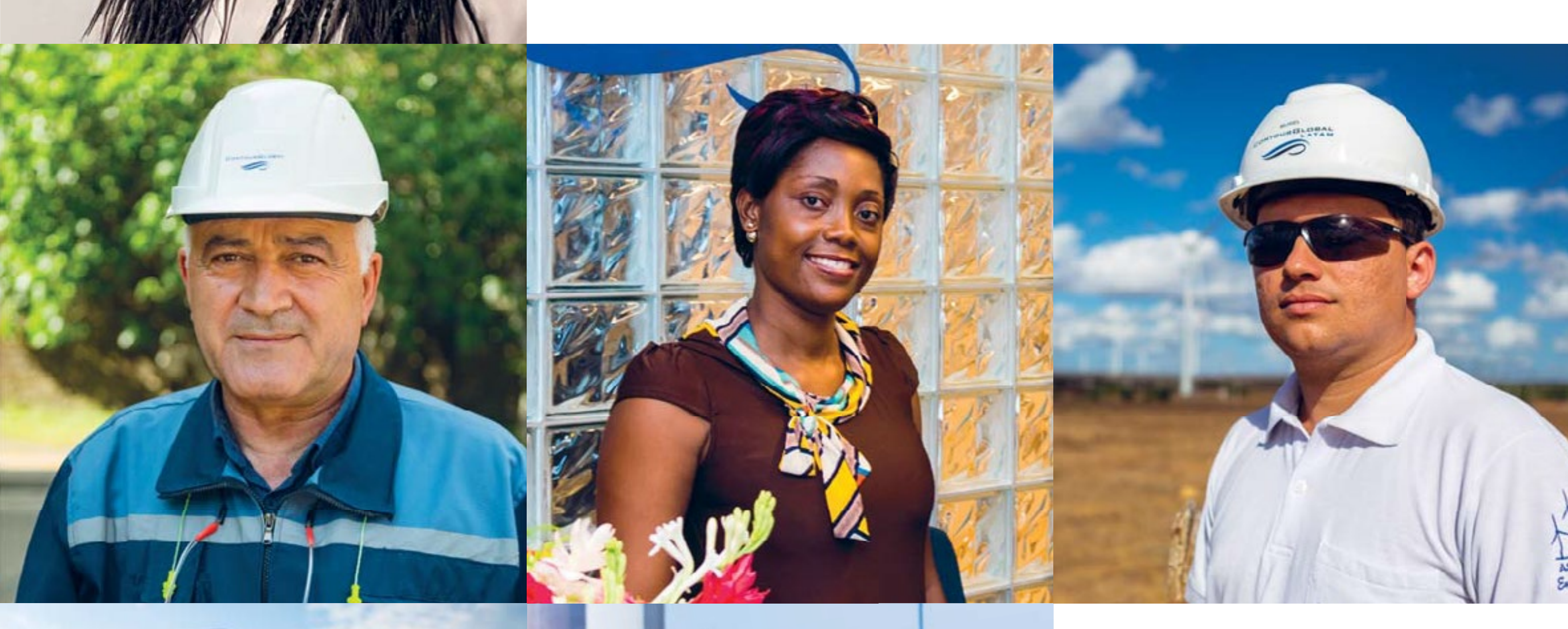
MEETING THE CHALLENGE

Annual Report 2020



HOW WE MET THE CHALLENGE IN 2020

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61 **Brazil** – Focusing on the people around us

73 **Spain** – Embracing continuous improvement

ENERGY FOR LIFE

ContourGlobal develops, acquires, owns and operates power generation assets around the world, producing reliable energy responsibly.

ContourGlobal operates 105 thermal and renewable power generation assets in 18 countries across Europe, Latin America and Africa, with a total installed capacity of over 4.8 GW. A recent North American acquisition in early 2021 expanded our operations to 117 power plants, over 20 countries, totalling 6.3 GW installed capacity.

We create additional value through best-in-class operations both in our existing portfolio and in the new assets we develop or acquire.

Highest health and safety, environmental and social standards are implemented wherever we operate. The reliable energy our plants generate has a positive impact – powering towns and cities, providing heat and light, and enabling modern life to take place around the clock.

As we grow, we invest in improving the places where we live and work. We are proud of the difference we make in the communities and countries in which we operate.

2020

105

Conventional & innovative power plants

2021 (Q1)

117

Plants further to Western Generation Portfolio acquisition

2020

4,804

Megawatts capacity

2021 (Q1)

6,306

Megawatts capacity further to Western Generation Portfolio acquisition

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Joseph C. Brandt,
President and Chief Executive Officer

This report tells ContourGlobal's story of an extraordinary year through the eyes of our people around the world, who faced unprecedented challenges to meet the world's electricity needs. In this Q&A, we share the perspectives of our Chairman, Craig Huff, and Chief Executive Officer, Joseph Brandt.

MEETING THE CHALLENGE OF 2020

Q: WHAT WERE THE BIGGEST CHALLENGES IN 2020 AND HOW DID THE BUSINESS OVERCOME THEM?

JB: We entered the year with meticulous plans but, of course, many of those changed once the pandemic struck. We had essential assets to run but, with some economies in total lockdown, being able to continue generating electricity looked pretty challenging in some parts of the world. However, looking back, it feels as though ContourGlobal was designed to cope during a pandemic. We had a culture of working from anywhere; we were technologically sophisticated and connected; we had reliable business continuity plans at all our plants; and we had invested in great people. As a result, we were totally resilient, we met the main objectives we had set for ourselves at the start of the year – and we kept the lights on wherever we operated around the globe.

CH: Like every Board on the planet, we had to switch to 'governance by Zoom'. That would have been much harder had it not been for the social capital we had built up in the Board – working with the same group of people over the last two years, we all knew each other, making for excellent group dynamics. On top of that, management got ahead of the pandemic from early on and the regular reports they produced kept the Board fully informed throughout.

A more recent, specific concern was about whether management would be able to conduct due diligence on our acquisition closed in February 2021 in the United States and Trinidad & Tobago, with all the limits on travel. However, combining video calls with some well-timed plant visits enabled the whole process to run pretty seamlessly.

Finally, it was hard to interact with our stakeholders, investors and the market in the way we normally would. I am looking forward to doing a lot more of that next year, as soon as conditions permit.

Q: HOW DID THE PANDEMIC CHANGE THE WAY YOU MANAGED THE BUSINESS?

JB: We had to close our offices, but the technology we had in place made it easy to switch to remote working. As an essential service, our plants were able to continue operating, but with massive changes to our operational and health and safety procedures. To give us a good understanding of the impact of coronavirus on our operations, myself and a small group of senior management held calls with every single shift in every single plant. Through video calls, we were able to see and talk to people at all levels of our business even more

than we usually would and, because we had visited plants on many occasions in the past and built good relationships, it made it easy to have candid conversations about what was going on. In Peru, for example, where the lockdown was particularly stringent, we were able to get a good insight from our Health and Safety Manager, who we knew well, to find out how people were being affected. We then put in place psychological support to help them cope with the isolation and lack of communication they were experiencing.

CH: At a macro level, the market was uncertain about our prospects at the beginning of the crisis, but as soon as we showed we were able to continue operating and paying quarterly dividends, confidence was restored.

Q: HOW HAS THE PAST YEAR AFFECTED CONTOURGLOBAL'S VIEWS ON ENVIRONMENTAL SUSTAINABILITY?

JB: The increasing emphasis on this around the world vindicates the stance we took before the pandemic, when we committed not to invest in any new coal-fired plants. We see our future in renewable energy and low-carbon thermal production.

CH: Our commitment to ESG principles is the same as ever, it is vitally important to the way we do business. In 2020, our membership in the FTSE4Good Index was renewed and our rating was upgraded, which I feel is a strong endorsement to our approach.

Q: HOW HAS 2020 CHANGED YOUR GOALS AND PLANS FOR 2021 AND BEYOND?

JB: It has reinforced how important it is to focus on the few things that matter and to be technologically fluent and agile. So, we'll concentrate on a relatively small number of key issues and accelerate our investment in technology to remain nimble.

CH: We will use hybrid methods for future engagement, travel less and be more efficient. We've learned that more routine matters can be executed by video, just as well as in person. But getting closer to our employees, meeting our local teams and seeing how the business operates through plant visits, will always be worth the trip.

Q: WHAT ARE YOU MOST PROUD OF ABOUT THE COMPANY IN 2020?

JB: I am proud that we put people first. We kept people safe and were able to execute all our objectives. Early in the pandemic, we were able to source COVID-19 tests and Personal Protective Equipment before many governments, and were able to ship them to our employees, contractors, and communities. In turn, our people were committed and fearless and I'm hugely in awe of their dedication.

CH: COVID-19 proved the strength of our business model. Management got ahead of the pandemic better than some governments. They met our targets for reliability of supply and, most importantly, focused on the safety of our people.

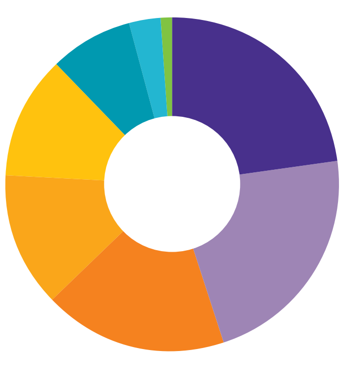
Craig A. Huff,
Chairman

1,381
Employees engaged and motivated to reach their full potential

18,882
Training hours to develop our employees

2020 IN NUMBERS

Capacity split by source

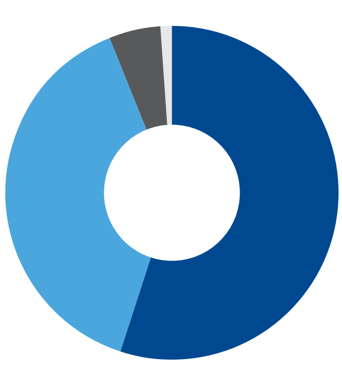


Breakdown[1]	Capacity
Natural gas	23%
Coal	22%
Wind	18%
High Efficiency Cogen	13%
Hydro	12%
Solar	8%
Liquid fuels	3%
Biogas	1%

Capacity split by energy type

Breakdown[1]	Capacity
Thermal	49%
Renewable	38%
High Efficiency Cogen	13%

Capacity split by geographic region



Breakdown[1]	Capacity
Europe	55%
Latin America	39%
Africa	5%
North America	1%

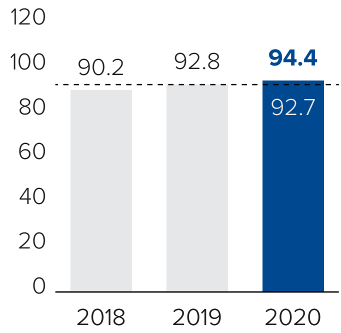
1. Capacity splits based on installed MWs in 2020, excluding Western Generation Portfolio acquisition, closed in February 2021.

