

European Directories BondCo S.C.A.

Financial statements for the year ending 31 December 2018

(with the Report of the Réviseur d'Entreprises agréé thereon)

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Management report

European Directories GP (the "Manager") presents the annual report and audited financial statements of European Directories BondCo S.C.A. (the "Company") for the year ended 31 December 2018.

Principal activities, business review and future developments

European Directories BondCo S.C.A. is a partnership limited by shares (société en commandite par actions) formed under the laws of Luxembourg on 25 October 2013 with its registered office located at 46A, avenue J.F.Kennedy, L-1855 Luxembourg.

The Company is registered with the Luxembourg trade and companies register under number B 181401.

The shareholders of the Company are European Directories Midco S.à r.l. and European Directories GP S.à r.l., both having the registered address at 46A, avenue J.F. Kennedy, L-1855, Luxembourg.

The principal activities of the Company are those which are set out in the Company's corporate objects clause, which is clause 4 of the Company's articles of incorporation. The corporate objects among others of the Company are:

The purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above).

On 10 December 2013 the Company issued senior secured callable floating rate bonds ("ISIN SE0005505831") ("Bonds") in the amount of EUR 160,000,000 to the market. The Bonds have been listed on Nasdaq Stockholm since 5 December 2014.

The proceeds of the Bonds and the loan were used to grant a loan to European Directories OpHoldco S.à r.l., which further used the proceeds to repay all bank debt.

On 10 December 2013 the Company entered into a loan (the "loan") agreement with European Directories Midco S.à r.l. for EUR 103,313,950.

In 2018, the Company made a net gain on investments of EUR 19,278,926 and a net loss on loan and bond payables of EUR 19,251,160.

On 30 January 2018, the Company announced a proposal to amend certain bond terms and conditions. The proposal was accepted by the requisite majority of bondholders on 9 March 2018. The accepted principal terms include an extension to the bond maturity date from 10 December 2018 to 9 June 2021, an increase in the interest margin of 150bps to 8.5%, a consent fee of 1% to all bondholders and cancellation by the Company of those bonds which it holds. The full details of the amended bond terms and conditions were sent out to the bondholders and are published on the EDSA Group's website.

The Managers do not expect substantial changes in the operations of the Company for the foreseeable future.

The Company was not involved or did not participate in any kind of research or development activities during the year ended 31 December 2018.

As at 31 December 2018 the Company did not have any branches.

Results and dividends for the year

The result for the year is a loss amounting to EUR 137,968 which we propose to carry forward.

Changes in the members of the Supervisory Board

There have been changes in the Supervisory Board during the financial year as outlined below.

Name of the member

of the Supervisory Board

Appointment

Neil Robson	7 September 2015
Vincent Regnault de Bouttemont	19 November 2018
Domenico Latronico	23 November 2018

Resignation

Shehzaad Atchia	7 February 2018
Patrick van Denzen	19 November 2018
Eva Koczorowski	19 November 2018

Financial risk management

Financial risk

A Company's activities expose it to a variety of financial risks:

- Market risk, including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk;
- Credit risk; and
- Liquidity risk.

The Company's overall risk management programme focuses on the structure of the assets and liabilities. Management aims in achieving risk minimisation through the use of a ("back to back") structure.

Market risk

Price/ Interest rate risk

Market risk is the potential of suffering losses due to changes in market prices or parameters influencing market prices. It includes changes concerning illiquidity of sub-markets resulting in the inability of buying/selling positions of a specific size, within a specific period of time or at fair value conditions.

Interest rate risk is covered by the structure of the assets and liabilities. Through back to back structuring, management consider the cash flow interest rate risk to be mitigated.

Sensitivity analysis

A reasonably possible change of 100 basis points in the interest rate at the reporting date would not impact the value of assets, liabilities or shareholders' equity in a significant way.

Currency risk

The Company has no significant currency risk as borrowings and lending contracts are denominated in Euro, the functional and presentation currency of the Company. The Company is only subject to individual insignificant transactions in foreign currency which may arise.

Credit risk

Credit risk is associated with potential losses arising from a business partner's (counterparty, issuer, other contractual partner) default, i.e. its inability or unwillingness to meet contractual obligations, or the deterioration of its creditworthiness, e.g. changes in the issuer credit rating.

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances that are managed by individual subsidiaries by extensive and ongoing due diligence process to validate the creditworthiness of customers, tiered authority levels to ensure that exposures are approved by appropriate Executives, monitoring changes in customer profiles.

The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligations is considered to be the carrying value of loans.

Liquidity risk

Liquidity risk is the risk that the ability to meet payment obligations cannot be ensured at all the times. In economic terms, this is the risk resulting from the Company's exposure to an increase of liquidity premiums. As presented under Note 8. "Non-current loan receivables and current receivables" and 10. "Non-current and current financial liabilities and other liabilities", the Manager ensures that liquidity risk is kept to a minimum by matching the liquidity and maturity structure of assets and liabilities at all time.

After the approval of amended bond terms and conditions on 9 March 2018, including bond maturity extension to 9 June 2021, the Group has secured its financing position until June 2021.

A change in the interest, currency and market price movements would not impact the liquidity of the Company at the reporting date, value of assets, liabilities or shareholders' equity in significant way. The back to back structure of assets and liabilities offsets these risks.

The members of the Supervisory Board and their interests

The members of the Supervisory Board and secretary who held office on 31 December 2018 did not hold any shares in the Company at that date, or during the year.

There were no contracts of any significance in relation to the business of the Company in which the members of the Supervisory Board had any interest, at anytime during the year.

