving commercial operation prior to December 31, 2019. For purposes of our review, we have relied on management assumptions that these Projects achieve commercial operation on or before December 31, 2019.

Operating and Administrative Expenses

Total modeled operating and administrative expenses across the Projects consist of the following:

Table 19: Total Operating and Administrative Expense by Year

(in € millions, except as noted)	2019	2020	2021	2022
Operating expenses:				
Service & repair	(11.1)	(12.3)	(12.2)	(12.6)
Staffing costs	(1.4)	(2.0)	(2.2)	(2.4)
Electricity costs	(1.2)	(3.0)	(3.0)	(3.0)
Other production costs	(14.2)	(10.6)	(9.8)	(9.4)
Subtotal - operating expenses	(27.9)	(27.9)	(27.2)	(27.4)
Administrative expenses	(4.6)	(6.3)	(5.8)	(6.0)

The line item detail for 2020, 2021 and 2022 and reconciliations to the groupings above are shown in the tables below.

Table 20: Breakdown of 2020 Operating Expense by Project, Key Expense Line Item (in 000 euros)[14]

Description	Category	Botievo	Primorsk I	Nikopol	Tryfanovka	Primorsk II	Orlovsk	Pokrovsk	Total - 2020	% of 2020 Total
Contract with service company	Service and repair	6,329	1,593	-	-	902	1,285	-	10,110	36%
Energy costs	Electricity costs	658	414	510	20	210	210	369	2,392	9%
Insurance	Other production costs	422	332	348	13	468	231	372	2,187	8%
Staff cost, including payroll taxes	Staff costs, including tax deductions	346	325	302	76	343	263	382	2,036	7%
Maintenance and repairs	Other production costs	147	310	-	-	602	732	-	1,791	6%
Land lease	Other production costs	36	36	556	-	15	50	739	1,434	5%
Security	Other production costs	187	124	137	-	125	141	166	879	3%
Transformer and switchers maintenance	Service and repair	-	-	347	-	-	-	343	690	2%
Other O&M costs	Service and repair	-	-	114	-	-	-	479	593	2%
Mowing grass	Service and repair	-	-	234	-	-	-	271	505	2%
GE infrastructure maintanance	Service and repair	-	121	-	-	120	-	-	240	1%
Maintenance of ASCME	Service and repair	-	-	40	-	-	-	46	87	0%
Automatic process control system maintenance	Service and repair	-	-	30	-	-	-	29	59	0%
O&M costs	Service and repair	-	-	-	19	-	-	-	19	0%
Other	Other production costs	2,268	617	309	21	534	577	588	4,915	18%
Total	Total	10,394	3,872	2,928	149	3,318	3,490	3,786	27,938	100%
Total per project/consolidated forecasts	Total per forecasts	10,394	3,872	2,928	149	3,318	3,486	3,775	27,923	
Delta	Delta	-	-	-	-	-	4	11	15	
	Reconciliation to Operating Expense categories:									
	Service and repair	6,329	1,714	765	19	1,022	1,285	1,169	12,303	
	Electricity costs	658	450	1,066	20	210	210	369	2,985	
	Staff costs, including tax deductions	346	325	302	76	343	263	382	2,036	
	Other production costs	3,061	1,383	794	34	1,743	1,732	1,865	10,614	
		10,394	3,872	2,928	149	3,318	3,490	3,786	27,938	

Table 21: Breakdown of 2021 Operating Expense by Project, Key Expense Line Item (in 000 euros) [14]

Description	Category	Botievo	Primorsk I	Nikopol	Tryfanovka	Primorsk II	Orlovsk	Pokrovsk	Total	% of 2021 Total
Contract with service company	Service and repair	6,452	1,619	-	-	939	1,315	-	10,324	38%
Energy costs	Electricity costs	663	417	512	20	211	211	373	2,407	9%
Staff cost, including payroll taxes	Staff costs, including tax deductions	378	356	331	83	370	283	412	2,213	8%
Insurance	Other production costs	431	339	355	14	387	247	391	2,163	8%
Maintenance and repairs	Other production costs	147	326	-	-	463	602	-	1,538	6%
Land lease	Other production costs	37	37	567	-	16	51	754	1,462	5%
Security	Other production costs	191	126	139	-	127	144	169	897	3%
Transformer and switchers maintenance	Service and repair	-	-	353	-	-	-	350	704	3%
Mowing grass	Service and repair	-	-	238	-	-	-	278	516	2%
GE infrastructure maintanance	Service and repair	-	123	-	-	122	-	-	245	1%
Other O&M costs	Service and repair	-	-	126	-	-	-	118	243	1%
Maintenance of ASCME	Service and repair	-	-	41	-	-	-	48	89	0%
Automatic process control system maintenance	Service and repair	-	-	31	-	-	-	30	61	0%
O&M costs	Service and repair	-	-	-	21	-	-	-	21	0%
Other	Other production costs	1,998	371	351	22	484	530	544	4,299	16%
	Total	10,297	3,714	3,044	159	3,118	3,382	3,468	27,183	100%
	Total per forecasts	10,297	3,714	3,044	159	3,118	3,378	3,457	27,168	
	Delta	-	-	-	-	-	4	11	15	
	Reconciliation to Operating Expense categories:									
	Service and repair	6,452	1,742	789	21	1,061	1,315	823	12,203	
	Electricity costs	663	454	1,079	20	211	211	373	3,011	
	Staff costs, including tax deductions	378	356	331	83	370	283	412	2,213	
	Other production costs	2,804	1,161	845	35	1,476	1,574	1,859	9,755	
		10,297	3,714	3,044	159	3,118	3,382	3,468	27,183	