RELIABILITY AND EFFICIENCY

Thermal Fleet availability factor (%)

94.4%

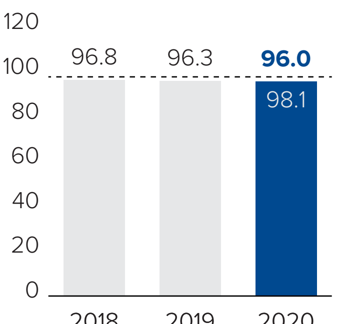
Against a benchmark of 92.7%



Renewable Fleet availability factor (%)

96.0%

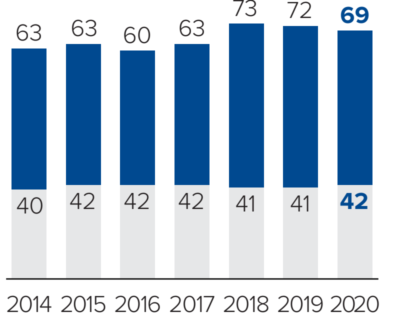
Against a benchmark of 98.1%



Lost Time Incident Rate

0.07

Net efficiency*



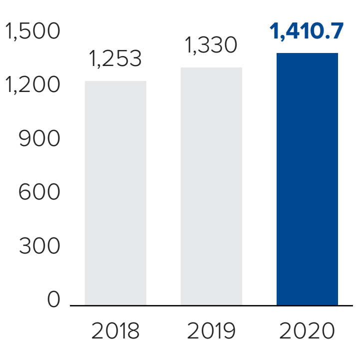
* Net energy produced by the plants / energy consumed

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Revenue ($m)

1,410.7

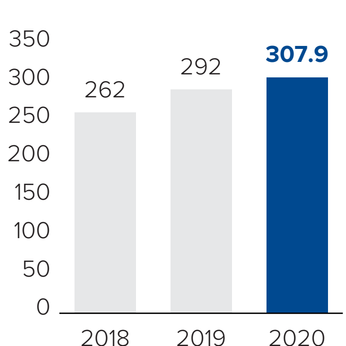
2020 change: 6%



Income from Operations ($m)

307.9

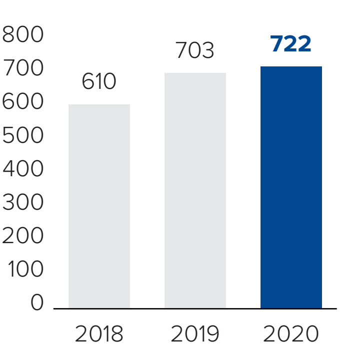
2020 change: 5%



Adjusted EBTDA[1] ($m)

722.0

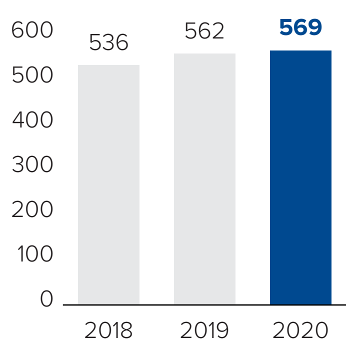
2020 change: 3%



Proportionate Adjusted EBITDA[1] ($m)

568.7

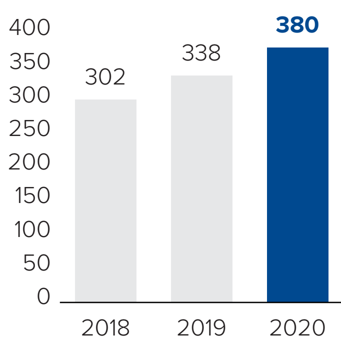
2020 change: 1%



Funds from Operations[1] ($m)

379.6

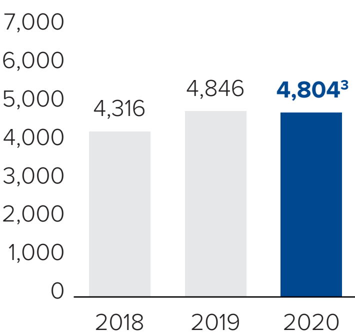
2020 change: 12%



Installed Capacity (MW)

4,804[2]

2020 change: -1%



1. See pages 30 and 31 for definitions.
2. Excluding Western Generation Portfolio acquisition closed in February 2021.
3. Capuava plant transferred to customer and Guadeloupe plant dismantled further to Power Purchase Agreements expiry in 2020.

WHO WE ARE

ContourGlobal develops, acquires, and operates thermal and renewable power plants to generate electricity.

ContourGlobal is a power generation company committed to new growth in low and no-carbon technologies. Since our inception in 2005, we have grown to be an internationally recognized company with technologically diverse assets and best-in-class operations.

ContourGlobal supplies electricity principally in the wholesale market, selling it under contract and regulated tariffs to those who then transmit or distribute it or sell it on to households, businesses, and others in the retail market. Our customers include national grids and utilities that supply these grids, as well as commercial and industrial customers that receive electricity, steam, water, or CO_2 directly from on-site facilities.

Since the vast majority of our revenues are derived from long-term contracts or long-term regulated tariffs with creditworthy counterparties, cash flows are predictable, and risk is relatively low. Over 79% of revenues, not considering the Western Generation Portfolio revenues, are contracted over the next five years.

Our portfolio is diversified across different technologies, geographies, and stages of development. At the end of 2020, we owned and operated 105 thermal and renewable power generation assets in Europe, Latin America, North America and Africa, with a total installed capacity of 4.8 GW. Further to an investment opportunity initiated in 2020 and closed in Q1 2021, our portfolio has subsequently grown by 31%, to 117 plants and 6.3 GW.

Our strategy to invest in low and no-carbon technologies includes innovative approaches to energy storage and fuel sources.

ContourGlobal aims to create economic and social value through high-quality operations, and to support the communities where we work.

The Company's five values and four sustainability principles underpin everything we do.

Our thermal fleet uses conventional fossil fuels:

- natural gas
- biogas
- coal
- liquid fuels

Our renewable fleet uses sustainable resources:

- wind
- photovoltaic solar
- concentrated solar
- hydropower

OUR FOUR SUSTAINABLE BUSINESS PRINCIPLES

Operate safely and efficiently and minimize environmental impacts

Safe and efficient operations are critical to meeting energy demand, reducing environmental emissions, and using resources responsibly.

Grow well

By growing well we can contribute to the development of a clean energy model which can help meet energy needs while reducing the impact on the climate. Further, we can promote energy and economic security and increase energy access, creating economic wealth for investors, our employees, and, indirectly, our communities.

Manage our business responsibly

Managing responsibly - through governance, a commitment to our people, and transparent communication - is a fundamental part of our commitment to pioneering sustainable power generation around the world.

Enhance our operating environment

Promoting energy solutions is critical to enhancing the electricity sector, including solutions to address intermittency of renewable resources and low-carbon alternatives to maintain price stability. Strengthening capacity in the sector, and in the supply chain, promotes transparent processes and new pools of sector expertise and is achieved with the community engagement and investment.

OUR VALUES

1. We care about our people's health, safety, wellbeing, and development
2. We expect, embrace, and enable excellence and continuous learning through humility and the knowledge that we will fail – but when we do, we will learn
3. We act transparently and with moral integrity
4. We honor the commitments of those who have placed their trust in us
5. We work hard and without boundaries as a multinational, integrated team

OUR GLOBAL ASSETS

Our business is international with a concentration in three primary regions: Europe, the Americas and sub-Saharan Africa.

Our seven largest assets

1 — 908 MW
Maritsa, Bulgaria

2 — 800 MW
Arrubal, Spain

3 — 604 MW
Hobbs, United States

15 — 518 MW
Mexico CHP, Mexico

26, 27, 33 — 438 MW
Chapada I, II & III, Brazil

24 — 404 MW
Vorotan, Armenia

25 — 250 MW
CSP, Spain

117
power generation assets, including Western Portfolio Acquisition initiated in 2020 and closed in February 2021.