Financial reporting process

The Manager has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing TMF Luxembourg S.A. (the "Administrator") to maintain the accounting records of the Company independently. The Administrator is contractually obliged to maintain proper books and records and to that end performs reconciliations of its records.

The internal controls procedures followed by the Administrator are described in the International Standard on Assurance Engagements no. 3402 Type 1, entitled 'Assurance Reports on Controls at a Service Organisation' (ISAE 3402) and issued by the International Auditing and Assurance Standards Supervisory Board.

The Administrator is contractually obliged to maintain proper books and records and to that end performs reconciliations of its records.

The Administrator is also contractually obliged to prepare the Annual Report including financial statements for review and approval by the Manager. The Manager evaluates and discusses significant accounting and reporting issues as the need arises.

From time to time, the Manager also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the Manager.

Annual corporate governance statement

As the Company has only issued securities other than shares to trading on a regulated market within the meaning of Article 4, paragraph (1), point 14), of Directive 2004/39/EC and has not issued shares which are traded on a multilateral trading facility within the meaning of Article 4, paragraph (1) point 15) of Directive 2004/39/EC, it is not under an obligation to subject itself to a corporate governance code and has not opted to voluntarily subject itself to any corporate governance code.

Instruments traded on a regulated market

European Directories Bondco S.C.A. has issued bonds which are admitted to trading on the Nasdaq OMX Sweden a regulated market but no other instruments, such as European Directories Bondco S.C.A.'s shares, are admitted to trading on any regulated market. Therefore the disclosure requirements included in Article 10. paragraph 1. points c), d), f), h) and j) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids as required by Article 68bis. paragraph (1) letter d) of Luxembourg modified law of December 19, 2002, are not applicable.

Structure of Capital

The share capital of European Directories Bondco S.C.A. is divided in 2,030,999 limited shares and 1 unlimited share having a nominal amount of EUR 1 each. European Directories Bondco S.C.A. does not have own shares. There are neither restrictions to the transfer of the issued shares in European Directories Bondco S.C.A. nor any agreement issued by the shareholder which may result in restrictions on the transfer of European Directories Bondco S.C.A. shares.

Control activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Manager judges to be significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the annual accounts and the related notes in the Company's financial statements.

Monitoring

The Company's policies and the Manager's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information monitoring and oversight of the requirements are met in a complete and accurate manner.

Given the contractual obligation on the Administrator, the Manager after its review and controls, has concluded that there is currently no need for the Company to have a separate internal audit function in order to perform effective internal control and risk management systems of the Company in relation to the financial reporting process.

Capital structure

No physical person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

Appointment and replacement of Managers and amendments to the Articles of Association

With regard to the appointment and replacement of the Managers and members of the Supervisory Board, the Company is governed by its Articles of Association and Luxembourg laws. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of the Manager

The Manager is responsible for managing the business affairs of the Company with the Articles of Association. The Manager may delegate certain functions to the Administrator and other parties subject to the supervision and direction by the Manager.

The Manager has delegated the day to day administration of the Company to the Administrator as stated above.

Accounting records

The Manager believes that it has complied with the requirements with regard to the keeping of proper books of account by engaging accounting personnel with the appropriate expertise and by providing adequate resources to the financial function.

The books of account of the Company are maintained at TMF Luxembourg S.A..

Subsequent events

No significant events occurred after the balance sheet date for the year ending 31 December 2018.

Independent auditor

KPMG Luxembourg, Société coopérative was appointed auditor during the year.

European Directories General Partner S.à r.l. acting as Manager of the Company.

On behalf of the Manager

John D. Sutherland

Kristina Velicka

Atif Kamal

Date: 8 April 2019

Statement of financial position

All amounts are in Euro unless otherwise stated	Note(s)	31 December 2018	31 December 2017
ASSETS			
Non-current assets			
Investments in subsidiaries	7	2 000 000	2 000 000
Loan receivables	8,11	216 844 692	127 997 289
Total non-current assets		218 844 692	129 997 289
Current assets			
Loan receivables	8,11	-	158 832 797
Interest and other receivables	8,11	11 737 056	10 996 272
Cash and cash equivalents	11	98 696	126 377
Total current assets		11 835 752	169 955 446
Total assets		230 680 444	299 952 735
EQUITY			
Equity attributable to owners of the parent			
Share capital		2 031 000	2 031 000
Loss brought forward		-506 088	-423 327
Loss of the year		-137 968	-82 761
Total equity	9	1 386 944	1 524 912
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	10,11	137 264 292	127 997 289
Bond	10,11	78 385 200	-
Total non-current liabilities		215 649 492	127 997 289
Current liabilities			
Bond	10,11	-	158 832 797
Accrued interest on loans and borrowings	10,11	12 398 627	11 531 447
Trade and other payables	10,11	1 245 381	66 290
Total current liabilities		13 644 007	170 430 534
Total liabilities		229 293 500	298 427 823
Total equity and liabilities		230 680 444	299 952 735

On behalf of the Manager

John D. Sutherland

Kristina Velicka

Atif Kamal

Date: 8 April 2019

Statement of profit and loss and other comprehensive income

All amounts are in Euro unless otherwise stated	Note(s)	31 December 2018	31 December 2017
Administrative expenses	5	-160 918	-83 065
Operating loss	1.15	-160 918	-83 065
Finance income	1.16, 8	19 278 926	21 837 834
Finance costs	1.16, 10	-19 251 160	-21 836 816
Net finance income		27 765	1 019
Loss before income tax		-133 153	-82 046
Tax expense	1.17, 6	-4 815	-715
Loss for the year		-137 968	-82 761
Total comprehensive income		-137 968	-82 761