Table 22: Breakdown of 2022 Operating Expense by Project, Key Expense Line Item (in 000 euros)

Description	Category	Botievo	Primorsk I	Nikopol	Tryfanovka	Primorsk II	Orlovsk	Pokrovsk	Total	% of 2022 Total
Contract with service company	Service and repair	6,573	1,651	-	-	1,113	1,349	-	10,686	39%
Energy costs	Electricity costs	666	420	514	20	212	212	376	2,420	9%
Staff cost, including payroll taxes	Staff costs, including tax deductions	404	381	354	89	391	299	436	2,353	9%
Insurance	Other production costs	439	346	361	14	398	251	396	2,204	8%
Maintenance and repairs	Other production costs	143	315	-	-	333	459	-	1,251	5%
Land lease	Other production costs	36	38	576	-	16	52	764	1,482	5%
Security	Other production costs	194	128	142	-	129	146	172	910	3%
Transformer and switchers maintenance	Service and repair	-	-	360	-	-	-	358	718	3%
Mowing grass	Service and repair	-	-	242	-	-	-	283	526	2%
GE infrastructure maintanance	Service and repair	-	125	-	-	125	-	-	250	1%
Other O&M costs	Service and repair	-	-	112	-	-	-	124	235	1%
Maintenance of ASCME	Service and repair	-	-	42	-	-	-	49	90	0%
Automatic process control system maintenance	Service and repair	-	-	31	-	-	-	30	62	0%
O&M costs	Service and repair	-	-	-	64	-	-	-	64	0%
Other	Other production costs	1,826	362	378	22	476	518	556	4,138	15%
	Total	10,282	3,765	3,112	208	3,194	3,285	3,543	27,389	100%
	Total per forecasts	10,282	3,765	3,112	208	3,194	3,281	3,532	27,374	
	Delta	-	-	-	-	-	4	11	15	
	Reconciliation to Operating Expense categories:									
	Service and repair	6,573	1,776	787	64	1,238	1,349	843	12,630	
	Electricity costs	666	420	515	20	212	212	376	2,420	
	Staff costs, including tax deductions	404	381	354	89	391	299	436	2,353	
	Other production costs	2,638	1,189	1,457	36	1,352	1,426	1,888	9,986	
		10,282	3,765	3,112	208	3,194	3,285	3,543	27,389	

[14] For purposes of the recaps and reconciliations, note that "land lease" costs for Primorsk I and Nikopol are included in the category "Electricity costs" not "Other production costs".

The differences between the line item details shown and modeled operating cost totals (i.e., "deltas" shown above) are immaterial.

We first obtained: (1) historical audited financials for 2016, 2017 and 2018 and (2) unaudited financials for the 6-month period ended June 30, 2019 and compared the information therein to the expense forecasts in the Financial Model. Refer to summary historical information in the tables below.

Table 23: Summary of Operating and Administrative Expenses from Annual Audited Financials[15]

	Botievo				Tryfanovka
	2016	2017	2018	3 year average	2018
(in millons of UAH)					
Maintenance and repairs	181.6	192.8	270.0		0.2
Production overheads	39.5	45.1	29.7		1.7
Staff cost, including payroll taxes	8.5	9.0	8.8		1.1
Transportation services and utilities	3.5	4.0	2.5		0.1
Raw materials	1.4	1.9	2.9		0.1
Other costs	0.3	0.4	0.5		0.3
Cost of sales, excluding depreciation	234.8	253.2	314.4		3.5
General & administrative expenses	51.9	51.5	87.6		0.7
Year-end UAH-EUR exchange rate (1)	28.4	33.5	31.7		31.7
(in millions of euros) (2)					
Maintenance and repairs	6.390	5.757	8.515	6.887	0.006
Production overheads	1.390	1.347	0.937	1.224	0.054
Staff cost, including payroll taxes	0.299	0.269	0.278	0.282	0.035
Transportation services and utilities	0.123	0.119	0.079	0.107	0.003
Raw materials	0.049	0.057	0.091	0.066	0.003
Other costs	0.011	0.012	0.016	0.013	0.009
Cost of sales, excluding depreciation	8.262	7.560	9.915	8.579	0.110
General & administrative expenses	1.826	1.538	2.763	2.042	0.022
COS, excluding depreciation (Euro per kW-year) (2)	41.31	37.80	49.57	42.90	11.87
G&A (Euro per kW-year) (2)	9.13	7.69	13.81	10.21	2.37