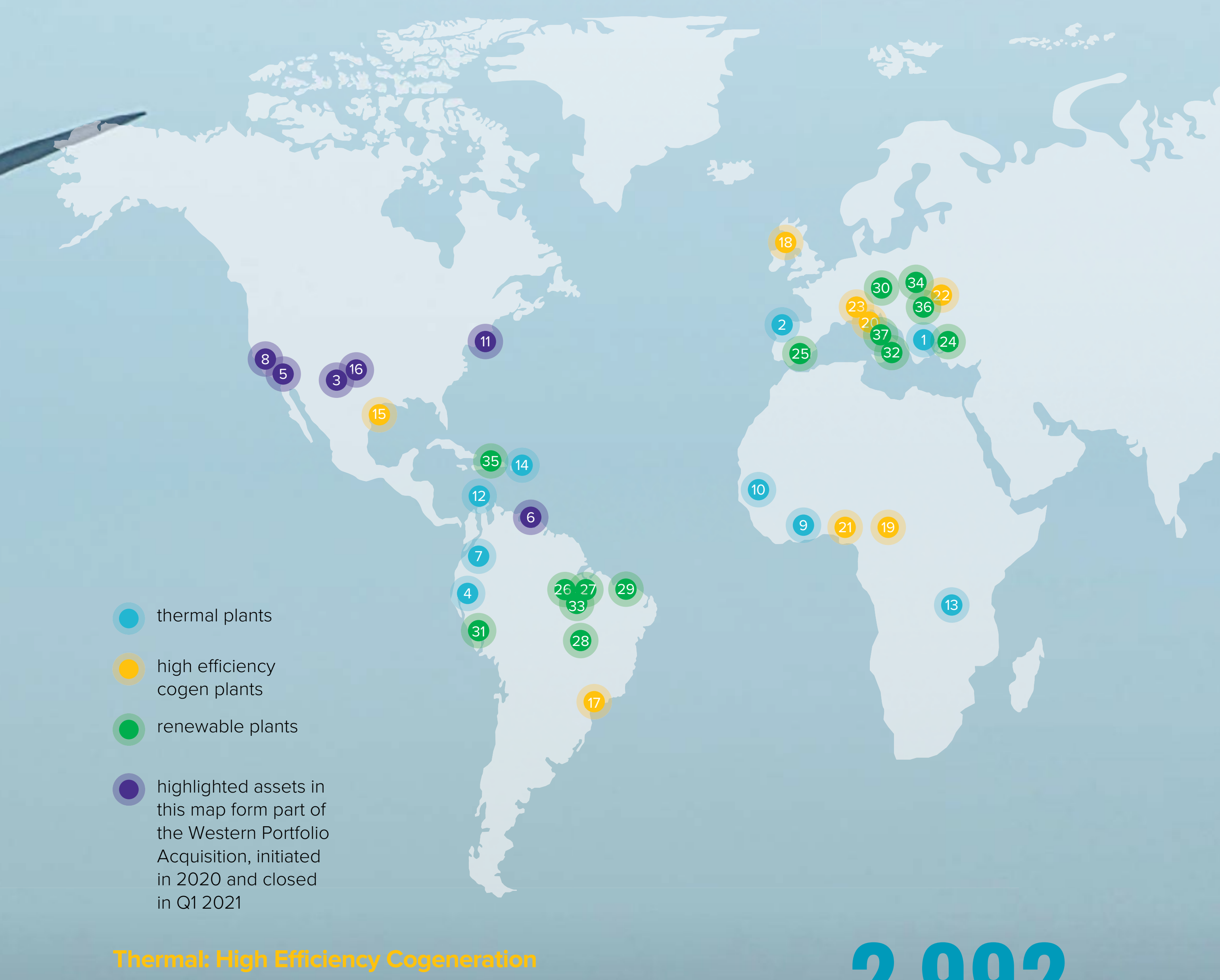
20
thermal plants

+12
thermal plants including Western Generation Portfolio acquired in February 2021

1.	**Maritsa, BULGARIA**	**coal**	**908 MW**
2.	**Arrubal, SPAIN**	**natural gas**	**800 MW**
3.	**Hobbs, UNITED STATES**	**natural gas**	**604 MW**
4.	TermoemCali, COLOMBIA	natural gas	240 MW
5.	Five Brothers, UNITED STATES (5)	natural gas	230 MW
6.	Trinity, TRINIDAD & TOBAGO	natural gas	225 MW
7.	Sochagota, COLOMBIA	coal	165 MW
8.	Three Sisters, UNITED STATES (3)	natural gas	141 MW
9.	Togo, TOGO	natural gas	100 MW
10.	Cap des Biches I & II, SENEGAL	liquid fuels	86 MW
11.	Waterside, UNITED STATES	liquid fuels	72 MW
12.	Bonaire Engines, DUTCH ANTILLES	liquid fuels	27 MW
13.	KivuWatt, RWANDA	biogas	26 MW
14.	Saint Martin, FRENCH TERRITORY	liquid fuels	14 MW

85
renewable plants

24.	**Vorotan complex, ARMENIA**	**hydro**	**404 MW**
25.	**CSP, SPAIN (5)**	**solar**	**250 MW**
26.	**Chapada I, BRAZIL**	**wind**	**205 MW**
27.	**Chapada II, BRAZIL**	**wind**	**172 MW**
28.	Hydro Brazil, BRAZIL (9)	hydro	168 MW
29.	Asa Branca, BRAZIL	wind	160 MW
30.	Austria Wind, AUSTRIA (10)	wind	148 MW



Thermal: High Efficiency Cogeneration

15.	**Mexico CHP, MEXICO (2)**	**natural gas**	**518 MW**
16.	Borger, UNITED STATES	natural gas	230 MW
17.	Solutions Brazil, BRAZIL (3)	natural gas	59 MW
18.	Knockmore Hill, NORTHERN IRELAND	natural gas	15 MW
19.	Solutions Benin, NIGERIA	natural gas	10 MW
20.	Solutions Nogara, ITALY	natural gas	9 MW
21.	Solutions Ikeja, NIGERIA	natural gas	7 MW
22.	Ploiesti, ROMANIA	natural gas	6 MW
23.	Solutions Oricola, ITALY	natural gas	3 MW

2,992
Gross Capacity (MW)

+1,502
Gross Capacity (MW) of the Western Generation Portfolio acquired in February 2021

31.	Inka, PERU	wind	114 MW
32.	Solar Italy, ITALY (48)	solar	77 MW
33.	**Chapada III, BRAZIL**	**wind**	**59 MW**
34.	Solar Slovakia, SLOVAKIA (3)	solar	35 MW
35.	Bonaire Wind, DUTCH ANTILLES	wind	11 MW
36.	Solar Romania, ROMANIA	solar	7 MW
37.	Italy Biogas, ITALY (2)	biogas	2 MW

1,812
Gross Capacity (MW)

MEETING THE CHALLENGE

Despite the terrible toll that COVID-19 exerted on the world, I am proud to report that ContourGlobal turned in a superb performance in 2020. We met our operational and financial targets, while keeping our people safe. This is a real tribute to management and to everyone who works in the business, and I thank them all.

"THE PANDEMIC SHOWED THE STRENGTH AND RESILIENCE OF OUR BUSINESS MODEL, AND THE UNWAVERING DEDICATION OF OUR PEOPLE."

Resilience

The pandemic showed the strength and resilience of our business model, and the unwavering dedication of our people. The fact that we had already invested in advanced technology meant we were able to operate our power plants remotely and switch from working in offices to working from home with relative ease. Secondly, our strategy of working only with high-caliber counterparties meant that the vast majority of our contracts were honored throughout the pandemic, providing financial resilience and strong cashflow. Electricity generation has been regarded as an essential service in the pandemic, and all our plants were able to continue operating.

Community support

Our business principle of social investing in the communities we serve also helped sustain us and the people on whom we rely during the pandemic. We focused the majority of our social investment budget on COVID-19 relief, supplying PCR tests, personal protective equipment, oxygen, and other medical supplies to clinics and hospitals, sometimes stepping in before governments were able to. We are pleased also to have provided essential food to the communities we serve that were hardest hit.

Health and safety

For our own staff, we not only provided the necessary infection control measures but also psychological support, particularly where teams found themselves isolated from their families for weeks on end. Besides the effects of the pandemic, we continued our focus on health and safety, which we see as a critical underlying business principle. We remain one of the safest power generation companies in the world and continue to have a Target Zero for lost time incidents (LTIs). However, after 294 days without any LTIs, we experienced two towards the end of the year. We take these very seriously and have conducted full investigations to understand the causes and how any repetition can be avoided.

Net zero

Having pledged in 2019 not to invest in new coal-fired power plants, we continue our commitment to reducing the CO_2 intensity of our energy production, aiming to achieve net zero carbon by 2050.

Dividends

The strength of our earnings and predictable cashflow enabled us to continue our policy of growing ordinary dividends per share at 10% annually. Dividend cover is strong and stable. The total dividend payable for the full year of 2020 is $107.5 million. The fourth quarter dividend of $4.0591 cents per share, equivalent to $26.6 million, will be paid on 19th April 2021. The dividend receivable in pounds sterling will be based on the exchange rate on the applicable announcement date. Further information on dividends can be found on page 60.

The Company's share price recovered after the dip at the start of the pandemic but does not at all reflect the intrinsic value of the business.

ACQUISITION

In late 2020 we announced the major acquisition of a portfolio of assets in the United States and Trinidad & Tobago, with the transaction negotiated on a bilateral basis, without an auction. This is another demonstration of our business model being successfully applied. In keeping with our objectives, this portfolio of renewable and low carbon thermal plants represents an opportunity where we can leverage our operational excellence to improve performance. Having expertise and experience in the Caribbean allowed us to take on this geographical mix of assets and take advantage of our economies of scale. We will also be able to consider financial optimization of the assets acquired, which have the potential for sell-downs to minority partners at attractive valuations.

People

There were no Board changes in 2020. Whilst we are looking to appoint an additional female Non-Executive Director in 2021, the cohesion of the Board contributed to good decision-making at a time of economic shock, and I would like to thank all my Board colleagues for their contribution during this trying, but ultimately successful year. Let me also use this opportunity to reiterate my thanks and appreciation to all our people for their amazing dedication and selflessness – without them we would never have been able to rise so effectively to the unprecedented challenge that 2020 represented.

Craig A. Huff,
Chairman

CREATING VALUE

OUR INPUTS

Natural resources

Gas, solar power, wind, water, liquid fuel, coal.

Human

Capable, committed, driven.

Capital

Equity investment, debt financing.

Community

Land, infrastructure.

Renewable

Solar

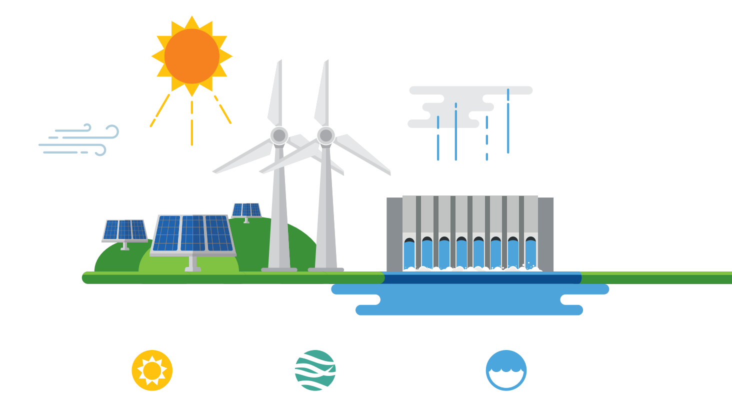
Photovoltaic solar power is generated using solar cells to convert energy from the sun into a flow of electrons. The cells produce a direct current which can be used to power equipment. Concentrated solar power generates power by concentrating sunlight onto a small area using mirrors or lenses. Electricity is generated when this is converted to heat, which produces steam for a turbo-generator.