On behalf of the Manager

John D. Sutherland

Kristina Velicka

Atif Kamal

Date: 8 April 2019

Statement of cash flows

All amounts are in Euro unless otherwise stated	Note(s)	31 December 2018	31 December 2017
Cash flow from operating activities			
Loss for the year		-137 968	-82 761
Adjustments for:			
Income tax expenses		4 815	715
Finance income, net		-27 765	-1 019
Operating loss		-160 918	-83 065
Interest received	8	8 340 991	12 033 775
Interest paid	10	-8 190 991	-11 872 575
Realised foreign exchange gains and losses and other finance items		3 372	1 019
Taxes paid		-4 815	891
Operating cash flow before movements in working capital		-12 361	80 044
Net change in working capital		1 578 280	-15 570
Net cash from operating activities		1 565 919	64 474
Cash flow before financing activities			
Cash flow from financing activities		1 565 919	64 474
Refinancing costs	10	-1 593 600	-
Net cash used in financing activities		-1 593 600	-
Net increase (+) / decrease (-) in cash and cash equivalents			
		-27 681	64 474
Cash and cash equivalents at beginning of year			
		126 377	61 903
Cash and cash equivalents at the end of year			
		98 696	126 377

On behalf of the Manager

John D. Sutherland

Kristina Velicka

Atif Kamal

Date: 8 April 2019

Statement of changes in equity

Equity attributable to owners of the parent

All amounts are in Euro unless otherwise stated	Note(s)	Share capital	Retained earnings	Total equity
Opening balance 1 January 2017		2 031 000	-423 327	1 607 673
Total comprehensive income for the financial year 2017		-	-82 761	-82 761
Balance at 31 December 2017		2 031 000	-506 088	1 524 912
Total comprehensive income for the financial year 2018		-	-137 968	-137 968
Balance at 31 December 2018		2 031 000	-644 056	1 386 944

On behalf of the Manager

John D. Sutherland

Kristina Velicka

Atif Kamal

Date: 8 April 2019

Notes to Financial Statements

Note 1 Summary of significant accounting policies

1.1 General Information

European Directories BondCo S.C.A. (the "Company") was incorporated in Luxembourg on 25 October 2013 as a "Société en commandite par actions" subject to the Luxembourg law for an unlimited period of time. The registered office of the Company is located at 46A, avenue J.F. Kennedy, L-1855 Luxembourg. The Company is a holding company and is registered with the Luxembourg register of commerce under number B181401.

The purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above).

The Company may borrow in any form. It may enter into any type of loan agreement and it may issue notes, bonds, debentures, certificates, shares, beneficiary parts, warrants and any kind of debt or equity securities including under one or more issuance programmes. The Company may lend funds including the proceeds of any borrowings and/or issues of securities to its subsidiaries, affiliated companies or any other company.

The Company may also give guarantees and grant security interests over some or all of its assets including, without limitation, by way of pledge, transfer or encumbrance, in favour of or for the benefit of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company.

The Company may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions. The Company may generally use any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.2 Going concern

The going concern of the Company largely depends on the support of its shareholders and positive cash flow from Group operations. The Manager of the Company, European Directories GP (the "Manager") has considered the future expected cash flows of the Company's existing business and believes the Company will continue to operate in the foreseeable future, at least during the next 12 months after the date of the issuance of this financial statement.

The Group refinanced its external debt on 10 December 2013. The refinancing was achieved by replacing the external bank debt with bonds issued to the market by a Group company, European Directories BondCo S.C.A. and preferred equity certificates issued by the Company ("PECs"). The holder of the PECs is Leafy S.à r.l., the Company's parent. The maturity of the PECs is 2043. On 30 January 2018 the Company announced a proposal to amend certain bond terms and conditions. The proposal was accepted by the requisite majority of bondholders on 9 March 2018. The accepted principal terms include an extension to the bond maturity date of 2.5 years to 9 June 2021, an increase in the interest margin of 150bps to 8.5%, a consent fee of 1% to all bondholders and cancellation by the Group of those bonds which it holds. Full details of the amended bond terms and conditions were sent out to the bondholders and are published on the Group's website.

With the maturity extension and changes to the bond terms and conditions, the Group has secured its financing position until June 2021. Consequently, and taking the current cash flow and working capital forecasts into consideration, these financial statements have been prepared on a going concern basis assuming that the Group will continue in operation for at least the 12 months following and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Group has contracts with customers and suppliers across different geographic areas and industries, the Manager believes that the Group is able to manage its business risks. The Manager has a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

Therefore the going concern basis of accounting has been adopted in preparing these annual financial statements.

1.3 Basis of preparation and statement for Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force as at 31 December 2018. In the EU IFRS are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Company has consistently applied these policies to the year presented. European Directories BondCo S.C.A. has not applied any standard, interpretation or amendment thereto before its effective date. These financial statements also comply with the Luxembourg legal and regulatory requirements complementing the IFRSs.

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

These financial statements were authorised for issue by the Managers on 8 April 2019.

The financial statement is presented in Euros. All figures in the financial statement have been rounded to nearest Euro and consequently the sum of individual figures may deviate from the sum presented.

1.4 Basis of measurement

These financial statements are prepared under historical cost convention or otherwise at fair value as disclosed in accounting policies thereafter.

1.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These separate financial statements are presented in Euro (EUR), which is the Company's functional currency.