(1) - Per footnote 2 of respective annual audited financial statements

(2) - Euro-based expense line items and euro per kW-year calculations were performed by Thorndike Landing and were not disclosures in audited financials

[15] The financial information shown herein are excerpts from the annual audited financial statements of the owners of the Botievo and Tryfanovka Projects—Wind Power LLC and Tryvanovka Energy LLC, respectively.

Table 24: Summary of Unaudited Financial Information of DTEK RENEWABLES B.V. for the Six-Month Period Ended June 30, 2019[16]

DTEK RENEWABLES B.V.	6 mos ended June 30, 2019	Comments	Annualized	
(in millions of UAH)				
Cost of sales	533.40			
Less: Depreciation	(379.57)			
Cost of sales, excluding depreciation	153.84			
G&A	151.30			
Less: Depreciation	(0.55)			
G&A, excluding depreciation	150.75			
Exchange rate - 6/30/2019	29.73			
Exchange rate - 12/31/2018	31.71			
(in millions of euros) (2)				
Cost of sales, excluding depreciation	5.17	(1)	10.35	(3)
G&A, excluding depreciation	5.07	(1)	10.14	(3)

(1) Based on ending (6/30/2019) exchange rate
(2) Costs expressed in euro were not disclosed in the unaudited financials but instead calculated by Thorndike based on reported financial information.
(3) Calculated as expense for the 6-month period x 2.

Based on our review of the financial information as shown in Table 23: Summary of Operating and Administrative Expenses from Annual Audited Financials and Table 24: Summary of Unaudited Financial Information of DTEK RENEWABLES B.V. for the Six-Month Period Ended June 30, 2019, we note the following:

- Operating expenses:
  - Botievo: 2018 actuals of €9.9 million is generally in line with 2019-2022 forecasts of €10.3 – 11.3 million.
  - Other wind Projects (i.e., Primorsk I, Primorsk II and Orlovsk): We also compared Botievo actual historical operating costs (excluding depreciation) to forecasted operating costs for other wind Projects. We note that: (a) costs under the OEM services agreements, the largest single operating expense for the wind projects, differed significantly between Projects (see reconciliation of modeled OEM service agreement cost to related agreements below) and (b) operating costs typically vary based on scale and, as such, we adjusted for these factors. Based on the analysis below, we noted that the total operating costs for (full year) 2020 and 2022, after adjustment for: (a) Project size and (b) cost of turbine OEM services agreements (see further discussion to follow) were approximately €20-24/kW-year—or generally consistent with Botievo (€19-20/kW-year). Refer to calculations in Table 25: Comparison of Wind Project Operating Expenses (Total and Euro / kW-Year).
  - Although operating expenses were reported in the unaudited financials of DTEK

[16] The financial information shown herein are excerpts from the unaudited financial statements of the Issuer, DTEK RENEWABLES B.V.

RENEWABLES, B.V. for the six-month period ended June 30, 2019, we did not deem these to be comparable for full-year actual/forecasted 2019 operating expenses due to costs related to Projects expected to reach commercial operation in the second half of 2019.

- Administrative expenses:
  - Consolidated: Modeled administrative expenses of €4.6 – 6.3 million appears low relative to annualized DTEK RENEWABLES, B.V. consolidated 2019 general & administrative expenses based on unaudited year-to-date financials through June 30, 2019 (€10.1 million per Table 24: Summary of Unaudited Financial Information of DTEK RENEWABLES B.V. for the Six-Month Period Ended June 30, 2019). According to Company management, administrative costs for 2019 were largely front-loaded to the beginning of the year due to costs associated with bringing Projects online. As such, administrative costs associated with these Projects for the second half of 2019, as well as 2020 and 2021 are expected to be reduced relative to the first 6 months of 2019.
  - Botievo: Similarly, the general & administrative expense for Botievo for 2018 (€2.76 million) and the 3-year period 2016 – 2018 (€2.04 million) as shown in Table 23: Summary of Operating and Administrative Expenses from Annual Audited Financials are considerable higher than administrative expenses modeled (€0.0 million in 2019 and €1.2 million to €1.3 million for 2020 - 2022). According to Company management, this is due to: (a) the mapping of administrative-related expenses for 2019 to "other operating costs" within operating expenses and (b) WIND POWER LLC being an intermediate holding company prior to the formation of DTEK RENEWABLE B.V. and, therefore, bearing more administrative costs than the Project will bear going forward.