Wind

Wind turbines harness the kinetic energy of the wind and redirect it to a generator to convert it to electrical power.

Hydro

Hydropower is produced by moving water spinning turbines at speed, which in turn are attached to electrical generators.



OUR WAY OF CREATING VALUE

Utilizing resources, ContourGlobal creates energy to supply electricity to utilities and corporations that is ultimately used to power businesses and homes. Our value creation comes from focusing on our three core strategic principles: **Operational excellence, High growth, and Financial strength**, and also from the ContourGlobal Way of working: operating our power plants safely and efficiently, adhering to the highest standards of corporate governance and business ethics, upholding human rights and labor principles within the Company and in the supply chain, providing excellent customer service, paying our fair share of taxes, promoting sector development, and utilizing technology and innovation to lower emissions. The end result is safe, reliable, accessible electricity.

Thermal

Natural gas and biogas

Natural gas consists mainly of methane and is created as a result of underground decomposition. Biogas can be produced from many biological raw materials. The gas is used as fuel for different technologies to produce electricity.

High Efficiency Cogen

Cogeneration is the simultaneous production of electricity and useful heat. In a regular power plant, the waste heat produced in the generation of electricity is lost, but in a cogeneration plant it is recovered, thus increasing efficiency.

Liquid fuels

Liquid fuels are used in reciprocating engines to produce electricity.

Coal

Coal is burned in a furnace to produce heat. This produces steam which is then piped to a turbo-generator. While we have coal plants in our portfolio currently, we will not be adding new coal capacity in the future.

Linking to our three core strategic principles

The icons below highlight how our business links to our strategy and four principles; they can be found throughout the report:

Operational excellence

High growth

Financial strength

OUR POSITIVE IMPACT

We create a positive impact for...

...talented people

1,381

Employees engaged and motivated to reach their full potential.

...knowledge

18,882

Training hours to develop our employees, an average of 14 hours per employee.

...shareholders

$105.7m

Dividends paid in 2020, in line with our 10% annual dividend increase target.

...assets

4.8 GW

Installed capacity across 107 sites in 18 countries.

...community

46,778

Hours devoted to community education activities (only taking into account education, and not engagement activities). This number of hours is significantly reduced compared to 2019 (~300k hours) due to social distancing measures and redirection of our social projects toward COVID-19 related needs.

...environment

-12%

% reduction in CO_2 intensity of energy production from our 2019 base year intensity of 0.51 to our 2020 intensity of 0.45 (where intensity is Net CO_2 emissions in tonnes/total energy production in MWh).

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A YEAR LIKE NO OTHER

"THE STORIES ABOUT THESE INCREDIBLE EFFORTS BY CONTOURGLOBAL'S PEOPLE WILL BE THE HIGHLIGHT OF OUR 2020 ANNUAL REPORT."

2020 put the accent on "Health" in our "Health and Safety" value and performance. Until last year, most of us in the power industry viewed health as the result of safe working. As an industrial company operating in an inherently risky environment, our daily focus is on the risks that we find in our power plants, not the risks that we might bring through the front door. 2020 changed that. As with nearly every other organization on planet earth, we spent a large part of the year trying to outwit a virus--in our case to keep it out of our power plants, enabling us to keep the lights on. The stories about these incredible efforts by ContourGlobal's people are the highlight of our 2020 annual report. They are stories of courage and dedication, incredible sacrifice, commitment and caring while working under unbelievably challenging conditions. I encourage you to read this witness from a few of these extraordinary people in Peru, Armenia, Spain, Togo and other locations. They are helpfully indexed on the inside front cover of our report for easy navigation.

In the early days of the pandemic it took courage to walk out the front door and go to work each day.

ContourGlobal's front-line workers work in power plants. They can't work from home. We were fortunate to have been declared an essential business in every country where we operated. Many, many fine businesses were not so fortunate and suffered severely as governments the world over forbade certain business activity. But to be able to work is one thing. To actually do it is another. Our crews sacrificed for their communities, their countries and ContourGlobal. In the early days of the pandemic it was hard for many of our people to leave their homes. It was scary. Our people worried that they would become infected commuting and working and then bring the virus back to their families.

While that worry never went away, other challenges made work in 2020 much harder than before. Workers in high-risk categories isolated at home. This meant fewer workers on each shift which meant more work and longer hours. At work, everything was more complicated. We continuously changed work routines, PPE requirements, testing and staffing. This made the day longer and more challenging and therefore riskier. Our operations team led by Karl Schnadt and Quinto Di Ferdinando did an excellent job designing new ways of working—we conducted inspections, health and safety audits and performed major maintenance remotely using smart glasses that let us bring expertise virtually into the plants when travel was restricted. We innovated in other ways, for example investing in technology such as UV-C to keep the virus at bay in closed spaces and obtaining

independent third-party review of our work practices in Spain where we received COVID-19 certification from AENOR. Faced with uncertainty as to when and whether travel would be possible, within three months we configured every power plant so that it could be operated remotely or largely so. We also rejiggered our outage schedules to push our major maintenance outages to later in the year given the unpredictability of emerging lockdown policies. Karl and Quinto did a masterful job wedging our major outages in Europe and Africa into the mostly quiet summer period which proved the calm between the two COVID storm surges of 2020.

Our corporate service teams, all working remotely following our closure of offices in February, reoriented their work to first support our power plant teams. The reinvigoration of purpose and service of our remote teams was vital to our efforts to remain available and operational. Very early in the pandemic we realized that COVID-19 testing capabilities could keep the virus out of our facilities. We also perceived that waiting for national governments to obtain tests would lead to unacceptable delays. Our procurement team in Bulgaria, led by Bilyana Aleksieva, acquired hundreds of thousands of PCR tests by April and distributed them throughout the world, first to our businesses in Armenia, Bulgaria, Mexico, Peru and Togo and shortly after in Austria, Brazil, Rwanda and Spain, working in an unprecedented way with local laboratories and health authorities. In many of our countries of operation we introduced some of their first tests and in all countries, we offered donations of testing platforms and the tests themselves to make testing more available. We also procured a global COVID-19 specific insurance policy to provide everyone in the company with income protection in the event they were hospitalized because of the virus.

These new ways of working required new types of expertise. Early in the pandemic we were literally "dialing for doctors" to obtain advice about infection, mitigation and testing. Later we were able to bring in more structured advice and support by partnering with Columbia University's School of Public Health's ICAP program for input into our testing protocols and work policies.

"Heroic" is fair characterization of ContourGlobal's front-line workers in 2020. But for some even more was asked. As Ara Hovsepyan, who leads our business in Armenia, relates on page 19 of our report, when the pandemic hit, our Vorotan hydroelectric project was undergoing a multiyear major rehabilitation project with numerous suppliers and contractors sourced from abroad. Convincing these teams to continue to stay and work on site was no small task and involved procuring tests very early in the pandemic and adopting Isolation Work Mode. Somehow Ara, our plant manager Aram, Yolyan and the team managed to keep the work going and maintain most of the contractors on site. Then came war: 8 km from our plant terrible fighting broke out between Azerbaijan and Armenia causing the inevitable requisitioning, mobilization, and temporary loss of a third of our workforce, along with the repatriation of our foreign workers.

Vorotan's challenges were reminiscent of those which the Kramatorsk Heat and Electricity company faced in 2013 when war broke out in Ukraine's eastern region. At the end of the year we awarded the team a special award for heroism, commitment and courage—for keeping the lights and heating on in this eastern Ukrainian town despite it being at the epicenter of the war in Ukraine's Donetsk region. We sold KTE in 2017, but the Kramatorsk Award lives on, granted as merited. Vorotan joins KivuWatt as the third recipient of the Kramatorsk Award and it was an easy decision to make.

Todor Kolev received an award for heroic commitment and dedication, just the second time we have granted an award named after one of our early leaders, Dag Adolfsson. Dag was a "go anywhere, do anything" guy whose early travels with us took him from western Minnesota to the Brazilian interior and the shores of Togo. Todor's incredible commitment honors Dag—over the past several years he has spent 600 days abroad supporting our power plants with his technical expertise and was critical to our commissioning efforts in Mexico in 2019.

Our ability to operate well and keep our teams safe from COVID-19 in 2020 unfortunately didn't extend to Target Zero and we experienced a setback with two Lost Time Incidents, the most since 2016. Moreover both were very serious. One in Vorotan could easily have resulted in the death of one of our employees and one in Mexico was but a step away from serious burns. It is tempting to conclude that the incredible reorientation to protect health caused us to take our eye off of safety but we need to do better in 2021 and finally achieve Target Zero.

ISOLATION WORK MODE

To add a bit of backstory to one of these COVID-19 memories, Koete's explanation of "isolation work mode" on page 40. "Isolation Work Mode" was a term the operating teams coined to describe a way or working during the early stages of the pandemic when an entire shift would test for COVID-19 and then literally live in the plant for 3-6 weeks, living and working together and eliminating all physical contact with the outside world. Being self sufficient meant, cooking meals on site with food brought in at the beginning of the stay. We asked Koete at a company event late last year what he would do differently were his team to enter isolation mode again. His quick reply— "organize our meals as well as the second shift did! We didn't have any time and they had four weeks. They planned their meals, froze seafood, and even convinced a chef to isolate with them. We didn't have the time to do that, so we ate everything out of a can or a box. Next time, we go second!"