Transactions denominated in foreign currencies are translated using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated to Euro using the exchange rate quoted on the closing date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated at the functional currency at the exchange rate when the fair value is determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange rate differences are recognised in the statement of comprehensive income. Net translation differences relating to financing are presented under finance income or expenses.

The balance sheet date rate is based on the exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of each month's ending rate from the European Central Bank during the year and the ending rate of the previous year.

1.6 New accounting principles**1.6.1 Adoption of new effective standards and interpretations**

The company has adopted the following standards and interpretations during the financial year:

- IFRS 9 Financial instruments
- IFRS 15 Revenue recognition

In order to assess the credit risk on IFRS 9 Financial instruments, the Company has analyzed its counterparts and considered that there is no significant increased credit risk (see note 1.2). The adoption of IFRS 9 and IFRS 15 did not have a significant impact on the Company's financial statement.

1.6.2 New standards, amendments and interpretations issued, but not yet effective for the reporting and not early adopted

The Company has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Company will adopt them as of the effective date or, if the date is other than the first day of the financial period, from the beginning of the subsequent financial year.

The Manager anticipates that the adoption of the following standards, amendments and interpretations listed below in future periods will have no material financial impact on the financial statements.

- IFRS 16 Leases

The Company intends to adopt these standards, if applicable, when they become effective. The adoption of these standards is not expected to have a significant impact on Company's financial statements.

1.7 Presentation of current and non-current assets and liabilities

Current assets and liabilities are settled within twelve months whereas non-current assets and liabilities are settled within more than twelve months.

1.8 Investment in subsidiaries

Shares in subsidiaries are carried at cost less impairment losses.

The carrying amount of the shares is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and the difference with the carrying amount is recorded as an impairment loss.

1.9 Loan receivables

Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market nor held by the Company for trading. Upon initial recognition loan receivables are measured at fair value, and are subsequently measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except for maturities greater than 12 months after the end of the reporting year.

Interest income is recognised by applying the effective interest rate, except for current receivables when the recognition of interest would be immaterial.

Transaction costs that are directly attributable to the acquisition or issue of a financial asset are deducted from the asset's carrying value. This is because financial assets are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the asset. The costs are subsequently amortised over the life of the asset, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

The Company derecognises a financial asset when its contractual obligations are discharged, cancelled or expired.

1.10 Impairment of financial assets

A financial asset is impaired when its carrying amount exceeds its recoverable amount. The Company reviews all of its assets at each reporting date for indicators of impairment.

The carrying amount of an impaired financial asset is reduced to its estimated recoverable amount and the amount of the change in the current year provision is recognised in the statement of comprehensive income. Recoveries, write-offs and reversals of impairment are included in the statement of comprehensive income as part of change in allowance for impairment.

If in a subsequent year, the amount of the impairment on financial assets decreases, due to an event occurring after the write-offs, the amount is reversed by adjusting the impairment and is recognised in the statement of comprehensive income.

A financial asset is impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the asset the estimated future cash flows of the asset have been impacted.

The Company considers evidence of impairment at both specific and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or receivable by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter into bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as economic conditions that correlate with defaults in the group.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and short-term deposits with an original maturity of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, net of any bank overdrafts.

1.12 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds of the share issue.

Dividends on ordinary shares are recognised in the financial statements in the year in which they are approved by the Company's shareholders.

1.13 Interest-bearing liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss; or other financial liabilities (financial liabilities recognised at amortised cost). Currently the Company has only financial liabilities classified in the latter category.

Interest-bearing loans and borrowings are initially recognised at fair value less transaction costs incurred. Subsequently they are stated at amortised cost with any difference between cost and redemption value being recognised as an interest expense over the year of the borrowings, using the effective interest method.

1.13 Interest-bearing liabilities (continued)

Interest-bearing loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. This is because financial liabilities are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the liability. The costs are subsequently amortised over the life of the liability, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Interest-bearing loans and borrowing costs paid on the establishment of loan facilities are recognised to the extent that is probable that some or all of the facility will be drawn down. In this case, the cost is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the cost is capitalised as a pre-payment for liquidity services and amortised over the year of the facility to which it relates.

1.14 Trade and other payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

1.15 Operating result

IFRS allow the use of additional line items and subtotals in the income statement. The Company has defined operating result to be a relevant subtotal in understanding the Company's financial performance. All other items of the statement of comprehensive income are presented below the operating result.

1.16 Finance income and expenses

Finance income and expenses comprise interest receivable and payable on borrowings, loans calculated using the effective interest rate method, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement. Currently the Company has no hedging instruments.

Finance income comprises interest receivable on the loans granted and foreign exchange gains. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the entity's right to receive payments is established.

Finance expenses comprise interest payable on borrowings calculated using the effective interest method and foreign exchange losses.

1.17 Current and deferred income tax

Tax expense for the year comprises current and deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Other taxes not based on income, such as capital taxes, are included within other operating expenses.

The current income tax charge is calculated on the Company's taxable income and on the basis of the tax rates and laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Taxable profit differs from profit as reported in the separate income statement because of items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Managers periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.17 Current and deferred income tax (continued)

Deferred tax is generally provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are set off against deferred tax liabilities if they relate to income taxes levied by the same taxation authority.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of uncertain future events not wholly within the control of the entity. Such present obligation that probably does not require settlement of a payment obligation and the amount of which cannot be reliably measured is also considered to be a contingent liability. Contingent liabilities are disclosed in the notes to the financial statements.