Table 25: Comparison of Wind Project Operating Expenses (Total and Euro / kW-Year)

(in 000 euros, except as noted)		Botievo	Primorsk I	Primorsk II	Orlovsk	Total Wind	Total Solar	Total
Capacity (MW)		200	100	100	100	500	450	950
Technology		Wind	Wind	Wind	Wind			
Total operating costs (000 euro):								
	2019	11,344	3,039	3,491	2,931	20,806	7,131	27,937
	2020	10,394	3,872	3,318	3,486	21,071	6,852	27,923
	2021	10,297	3,714	3,118	3,378	20,507	6,660	27,168
	2022	10,282	3,765	3,194	3,281	20,521	6,852	27,374
Total operating costs (euro/kW-year):								
	2019	56.72	30.39	34.91	29.31	< shaded cells indicate partial year		
	2020	51.97	38.72	33.18	34.86			
	2021	51.48	37.14	31.18	33.78			
	2022	51.41	37.65	31.94	32.81			
Total excluding turbine services agreement (000 euro):								
	2020	4,065	2,279	2,416	2,201			
	2021	3,845	2,095	2,180	2,063			
	2022	3,708	2,115	2,080	1,932			
Total operating costs (euro/kW-year):								
	2020	20.33	22.79	24.16	22.01			
	2021	19.23	20.95	21.80	20.63			
	2022	18.54	21.15	20.80	19.32			

For individual line items and Projects (as shown in Table 20: Breakdown of 2020 Operating Expense by Project, Key Expense Line Item (in 000 euros) and Table 21: Breakdown of 2021 Operating Expense by Project, Key Expense Line Item (in 000 euros)), we also reviewed independent support for key forecasted expenses. See discussion of individual line items below:

Contract with service company

This expense line item is forecasted to be €10.1 million in 2020, €10.3 million in 2021, and €10.7 million in 2022, representing 38%, 36% and 39%, respectively of total forecasted operating expenses and the single most material operating expense line item. These costs were reconciled to underlying services agreements as follows:

Table 26: Reconciliation of Modeled Contract With Service Company Fees to Financial Model

(numbers in EUR 000'S, except as noted)

Project	Base Cost Per Turbine (Base Year)	Base Cost Per Turbine (2020)	# of turbines	Subtotal	Variable cost - Base Year (EUR/kwh)	Variable cost - 2020 (EUR/kwh)	Generation (GWh)	Variable Fee (net of Base Fee)	Total - 2020	Fee per Model	Delta
Botievo	65,000	67,704	65	4,401	0.0092	0.0096	655.17	1,879	6,280	6,329	(49)
Primorsk I	60,000	60,000	26	1,560	-			-	1,560	1,593	(33)
Primorsk II	35,000	35,000	26	910	-			-	910	902	8
Orlovka	50,000	50,000	26	1,300	-			-	1,300	1,285	15
					-			-	10,050	10,110	(59)

Insurance

For insurance, we obtained a schedule of current insurance policies from the Company and calculated the premiums applicable to 2019. We then compared the estimated insurance premium expense to the individual projects modeled expense for 2020 and noted the following:

- For all Projects other than Nikopol and Orlovsk, the calculated insurance expense for 2019 was consistent with the Financial Model.
- Calculated insurance expense for Nikopol and Orlovka were much lower than 2020 forecasts. According to Company management:
    - For Nikopol, political risk insurance was added for 2020 which was not included in 2019 premium.
    - For Orlovka, insurance for 2019 was primarily under a construction-phase insurance policy with Vestas, whereas insurance is separately procured for 2020.

Insurance premiums per the insurance summary were then agreed to underlying agreements on a test basis without exception.

Land Lease

For land leases, we obtained a schedule of leases for Nikopol and Pokrovsk which together comprise 90% of lease costs. We reconciled the lease expense in the schedule to the related 2020 expense in the Financial Model, nothing that the modeled expenses were 8.9% higher. Difference appears to be due to escalation / indexation and not deemed significant. We traced lease fees comprising more than 50% of total land lease expense to the underlying agreements without exception.

Security

For security, we obtained the underlying agreements for two Projects (Botievo and Nikopol) and reconciled monthly security costs to the Financial Model, noting a net 0.5% difference. No issues noted.

For all other operating expenses not expressly discussed herein (which represents approximately 16% of annual total operating expenses), we have relied on management assumptions and calculations.

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