Despite these challenges we had a very strong operating year in 2020, building upon last year's successes. Equivalent Availability Factors ("EAF") were excellent across the entire thermal fleet including at the newly commissioned CGA CCGT (Combined Cycle Gas Turbine) in Mexico in its first full year of operations. Total thermal division EAF was 94.4% compared to 92.8% in 2019, both excellent results. EAF for our CCGT, Engine and coal plant clusters was better than last year with only the Solutions cluster lower, reflecting planned outages in the first full year of operations at CGA in Mexico. Cost control and capex management were also excellent in 2020 and better than plan in all but one asset cluster. Our operating teams did an amazing job managing fixed costs and capex in 2020 even with increased costs associated with COVID-19 mitigation and testing measures with fixed costs 9% below their 2020 plan. Similarly, capex was also 9% below budget.

Operating performance in the renewable fleet was similarly strong with EAF within 0.30% of last year's achievement at 96.0%. Each of Spanish CSP, Italian and Slovakian solar, and wind (Brazil, Peru and Austria) were at or better than last year's results. Only hydro was lower, reflecting an extended forced outage at one of our plants in Brazil. All of our wind assets including our large complex in Brazil performed better than in 2019.

Renewable resource performance in 2020 was generally good and highlighted once again the benefit of having a diverse portfolio of assets. Production was approximately 8% below budget with most of the variance the result of disruptions in Armenia. Solar was virtually on budget, and wind was approximately 5% below plan with an extraordinary wind year in Peru being offset by lower resource in Brazil and Austria. Overall, the deviation in resource-related production resulted in a 4% reduction in renewable EBITDA vs plan, with a mere 1% impact on global consolidated adjusted EBITDA from 2019. Fixed cost control in the renewable fleet was excellent and 17% below plan, non-fuel Operation & Maintenance per unit of energy delivered was likewise excellent and on plan. Similarly, capital expenditures were well managed --approximately 12% below plan.

Cash distributions to the parent company--the entity that pays dividends, interest and provides capital for new investment—known in the covenants of our bonds as Cash Flow Available for Debt Service (CFADS)—is a key financial measure for the company as it reflects all of the cash received at the parent company which is then allocated according to our strategy. We also believe that the ratio of those distributions to the recourse debt that is held there, is the best measure of our financial leverage, given that nearly all of our additional debt is non-recourse project financing that sits at the asset level. CFADS in 2020 was $274 million, approximately 10% higher than in 2019, reflecting the continued strength and resilience of our business model.

Growth, Capital and Market Outlook

At year end, literally one day after we announced a major acquisition in the United States and the Caribbean, we entered the bond market to proactively refinance an existing tranche of debt, successfully extending tenor by five and seven years and locking in the lowest ever interest rates since first entering the bond market in 2014. The five and seven-year notes were priced at 2.75% and 3.125% respectively and were significantly over subscribed. Our performance in the fixed-income market over the past seven years is important for our growth story given the capital-intensive nature of our business. Continued performance and credibility in this market is critical to executing our ambitious growth program.

December saw us announce a significant acquisition in the United States and the Caribbean, in Trinidad & Tobago, of 1,502 MW of contracted, flexible gas-fired generation anchored by three large assets in New Mexico, Trinidad and Texas, the latter of which is a large combined heat and power asset joining our Solutions fleet. This is our second largest acquisition to date, besting by $150 million our acquisition in Mexico in 2019 and represents our third Class I transaction in three years. We see significant opportunities for continued acquisition and greenfield growth in the dynamic US market.

This acquisition increases our installed capacity by nearly 30% and provides opportunities to further expand our presence in these key markets, markets which are adjacent to or in geographies where we already operate. It adds two substantial assets in the Southwest Power Pool (Texas and New Mexico) and two clusters of flexible generation assets in California. The assets are either the newest and most efficient assets in their respective markets or integral resources for ensuring reliability and supporting the transition to renewable grids. In all the markets the assets are expected to maintain their competitive positions given the lack of currently contemplated new build baseload capacity in each region.

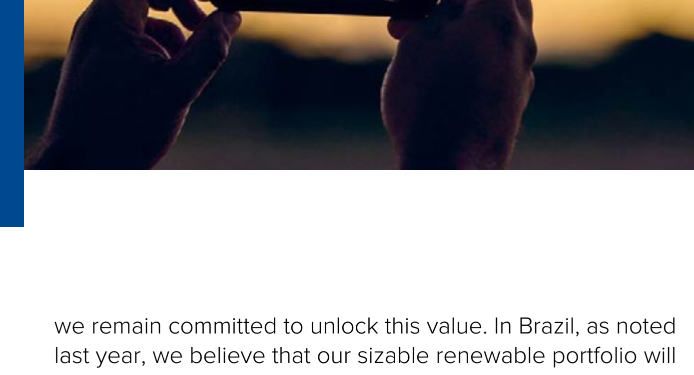
Outlook

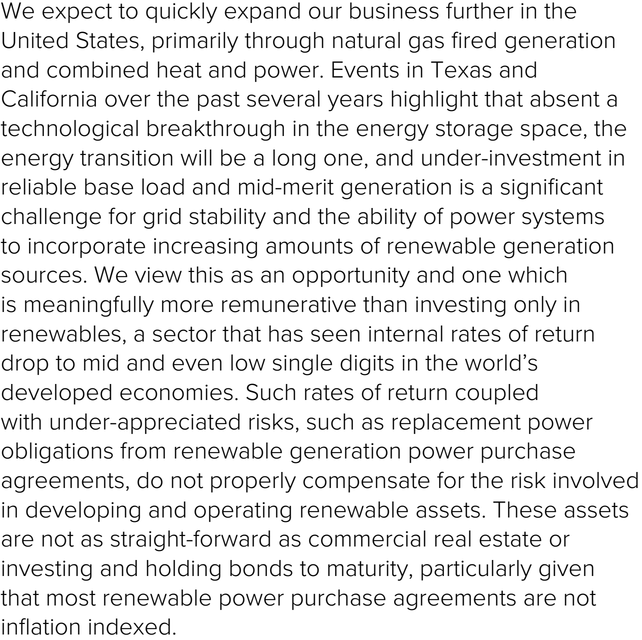
We closed the acquisition in mid-February of this year and operations have been excellent even at the two major assets in Texas and New Mexico during the record setting cold snap that created havoc in the Electricity Reliability Council of Texas ("ERCOT") market.[1] Both were fully available during the week of record cold and this despite abnormally low temperatures. Importantly, the terms of our contracts do not require us to supply replacement power in the event of outages which is the source of the financial carnage that we have seen throughout the generation sector in ERCOT. The absence of replacement power obligation is consistent with the approach we have taken throughout the portfolio and is rooted in our intentional approach to the risks that we are willing to take in our contracts, of which replacement power is not one of them.

1. Neither of these assets is located within ERCOT, but rather the South Western Power Pool (SPP)

THE CG WAY

The CG Way is both the way we work and a leadership training program now in its seventh iteration. Not surprisingly, in 2020 CG Way VII was held virtually. Somewhat surprisingly given the remote nature of the event, over 500 employees attended facilitated by simultaneous interpreting into seven languages, and received very positive reviews with 99% of attendees stating in a follow-up survey that they were “extremely satisfied” (45%) or “satisfied” (54%) and with similarly high marks for the content and experience.





We expect to quickly expand our business further in the United States, primarily through natural gas fired generation and combined heat and power. Events in Texas and California over the past several years highlight that absent a technological breakthrough in the energy storage space, the energy transition will be a long one, and under-investment in reliable base load and mid-merit generation is a significant challenge for grid stability and the ability of power systems to incorporate increasing amounts of renewable generation sources. We view this as an opportunity and one which is meaningfully more remunerative than investing only in renewables, a sector that has seen internal rates of return drop to mid and even low single digits in the world’s developed economies. Such rates of return coupled with under-appreciated risks, such as replacement power obligations from renewable generation power purchase agreements, do not properly compensate for the risk involved in developing and operating renewable assets. These assets are not as straight-forward as commercial real estate or investing and holding bonds to maturity, particularly given that most renewable power purchase agreements are not inflation indexed.

We do continue to see selective opportunities in the renewable energy space, specifically in those technologies and in those regions where we are active. We will invest when we can obtain rates of return which reflect the risk inherent in developing and operating power plants, and will find those by leveraging our time-tested development and operating capability and bringing in low cost of capital partners looking for world class operators who can manage their investment in power plants. In the past year we have added renewable MW (Megawatt) to our businesses in Bonaire, Austria and Armenia, for example, and continue to see opportunities where we can leverage our operating platform including in the newly acquired assets in the United States and the Caribbean. We also see that our renewable assets have meaningfully appreciated in value when viewed through the prism of market comparables. These values magnify the valuation discrepancy in the public market and we remain committed to unlock this value. In Brazil, as noted last year, we believe that our sizable renewable portfolio will be valued much higher by Brazilian-based investors in either the private or public market and despite the interruption of our divestiture process due to COVID-19, we will continue to seek transactions that will place these assets in local hands.

In connection with the approval and publication of our most recent Sustainability Report in October 2020, our Board of Directors approved a new sustainability strategy. Building upon our earlier announcement that we would no longer invest in coal, we committed to new climate targets, including reducing our Scope 1 CO_2 emissions intensity by 40% by 2030 and achieving Net Carbon Zero by 2050. We undertook limited assurance of our Scope 1 CO_2 emissions and reported to the CDP (formerly Carbon Disclosure Project) for the first time. Coincident with the discontinuation of the Kosovo lignite project, this new strategic commitment highlights a meaningful reduction in CO_2 emissions and the reality that our portfolio of 117 power plants includes only 1.5 coal fired plants, representing 13% of adjusted EBITDA.

Elsewhere, changes to our sustainability strategy were modest, reflecting that our existing four principles—to operate safely and efficiently and minimize environmental impacts, to grow well, to manage our business responsibly and to enhance our operating environment—continue to capture our group strategy, and its sustainability components. Importantly, it reflects that our sustainability commitments are central and integrated into our strategy and operations, a living set of commitments that ContourGlobal’s people see as part of the CG Way, not something that lives only in an ESG or sustainability silo.