Note 2 Use of judgements and estimates

The preparation of separate financial statements under IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of income and expenses during the reporting year. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These estimates and assumptions are based on historical experience and other justified factors, including expectations of future events that are believed to be reasonable under the circumstances at the end of the reporting year and the time when they were made. Actual results and timing may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis and when preparing financial statements. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or more experience. Such changes are recognised in the period in which the estimate is revised.

Critical estimates and judgements as applied in the preparation of the financial figures are periodically assessed by the Manager. The major accounting estimates and judgements applied in the preparation of the underlying financial statements are as follows:

- Accounting for income taxes
- Accounting for provisions
- Impairment testing for financial assets (see note 1.10)

By their nature, the above-mentioned items are dependent upon estimates and judgements whether the criteria for recognition have been met. Should the actual outcome differ from the estimates and judgements, revision to the recognised amounts would be required which could impact the financial position of the Company.

2.1 Responsibility statement

The Manager of the Company, European Directories GP S.à r.l. represented through Mr. John D. Sutherland, Mrs Kristina Velicka, Mr. Atif Kamal confirm that to the best of their knowledge:

a) the financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of European Directories BondCo S.C.A. and;

b) the management report includes a fair review of the development and performance of the business and the position of European Directories BondCo S.C.A., together with a description of the principal risks and uncertainties that it faces.

Note 3 Segment reporting

The Company is a holding company. Following from this it has no business operations generating revenues, nor any employees. Based on the internal reporting model used by the Manager for the assessment of results and the use of resources, the Company reports as a single segment, which complies with the approach to the organisation and management of activities. Material operating decisions are made by the Manager.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the Company, has been identified as the Manager. The Manager assesses the performance based on a measure of operating profit.

Note 4 Employee benefits

During the year the Company did not employ any personnel and, consequently no payments for wages, salaries or social securities were made.

Note 5 Other expenses

For the year ended the other administrative expenses mainly comprise domiciliation fees. The auditor's remuneration is the follows:

	31 December 2018	31 December 2017
Audit fees	95 139	16 708
Other administrative expenses	65 779	66 357
Total administrative expenses	160 918	83 065

Note 6 Income taxes

The Company is subject to taxation under the Luxembourg tax regulation applicable to companies.

The Company's tax position at 31 December 2018 is based on the Company's best estimate using the available information on local taxation rules and regulations and taking into account tax facilities and non-deductible costs. The tax return for the year ended 31 December 2017 has been filed and assessed during the course of 2018.

Any temporary difference arising on assets will be offset by a corresponding difference in liabilities. Therefore, the Company does not have any deferred tax expense.

Reconciliation of effective tax rate

The Luxembourg corporate tax rate applied was 26.01% (2017: 27.08%).

	31 December 2018	31 December 2017
Loss before income tax	-133 153	-82 046
Tax using Company's domestic corporate tax rate	34 633	22 218
Current year losses for which no deferred tax asset was recognised	-39 448	-22 933
Taxes in the statement of profit and loss	-4 815	-715

Note 7 Investments in subsidiaries

The Company has a shareholding in the following company:

Name	Registered office	Proportion of the capital held, %	Capital and reserves as at 31 December 2018	Profit for the year ended 31 December 2018
European Directories OpHoldco S.à r.l.	46A avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg R.C.S. B 155420	100 %	-137 234 038	155 052

Note 7 Investments in subsidiaries (continued)

The Manager is confident of the recoverability of investment in subsidiary. This assessment is based on the fact that the financial performance and liquidity situation of the underlying investment, European Directories Group, are within expectations.

The Manager performs impairment testing annually in connection with the preparation of the consolidated accounts of the Company's parent company.

The above figures are presented under statutory requirements under Luxembourg GAAP.

Note 8 Non-current loan receivables and current receivables

On 10 December 2013 European Directories BondCo S.C.A. entered into loan agreements with European Directories Opholdco S.à r.l.:

1) For an amount of EUR 160,000,000. The interest is accrued on a daily basis at a floating rate of EURIBOR 3M + 7% p.a. and paid quarterly. On 12 March 2018, the Company and European Directories Opholdco S.à r.l. amended the original agreement of EUR 160,000,000.00 in order to align the terms with the amended terms and conditions related to the senior secured callable floating rate bonds. The amended terms include the extension of the maturity date to 9 June 2021, an increase in the interest margin to 8.5% and the partial settlement of the existing intercompany debt to EUR 79,779,600.00 made via transfer and cancellation of the bonds held by the European Directories Group to the Company.

2) For an amount of EUR 103,313,950. The interest is accrued on a daily basis at a rate of 7.24% p.a. + additional interest. The final maturity date of the loan is 10 December 2043.

	31 December 2018	31 December 2017
Maturity of loan receivables		
Due in one year	-	158 832 797
Due in two to five years	79 580 400	-
Due in more than five years	137 264 292	127 997 289
Total	216 844 692	286 830 086

	31 December 2018	31 December 2017
Non-current assets		
Loan to subsidiary		
Loan 1	160 000 000	-
Original cost	-2 800 000	-
Prepayment of loan	-640 000	-
Amortisation of original cost	2 800 000	-
Settlement of intercompany Loan 1	-79 779 600	-
Total Loan 1	79 580 400	-
Loan 2	103 313 950	103 313 950
Set up fee capitalised 2014	450 845	450 845
Interest capitalised	33 499 497	24 232 494
Total Loan 2	137 264 292	127 997 289
Total non-current assets	216 844 692	127 997 289

	31 December 2018	31 December 2017
Current assets		
Loan to subsidiary		
Loan 1	-	160 000 000
Original cost	-	-2 800 000
Prepayment of loan	-	-640 000
Amortisation of original cost	-	2 272 797
Total Loan 1	-	158 832 797
Interest income on financial assets classified as loans and receivables		
Loan 1	8 239 266	11 869 520
Loan 2	10 637 505	9 966 574
Other finance income	402 154	1 740
Total interest income in the statement of profit and loss	19 278 925	21 837 834
Interest receivable beginning of the year		
Loan 1	273 515	397 157
Loan 2	10 717 202	10 014 069
	10 990 717	10 411 226
Amortisation of transaction costs		
Loan 1	-527 203	-559 387
Loan 2	-	-
	-527 203	-559 387
Interest income received/ capitalised during the year		
Loan 1 received	-7 590 993	-11 433 775
Loan 2 capitalized	-9 267 004	-8 663 441
Loan 2 received	-749 998	-600 000
	-17 607 995	-20 697 216
Interest receivables from loans to European Directories Opholdco S.à r.l.		
Loan 1	394 585	273 515
Loan 2	11 337 706	10 717 202
Total accrued interest	11 732 291	10 990 717
Other receivables	4 766	5 555
Total interest and other receivables	11 737 056	10 996 272

Note 8 Non-current loan receivables and current receivables (continued)

The interest is calculated using the effective interest rate method. The nominal interest rate is 7.24% p.a. + additional interest for the EUR 103,313,950 shareholder loan and EURIBOR 3M + 8.5% for the EUR 79,580,400 senior secured callable floating rate bond.

Note 9 Capital and reserves

Share capital

On 25 October 2013 the initial capital was set at EUR 31,000 represented by 1 unlimited share having a nominal value of EUR 1, which is fully paid-up and 30,999 limited shares having a nominal value of EUR 1 each, which are fully paid-up.

The holders of Limited Shares bear a liability which is limited to the amount of their contribution to the Company as share capital, share premium or capital surplus. The liability of the holders of Unlimited Shares for the liabilities of the Company shall be joint and unlimited, as set out in article 102 of the Companies Act.

During 2013 the entity increased the share capital by an amount of EUR 2,000,000 by way of contribution in kind by issue of 2,000,000 new limited shares of a nominal value of EUR 1 each.

At 31 December 2018 the share capital is represented by 2,031,000 shares with a nominal value of EUR 1 each and with a total amount of EUR 2,031,000.

Legal reserve

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

Dividends on ordinary shares are recognised in the financial statements in the year in which they are approved by the Company's shareholders.

Note 10 Non-current and current financial liabilities and other liabilities

On 10 December 2013 the Company entered into a loan agreement with European Directories Midco S.à r.l. for EUR 103,313,950 the "shareholder loan". The interest is accrued on a daily basis at a rate of 7.24% p.a. + additional interest. The maturity date of the loan is in 2043.

On 10 December 2013 the Company issued senior secured callable floating rate bonds ("Bonds") in the amount of EUR 160,000,000 to the market. The proceeds of the Bonds were used to grant a loan to European Directories OpHoldco S.à r.l., which further used the proceeds to repay all bank debt. The Bonds have been listed on Nasdaq Stockholm since 5 December 2014 ("ISIN SE0005505831").

The initial interest was accrued on a daily basis at a floating rate of 3 months EURIBOR rate plus a 7% p.a. margin. Interest is payable quarterly in arrears. The Bonds' initial maturity date was due on 10 December 2018.

In March 2018, the maturity date of the Bonds was extended from 10 December 2018 to 9 June 2021 and the interest rate margin increased from 7% p.a. to 8.5% p.a.

The Bonds rank above the shareholder loan.

European Directories Midco S.à r.l. has issued a guarantee for the obligations of the Company under the Bonds.

Maturity of borrowings	31 December 2018	31 December 2017
Bond and accrued interest due within one year	393 942	159 452 061
Bond nominal value due between two to five years	78 385 200	-
Interest bearing loans and borrowings due in more than five years	137 264 292	127 997 289
Total	216 043 434	287 449 350

Non-current liabilities	31 December 2018	31 December 2017
Bond issuance	160 000 000	-
Prepayment of bond	-640 000	-
Transaction costs	-2 800 000	-
Amortisation of transaction costs	2 800 000	-
Cancellation of bond	-79 779 600	-
Consent fee cost	-1 593 600	-
Amortisation of consent fee	398 400	-
Total bonds	78 385 200	-
Interest bearing loans and borrowings	103 313 950	103 313 950
Interest capitalised	33 499 497	24 232 494
Set up fee	450 845	450 845
Total interest bearings loans and borrowings	137 264 292	127 997 289
Total non-current liabilities	215 649 492	127 997 289

Note 10 Non-current and current financial liabilities and other liabilities (continued)

	31 December 2018	31 December 2017
Current liabilities		
Bond issuance	-	160 000 000
Prepayment of bond	-	-640 000
Bonds nominal value	-	159 360 000
Transaction costs	-	-2 800 000
Amortisation of transaction costs	-	2 272 797
Total bonds	-	158 832 797
Interest expenses from financial liabilities measured at amortised cost		
Borrowings	10 637 505	9 966 574
Bonds	8 613 272	11 869 520
	19 250 777	21 836 095
Other finance costs	383	721
Total finance costs in the statement of profit and loss	19 251 160	21 836 816
Interest payable beginning of the year		
Loan from Midco S.à r.l.	10 912 182	10 109 049
Bonds	619 265	681 706
Interest expenses paid/ capitalised during the year		
Borrowings capitalized	-9 267 004	-8 663 441
Borrowings paid	-278 000	-500 000
Bond consent fee deferral	1 195 200	-
Bonds paid	-7 912 991	-11 372 575
Total interest expenses paid	-16 262 795	-20 536 016
Amortisation of transaction costs		
Bonds	-925 603	-559 387
Total amortised cost	-925 603	-559 386
Interest payable on borrowings	12 004 684	10 912 182
Interest payable on bonds	1 589 143	619 265
Total accrued interest	13 593 827	11 531 447
Trade and other payables	1 245 381	66 290
Total current liabilities	14 839 208	170 430 534