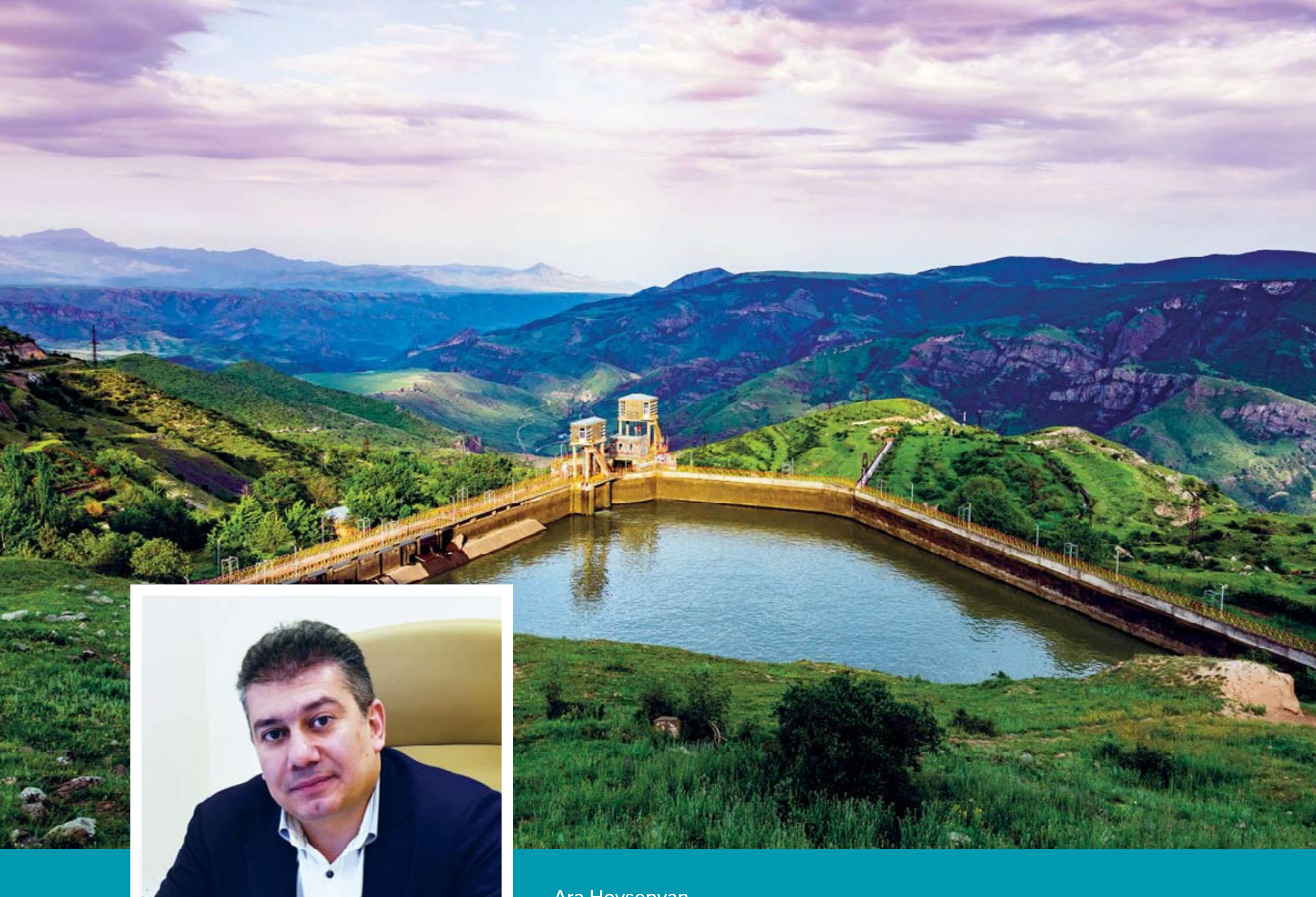
As noted last year, we believe we will see meaningful opportunities in the CO_2 capture and storage space, an area where we have been first movers incorporating capture and storage into power plants. Our first project was in Romania in 2010 at one of Coca Cola Hellenic's bottling facilities where we integrated carbon capture into our combined heat, power and chilled water plant. We have subsequently successfully implemented 5 projects in Europe and Africa, producing food grade quality CO_2 and demonstrating superb and long-lived operating performance. We see this opportunity growing and with larger projects, reflecting the realization that achieving the ambitious goals of the Paris Accord will require multiple approaches and mechanisms to reducing global CO_2 emissions.

We have for years been a leader in hiring, promoting and retaining women in senior leadership positions, an achievement recognized this year in the final Hampton-Alexander Review which ranked ContourGlobal fifth out of the FTSE 250 companies when it comes to woman in executive management and one level down. While we are rightly proud of this achievement, we have struggled to achieve similar success in the diversity of our power plant management where we only have three female power plant managers in our group. We have launched a new initiative to replicate our success at the top of the organization to the top of the power plants and expand female leadership in this traditionally male dominated sector.

For all of us, 2020 was a year like no other. ContourGlobal was privileged to continue operating but delivering this extraordinary set of results in a year of unprecedented challenge was due to our people. The performance of ContourGlobal under the enormous pressure of this global pandemic bodes well for its future.

Joseph C. Brandt

Joseph C. Brandt.
Chief Executive Officer
18th March 2021



Ara Hovsepyan,
General Manager based in Yerevan
(Vorotan Complex), Armenia

ARMENIA

DEMONSTRATING RESILIENCE

The resilience of ContourGlobal and its people is nowhere better demonstrated than in our Vorotan hydroelectric business in Armenia. General Manager Ara Hovsepyan tells the story:

"We had to contend with not just one but three crises in 2020. Not only did we, like the rest of the world, face COVID-19, but we also had a conflict on our doorstep and a major downfall of available water resources due to unfavorable snowfall and melting. Yet we were successful in continuing operations and maintaining our plants against all the odds, showing a high level of availability (97.8% in 2020, compared to 97.3% in 2019).

"As far as the pandemic is concerned, all three of our hydro power plants were in lockdown between March and June. We had a team of about 30 people whom we had to support through isolation throughout that period.

"But on top of that, we found ourselves near the front line of a conflict that was being fought on our borders – only 8km away – for 44 days between September and November. It was so close that we could hear gunfire and feel the vibrations of tanks and heavy artillery. 30 of our staff were mobilized. Thank goodness, they did not see direct action. However, this depleted our staffing by about 25%, putting more strain on the team that was left. In view of the military threat, we upgraded security at all our plants and improved our communication systems. We supported the families of employees unable to work and even donated life-saving equipment to nearby medical clinics.

"As if that were not enough, low rainfall and snow melt in 2019 meant that water levels in the rivers that feed our plants were at a 20-year low. We were planning a major electromechanical refurbishment of our generators, but the conflict and pandemic combined meant that suppliers delayed delivery of the necessary parts and labor, claiming 'force majeure'.

"The team put a lot of effort into continuing to improve on our H&S performance record, scoring highly on all leading indicators. However, we had an LTI in September that left one of the reservoir personnel injured, who has now fully recovered. The team has drawn conclusions from the failure and re-affirmed its commitment to achieving Target Zero LTI performance from now on.

"The fact that we got through all this, maintaining electricity supply, is a real tribute to our people. Their commitment is remarkable and I am really proud of them!"

CHANGING DYNAMICS

The COVID-19 pandemic highlighted the importance of the Social aspect of Environmental, Social and Governance considerations.

KEY POWER MARKET TRENDS

- Growing emphasis on climate change – trillions of dollars forecast to be invested in green energy
- Battery manufacturing capacity growing rapidly – but still small relative to overall demand
- Thermal power continuing to be essential, especially as a source of reliable base load and back-up
- Carbon capture increasing as a means of containing CO_2 emissions, aside from the rising cost of CO_2 quotas

ContourGlobal has had a deep commitment towards sustainability from inception. Since 2010, we have been signatories to the UN Global Compact that supports businesses in aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption, and in taking strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation. In support of the UNGC environmental principles and the Sustainable Development Goal on climate, we have reduced our carbon intensity over the past five years. We are committed to further reducing our intensity by 40% by 2030 and to be net carbon zero by 2050.

Recent times have seen an acceleration of the existing trend of Environmental, Social and Governance (ESG) considerations being front and center in investment decisions. The recent COVID-19 crisis has focused minds on the importance of resilience and sustainability, pushing decarbonization up the agenda, but also highlighting the importance of the 'S' in the ESG framework.

COVID-19 has had both a short- and long-term effect on carbon dioxide (CO_2) emissions. The pandemic-induced global economic slowdown in 2020 reduced greenhouse gas (GHG) emissions – but this is likely to only be temporary. Ahead of the 2021 UN Climate Change Conference (COP 26) there remains continued focus on achieving the emissions targets of the Paris Agreement, and ContourGlobal's targets are aligned with the Agreement.

The spotlight the pandemic threw on resilience has made populations, governments and – significantly – investors around the world more conscious of the threats to public health. Companies that demonstrated resilience to external shocks were increasingly seen as safer.

Recognizing the relatively challenging economic and social conditions that populations face around some of our plants, ContourGlobal has made it its mission to invest for social good in the communities where we operate. In 2020, we focused most of our social investments on providing food where it was scarce and on donating important medical supplies, such as personal protective equipment, PCR tests and other clinical products.

As a result of the COVID-19 crisis, governments around the world have increased their emphasis on investment in clean energy, both to improve environmental sustainability and to boost job growth. US President Biden, for example, has pledged to transform energy production and achieve 'environmental justice', with a plan committing $2 trillion for clean energy and infrastructure investment[1].

Our global investment strategy is the driver behind achieving our carbon impact targets, starting with our commitment not to develop or acquire coal power plants in the future. Investing in no- and low-carbon generation, combined with deploying carbon technology and energy storage, is a critical part of our strategy as demonstrated by our recent acquisitions.

We have also begun the process to enable us to raise capital specifically for projects that will promote our investment strategy and mitigate risks associated with climate change: our Green Bond Framework was verified this year and in 2020 we were able to finance our growth activities at record-low interest rates of 2.75% and 3.125% for our respective 6 and 8 year €710m senior secured notes issued in December.