The Manager assessed that trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 11 Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks:

- Market risk, including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk
- Credit risk; and
- Liquidity risk

The Company's overall risk management programme focuses on the structure of the assets and liabilities. Management aims in achieving risk minimisation through the use of a ("back to back") structure.

Market risk

Price/ Interest rate risk

Market risk is the potential of suffering losses due to changes in market prices or parameters influencing market prices. It includes changes concerning illiquidity of sub-markets resulting in the inability of buying/ selling positions of a specific size, within a specific period of time or at fair value conditions.

Interest rate risk is covered by the structure of the assets and liabilities. Through back to back structuring management consider the interest cash flow risk to be mitigated.

Sensitivity analysis

A reasonably possible change of 100 basis points in the interest rate at the reporting date would not impact the value of assets, liabilities or shareholders' equity in a significant way.

Note 11 Financial risk management (continued)

Currency risk

The Company has no significant currency risk as borrowings and lending contracts are denominated in Euro, the functional and presentation currency of the Company. The Company is only subject to individual insignificant transactions in foreign currency which may arise.

Credit risk

Credit risk is associated with potential losses arising from a business partner's (counterparty, issuer, other contractual partner) default, i.e. its inability or unwillingness to meet contractual obligations, or the deterioration of its creditworthiness, e.g. changes in the issuer credit rating.

The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligations is considered to be the carrying value of loans.

Liquidity risk

Liquidity risk is the risk that the ability to meet payment obligations cannot be ensured at all the times. In economic terms, this is the risk resulting from the Company's exposure to an increase of liquidity premiums. As presented under Note 8. "Non-current loan receivables and current receivables" and 10. "Non-current and current financial liabilities and other liabilities", the Manager ensures that liquidity risk is kept to a minimum by matching the liquidity and maturity structure of assets and liabilities at all time. The remaining contractual maturities of the financial liabilities at the reporting date are presented in Note 10. These maturities are also representing the estimated future contractual cash outflows of the Company in relation with the financial liabilities and this best represents the liquidity risk being faced by the Company.

A change in the interest, currency and market price movements would not impact the liquidity of the Company at the reporting date, value of assets, liabilities or shareholder equity in significant way. The back to back structure of assets and liabilities offsets these risks.

31 December 2018 1000 EUR Maturity of financial liabilities							
	Carrying amount	2019	2020	2021	2022	2023	Total
Non-current loan payables	137 264 292	-	-	-	181 545 211	-	181 545 211
Bond	78 385 200	6 764 334	6 764 334	8 258 636	-	-	21 787 304
Accrued interest on loans	12 398 627	12 398 627	-	-	-	-	12 398 627
Trade and other payables	1 245 381	1 245 381	-	-	-	-	1 245 381
Total	229 293 500	20 408 341	6 764 334	8 258 636	181 545 211	-	216 976 522

Carrying amounts and fair value

The following table shows the carrying amounts of financial instruments. All financial instruments presented are valued at amortized cost using the effective interest rate method. The carrying values of the financial instruments, other than bonds, are considered to be reasonable approximation of the fair value of the financial instruments.

31 Dec 2018					
	Non- current assets		Current assets		Total
		Trade and other receivables	Trade and other receivables	Cash and cash equivalents	
Financial assets are measured at fair value					
Trade and other receivables		202 986 302	11 737 056	-	214 723 358
Cash and cash equivalents		-	-	98 696	98 696
TOTAL		202 986 302	11 737 056	98 696	214 822 054

	Non- current liabilities		Current liabilities		Total
		Interest bearing loans and borrowings	Interest bearing loans and borrowings	Trade and other payables	
Financial liabilities are measured at fair value					
Trade and other payables		-	-	1 245 381	1 245 381
Borrowings		123 405 902	12 004 684	-	135 410 586
Bond issue		79 580 400	1 589 143	-	81 169 543
TOTAL		202 986 302	13 593 827	1 245 381	217 825 509

Note 11 Financial risk management (continued)

31 Dec 2017				
	Non- current assets		Current assets	
	Trade and other receivables	Trade and other receivables	Cash and cash equivalents	Total
Financial assets not measured at fair value				
Trade and other receivables	100 884 325	141 796 272	-	242 680 597
Cash and cash equivalents	-	-	126 377	126 377
TOTAL	100 884 325	141 796 272	126 377	242 806 974

	Non- current liabilities		Current liabilities	
	Interest bearing loans and borrowings	Interest bearing loans and borrowings	Trade and other payables	Total
Financial assets not measured at fair value				
Trade and other payables	-	-	66 290	66 290
Borrowings	100 884 325	10 912 182	-	111 796 507
Bond issue	-	130 800 000	-	130 800 000
TOTAL	100 884 325	141 712 182	66 290	242 662 797

Note 12 Related parties

Related parties of the Company

The Company's related parties comprise the following:

- * Leafy S.à r.l. (and its shareholders)
- * European Directories OpHoldco S.à r.l.
- * European Directories Midco S.à r.l.
- * European Directories GP S.à r.l.
- * Members of the Supervisory Board
- * all other European Directories Group companies

Key management personnel of the Company consist of the members of the Supervisory Board.