The contribution of wind and solar to power supply is expected to reach 25% of global power output by 2040. In the US, the Energy Information Administration predicts that solar power generation will rise tenfold by 2050, giving renewables more than one-third of the market[2]. Given ContourGlobal's expertise and experience in wind, solar, hydro and other green energy sources, we are well placed to contribute to and capitalize on this relative growth in demand for renewables.

Battery storage

Storage solutions work well over a timeframe of hours – storing solar power to use in the evening, for example. But longer-term storage poses a greater challenge. Nevertheless, $60 billion is expected to be invested in battery storage in the next five years, with average duration estimated to double from around two hours in 2018 to around four hours in 2024. Wood Mackenzie estimates that battery manufacturing capacity will reach 1,341GWh in 2030, a fourfold increase compared to 2019 levels[3]. Storage costs are also expected to continue to fall. In the US – the largest market – research group BloombergNEF forecasts that battery capacity will surpass 32 GW by 2025, up from less than 5 GW in 2020[4]. Nevertheless, this still represents only a fraction of the more than 1,000 GW electricity generating capacity in the US[4].

Batteries play an important part in our electricity generation on the Caribbean island of Bonaire, where we operate a hybrid plant utilizing wind turbines and diesel engine back-up. We employ three sets of batteries that can sustain up to 6MW for one hour. This allows us to switch smoothly from renewable to diesel when the wind falls, without any loss of power to the island grid. We aim at expanding this technology and similar projects in the region.

Reliable energy supply

While renewables will undoubtedly grow as a share of overall energy sources, they continue to be exposed to variable reliability caused by their dependence on the elements and still-immature battery technologies. Thermal energy will therefore continue to play a key role in the energy mix, not least as a reliable source of base load. In 2018, fossil fuels accounted for almost two thirds (64.2%) of electricity generation worldwide[5]. Thermal energy excluding Solutions and high efficiency cogeneration accounted for 33% of ContourGlobal's production in 2020 and we plan to reduce this progressively so that we can meet our medium- and long-term targets for decarbonization. In this perspective, when thermal is the most relevant solution for a region, we foster investment in high-efficiency cogen plants and natural gas fired-plants, representing respectively a 748 MW and 1,200 MW growth in Mexico, United States and Trinidad & Tobago in 2019-2020 (including Western Generation Portfolio growth initiated in 2020 and closed in 2021).

Carbon capture

One way to minimize carbon emissions even when burning fossil fuels is to capture the carbon generated. The CO_2 can either be transported and stored deep underground or the CO_2 can be utilized for a variety of industrial purposes – such as the production of synthetic fuel or in the food and beverage industry. According to the International Energy Agency[6], carbon capture technology is expected to grow rapidly in the coming years. ContourGlobal's expertise in carbon capture at our Solutions "quad-gen" plants in Europe will prove invaluable as we continue to deploy this technology across our fleet.

"OUR PIONEER SPIRIT LED US TO EXPLORE INNOVATIVE POWERING SOLUTIONS, IN RWANDA, BONAIRE OR IN OUR SOLUTIONS FLEET, AND PLACES US WELL TO MEET TOMORROW'S POWER SECTOR CHALLENGES"

1. https://www.ey.com/en_gl/government-public-sector/can-we-warm-a-cooling-economy-by-cooling-a-warming-planet.
2. Quoted in Financial Times, in February 2020.
3. Power and Renewables Insight, Wood Mackenzie, August 2020.
4. Quoted in Financial Times, in February 2020.
5. BP Statistical Review of World Energy, 2019, quoted in https://www.brookings.edu/essay/why-are-fossil-fuels-so-hard-to-quit/.
6. https://www.iea.org/fuels-and-technologies/carbon-capture-utilisation-and-storage.

Priysham Nundah,
Chief Operations Officer, Africa and KivuWatt Director of Operations

RWANDA

PROVIDING VITAL SUPPORT

Our KivuWatt business supplies more than one third of Rwanda's electricity, generating power from the methane in Lake Kivu, despite constituting only 10% of the installed capacity. So its business continuity plan became paramount when the pandemic struck, says Chief Operations Officer, Africa and KivuWatt Director of Operations, Priysham Nundah:

"There were two sides to business continuity: planning operations and maintenance while keeping everyone safe, and keeping people's spirits up in very challenging circumstances. On the former, I reviewed our office and plant teams' pattern and structure, creating COVID-19-secure 'bubbles' to avoid cross infection. We switched to paperless processing and smart monitoring wherever possible, and rescheduled planned maintenance.

"On the people side, I held several awareness campaigns on how to implement social distancing and sanitizing measures – particularly important as we were dealing with 13 different nationalities in our workforce and a strong local culture of hugging and shaking hands on greeting. We supported employees and their families by providing masks, hand sanitizers, access to PCR testing and a medical support hotline. I held weekly briefings with all staff, partly to update them on our latest risk assessments and control measures and partly to give them psychological reassurance. It was tough for people to work remotely and without seeing their families for long periods. To improve morale for those locked down, we organized social events like FitBit competitions and a cocktail hour on Friday afternoons.

"The biggest challenge we faced with borders shut was availability of food and drink. We built an on-site stock of food to last three months, buying what we could at the local market, and even imported emergency survival rations. We drew water from Lake Kivu and treated it, making us self-sufficient in drinking water.

"Recognizing our responsibility to the community, we distributed food to over 3,000 local inhabitants, many of whom had lost their jobs due to the pandemic. For employees, we provided accommodation and internet connectivity, so that they could stay in touch with their families.

"I am proud that we completed the year with an average availability of 93% and a capacity factor of 91%. But the most heart-warming moment for me came during an all-staff meeting, when someone said that our plant in Kibuye was like a home away from home and the team all one big family."

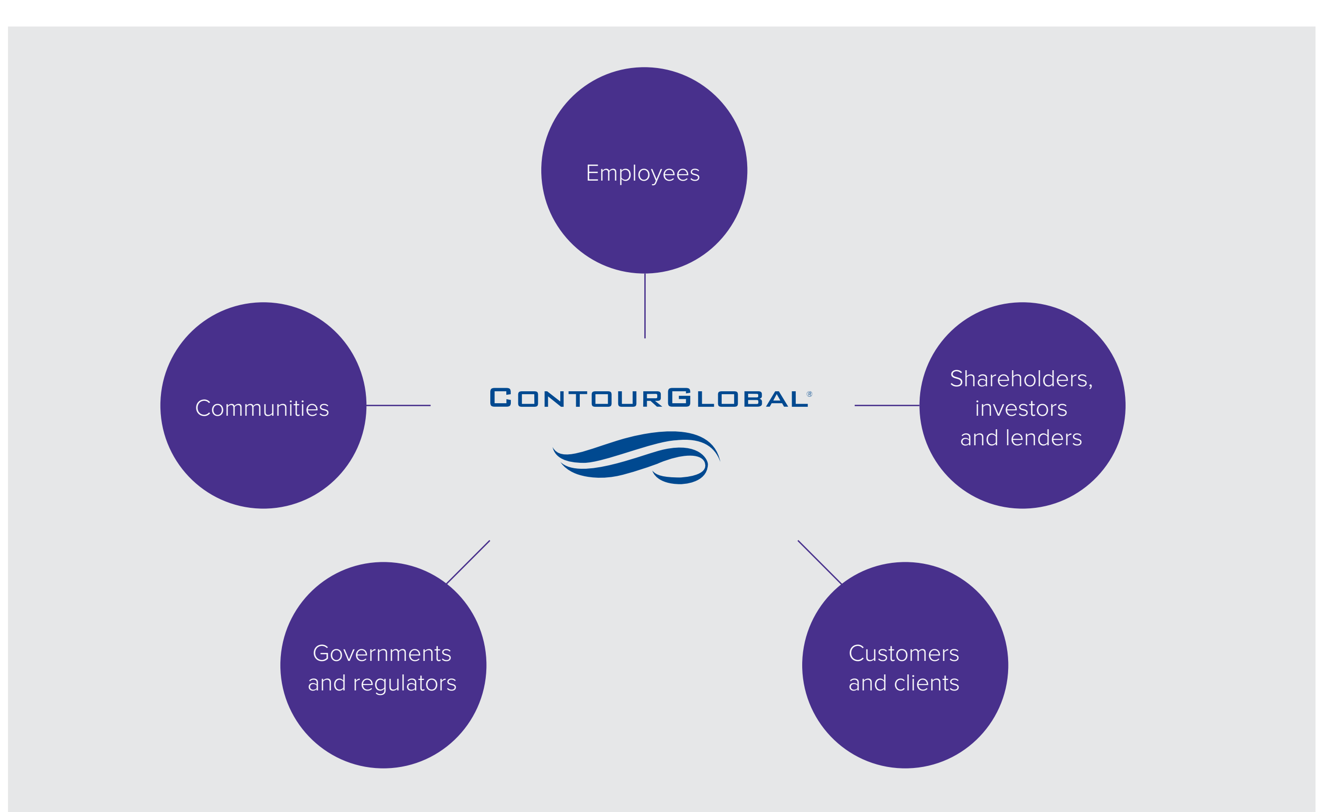
WORKING IN PARTNERSHIP

As responsible leaders in power generation, and in accordance with our Section 172 obligations described below, we engage closely with our key stakeholders in line with our commitment to make a positive long-term impact around the world. In 2020, the Board engaged closely with our response to the pandemic and approved our new sustainability strategy.

Our principal stakeholders are:

- Shareholders, investors and lenders – critical partners in the long-term success of our business
- Customers and clients – these range from governments to industrial businesses and multinationals
- Employees – our outstanding people are at the heart of ContourGlobal
- Government and regulators – including energy, finance, and infrastructure ministries; environmental authorities; Health and Safety agencies; and governmental labor bodies
- Communities – we are deeply committed to making a positive long-term improvement wherever we operate

Our key stakeholders



During the year, the Board considered the provisions of the UK Corporate Governance Code in respect of stakeholder engagement, and the duties of each Director to take the Company's stakeholders and the long-term interest of the Company into account in accordance with section 172 of the Companies Act 2006 ("s172").