Ownership structure

European Directories BondCo S.C.A. is a fully owned subsidiary of European Directories Midco S.à r.l. European Directories Midco S.à r.l. is the parent company of the European Directories Group. European Directories Midco S.à r.l. is a holding company and is registered with the Luxembourg register of commerce under number B 155418. Leafy S.à r.l., the ultimate parent of the European Directories Group, holds 90.00 % of the shares in European Directories Midco S.à r.l.

European Directories Bondco S.C.A. owns 100.00 % of the shares in European Directories OpHoldco S.à r.l. (see Note 7 "Investments in subsidiaries".)

Related party transactions

	31 December 2018	31 December 2017
Loan receivables	216 844 692	286 830 086
Loan payables	137 264 292	127 997 289
Interest income	18 876 771	21 836 095
Interest expenses	10 637 505	9 966 574
Accrued interest on loan receivables	11 732 291	10 990 717
Accrued interest on loan payables	12 004 684	10 912 182

There are no commitments in respect of retirement pensions for members of the management and supervisory bodies. There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of those bodies during the year ended 31 December 2018.

Note 13 Contingencies and commitments

The Manager of the Company is not aware of any significant contingent liabilities as at 31 December 2018.

European Directories Midco S.à r.l. is a guarantor for the obligations of European Directories BondCo S.C.A. under the bond. No other Group companies are guarantors. European Directories Midco S.à r.l. and European Directories BondCo S.C.A. have provided security for certain assets (certain shares, loan receivables and bank accounts) to secure the obligations of European Directories BondCo S.C.A. under the finance documents.

Note 14 Events after the balance sheet date

No significant events occurred after the balance sheet date for the year ending 31 December 2018.

To the Shareholder of
European Directories Bondco S.C.A.
46A, avenue J.F. Kennedy
L - 1855 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of European Directories Bondco S.C.A. (the "Company"), which comprise the statement of financial position as at 31 December 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of loans to affiliated undertakings

a) Why the matter was considered to be one of most significance in our audit of the financial statements of the current period

The Company is a financing entity entering into financing arrangements to fund its subsidiaries ("the Group"). The Company has no substantial assets other than the loans to affiliated undertakings and is therefore mainly exposed to the credit risk of the Group.

Refer to Note 8 “Non-current and current loans receivables and current receivables” and Note 10 “Non-current and current financial liabilities and other liabilities” of the financial statements as at 31 December 2018, the Company raised debt externally, and is passing this on internally by granting loans to the Group companies. European Directories Bondco S.C.A. issued on 10 December 2013 on the Nasdaq OMX Stockholm bonds in the amount of KEUR 160,000 (the “Bonds”). The Bonds had an initial maturity date of 10 December 2018. On 30 January 2018, the Company, announced a proposal to amend certain bond terms and conditions. The proposal was accepted by the requisite majority of bondholders on 9 March 2018. The accepted principal terms include an extension to the bond maturity date from 10 December 2018 to 9 June 2021, an increase in the interest margin of 150bps to 8.5%, a consent fee of 1% to all bondholders and cancellation by the Group of those bonds which it holds.

The Company is interrelated to and dependent on the performance of the Group for repayment of its debt instruments and meeting its financial obligations.

Given this pervasive impact on the financial statements of the Company, we considered this to be a key audit matter.

b) How the matter was addressed in our audit

Our audit procedures included an assessment of the financial robustness of the financial position and liquidity of the Group to assess whether the respective Group entities are able to meet their contractual obligations. To this end we performed, amongst others, the following procedures with respect to the exposure on Group entities:

- Inspect the audited consolidated financial statements of the Group as at 31 December 2018;
- Analyse as Group auditor recent developments in the financial position and cash flows of the Group and whether any conditions existing as at 31 December 2018, or subsequent to the reporting date that may lead to the Group’s inability to meet its contractual obligations;
- Analyse the cash flow forecast of the European Directories’s group cash generating units Fonecta BA, 020202, DTG, Herold and Dogado, as included in the Company and its Parent European Directories Midco S.à r.l.’s consolidated financial statements, to assess the subsidiaries abilities to repay the amounts due ;
- Determine that all interest payments have been made in accordance with the contractual agreements;
- Inspect the amendment to the term and conditions of the Bonds following the completion of the written procedures effective 9 March 2018 to confirm extension of the maturity of the Bonds, and anticipated amendment of the Loans to affiliated accordingly;
- Vouch any subsequent event repayments and settlements of the Loans to affiliated undertakings;
- Assess whether the loans to affiliated undertakings have been adequately disclosed in the notes to the financial statements.

Other information

The General Partner is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the financial statements and our report of “Réviseur d’Entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the General Partner and Supervisory Board for the financial statements

The General Partner is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory board is responsible for overseeing the Company’s financial reporting process.

Responsibilities of the Réviseur d’Entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “Réviseur d’Entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- Conclude on the appropriateness of General Partner use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises agréé" 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 report of "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity and business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "Réviseur d'Entreprises agréé" by the General Meeting of the Shareholders on 7 April 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is four years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014, on the audit profession were not provided and that we remain independent of the Company in conducting the audit.

Luxembourg, 8 April 2019

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Jean-Manuel Sérís