The role of the Board is to promote the long-term sustainable success of the Company, generating long-term value for shareholders and contributing to wider society. The Board recognizes the importance of ensuring that the interests of all parties that have a stake in our Company are factored into our decision-making process, both as a general principle and as part of each Director's s172 duty under the Companies Act 2006. Our Board decisions can have a significant impact on one or a number of our stakeholder groups, and it is therefore essential that we engage with those groups in a way that helps and supports our understanding of the potential wider, long-term impact of those decisions.

We communicate with our stakeholders through a range of channels and we have a number of ways in which the Board is informed of these engagement activities and the key themes arising from such engagement. We set this out in more detail in the table below. We are also keen to continue to develop ways of encouraging direct Board engagement with stakeholder groups – one example being that one or more Director can often be involved directly with a shareholder, employee or other investor networking forum.

In each case, it is important for all members of the Board to gain sufficient understanding of the issues relating to each of our key stakeholder groups. Board members are invited to provide updates during Board meetings on any engagement that they have had with our stakeholders and Chairs of the Committees are given a standing agenda item to update the Board on the views and recommendations made by the relevant Committee.

We continue to develop our stakeholder engagement program to ensure that the Board has had regard to its duties under s172. As explained in the Governance Report on pages 88 and 89, the Board considered that it has complied with its duties under s172 of the Companies Act 2006 through its active engagement with stakeholders. The table below sets out more information about our stakeholder engagement activities over the year, and the Board's consideration toward our stakeholder groups throughout the year, including the ways in which we have factored each group into our response to the COVID-19 pandemic.

Shareholders, investors and lenders

How we engage

During the course of the year senior management met regularly with our investors, bond holders and lenders through many channels, including our AGM, roadshows, conferences and regular calls, events for socially responsible investors (SRIs), meetings with various investors to discuss environment, social and governance matters, and other fora.

The Board receives regular reports from our Investor Relations department. These reports provide clarity on the investor landscape and help to update Directors on our investors' views.

Senior Management increased the frequency of updates to investors during COVID-19 regarding steps being taken to protect our employees and to promote the long-term success of the Company.

Our corporate website provides a dedicated investor section which contains all London Stock Exchange regulatory announcements and a copy of all of our Annual Reports. Webcasts of our results and other investor presentations are also available to shareholders.

In terms of lenders' engagement, the Board reviewed and approved Bond and corporate debt refinancing transactions.

Key themes

- Economic performance
- Growth
- Value creation
- Economic, social and governance (ESG) issues

Outcomes

Following meetings with investors and a presentation from external advisors, the Board reviewed the Sustainability Strategy and agreed to produce a Sustainability Report for its stakeholders. This has also resulted in the FTSE4Good rating of 3.3 being achieved.

Daniel Camus, Chair of the Remuneration Committee, wrote to our largest institutional investors to provide an update on the work of the Remuneration Committee. This included a proposal to make changes to the Remuneration Policy which will be subject to shareholder approval at the AGM in May 2021. The proposed changes can be seen on page 117. The Committee has considered the feedback it received in its discussions.

When approving the transaction to acquire the portfolio of natural gas-fired and Combined Heat and Power assets totalling 1,502 MW located in the United States and Trinidad & Tobago from Western Generation Partners LLC, the Board considered the long-term success of the Company in conjunction with the benefits to its key stakeholders. The Board concluded that the acquisition would result in the increase of low-carbon assets, the further enhancement and diversification of the Company's cashflows and further support dividend growth of 10% per year.

A share buy back program has been put into place, which is in the interests of all shareholders.

Customers and clients

How we engage

We constantly interact with our customers throughout the course of long-term contracts to ensure that we deliver energy in full accordance with our contractual commitments and adapt to needs that may evolve throughout the life of the contract.

Key engagement activities include the following matters all discussed in depth, reviewed and sanctioned by the Board:

- A Task Force was created which met every day during the peaks of the COVID-19 pandemic to assess the delivery of operational performance and to ensure operations continued with limited disruption. The Board was provided with reports from the Task Force on a weekly basis.
- Site visits had taken place at the beginning of the year. Due to COVID-19 unfortunately the number of visits was limited due to restrictions on travel.
- At each Board meeting performance of the operations is reviewed.

Key themes

- Top-tier availability of our power plants giving full satisfaction of our customers' needs
- Competitive pricing
- Health and Safety
- Compliance and anti-corruption
- Procurement practices

Outcomes

A number of operational changes were introduced to protect our customers at our plants during the COVID-19 outbreak. Health and Safety of employees was considered daily by our Task Force and protective measures were put into place to protect the workforce and provide for minimum disruption to services. Employees were extremely vigilant and resilient during the pandemic, which led to minimal disruption to operational delivery for our customers.

Employees

How we engage

We engage closely with our employees around the world to ensure we have communication and clarity around their careers and aspirations, health and safety, diversity, learning and development, remuneration and rewards and other key issues.

Key engagement/activities in 2020:

- Fortnightly town halls being held with the CEO on COVID-19 matters.
- All employees being offered 30 minutes' one-to-one time with the CEO.
- COVID-19 health and safety measures being introduced for plant and office employees.
- Talent development being considered by the Nomination Committee.

Unfortunately, due to the constraints arising as a result of the COVID-19 pandemic, the majority of scheduled site visits could not be undertaken this year. Alternative measures will be put in place for 2021 whilst restrictions remain in place.

Key themes

- Health and Safety
- Support during the pandemic
- Grievance mechanisms
- Labor and human rights
- Training and education
- Freedom of association and collective bargaining
- Career development

Outcomes

The Board was sent weekly updates from the Task Force regarding the health and safety of employees and updates were provided at each Board meeting.

The health and safety of employees was a key priority and the Company has implemented a regular, detailed communication process with all employees, including in particular, our power plant-based employees. Detailed guidelines and the continuation of the internal Health and Safety audits were carried out using remote technology.

Measures to protect the workforce that were introduced at the plants included visitor online preregistration, isolated operation of some plants and staggered shifts to enhance social distancing. All major maintenance was postponed to minimize outages. The testing of employees was introduced at an early stage to ensure appropriate measures were put into place when necessary.

Communities

How we engage

As a business we are deeply committed to making a positive long-term improvement wherever we operate and we engage closely with communities around the world. The following matters have been discussed in depth, reviewed and sanctioned by the Board:

- The Board reviewed and approved the budget for the Group's social investment program during the year.
- 435 employees involved in social investment.
- $2.3m invested in social projects (0.3% of Adjusted EBITDA).
- 46,778 hours devoted to community education activities during 2020.
- The Board reviewed the Sustainability Strategy and new targets were implemented.

Key themes

- Health and Safety
- Emissions and biodiversity
- Compliance and anti-corruption
- Grievance mechanisms
- Labor and human rights
- Water and waste

Outcomes

- The Board approved the social investment program budget and executive management approved 97 social projects for this program.
- Contribution to the Bulgarian United Against COVID-19 Fund to support vulnerable groups and assist with medical and laboratory supplies.
- Reallocation of 2020 social budget for COVID-19 related activities impacting local communities.
- Donated PPE to essential emergency services and hospital personnel in South America and Africa.
- Food and drinking water distributions to affected communities currently in progress.

Governments and regulators

How we engage

We promote sector development and laudable business practices by interacting with governments and civil society.

- Our plant managers meet regularly with host government counterparts, including the ministries of finance, energy and infrastructure, and regular regulatory updates are provided and considered at Board meetings.
- We invite government officials to plant inaugurations and other public events, and organize private working events for visiting officials.
- Active participation in several industry associations (including ABEEólica, the Brazilian Association of Wind Power, the Bulgarian Energy Chamber and international organizations and the United Nations Development Program).

Key themes

- Health and Safety
- Capacity, reliability and efficiency
- Emissions and biodiversity
- Compliance and anti-corruption
- Labor and human rights
- Water and waste
- Training and education

Outcomes

- Bonaire discussions with government on fuel procurement.
- Continued dialogue in Bulgaria on matters related to the EC's Directorate General-Competition's preliminary inquiry into potential state aid.

OUR STRATEGY FOR GROWTH

ContourGlobal has a highly disciplined strategy towards growth and capital allocation. We invest primarily on risk-adjusted returns, as we believe this is the long-term driver in value creation. Our growth and acquisition teams concentrate on developing projects which fit within our investment criteria of long-term contracted projects that can leverage the expertise we have built through our operating platform. These projects are then competed against each other for capital before final investment decisions are made.

Our strategy aligns with our four sustainable business principles and our decisions always assess the positive impact they will have on people, business and communities around the world.

See more pages 38 and 39

1. OPERATIONAL EXCELLENCE

Operational excellence and safety go together and underlie our culture. By focusing on them, we continue to create significant value through improvements in operational performance such as reductions in fixed costs, and we apply this mentality to our acquisitions and developments.

The most important component of operating excellence will always be Health and Safety. We have a sacred responsibility to ensure that every single employee, visitor or contractor who visits our sites goes home safe, every single day. Providing a safe working environment is one of our core sustainability principles, as demonstrated by our Target Zero commitment (see pages 42 and 43).

To improve operational performance continuously, we benchmark ourselves against top industry performers. We produce weekly reports about availability factors and equivalent forced outage rates across our entire asset base, comparing these with our targets. These reports are published widely within the organization as part of a commitment to transparency and sharing of information. Failure analysis and continuous improvement is at the core of all world-class operating organizations. We are focused on ensuring that commitment to failure review and analysis permeates all levels, functions and areas of the organization (see page 45).

We operate under a lean and flat organizational structure and have made meaningful investments in digital technology to allow us to collaborate and to manage our cost structure as the Company continues to grow.

Businesses, acquisitions and developments are subject to continuous improvements and operational and financial performance reviews.

2. HIGH GROWTH

We adopt four core investment approaches, all focused on contracted or regulated wholesale power generation across different technologies and geographies.

1. Greenfield development

Developing a project from the ground up makes sense when we can take advantage of cyclical under-supply of capital and create opportunities for higher returns.

2. Strategic acquisitions

We will consider purchasing assets with existing contracts where we have both: (i) a clear competitive advantage due to asset size, technology, geographical presence, asset diversity or complexity of process or market; and (ii) an ability to improve operations.

3. Development in partnership projects

We may develop projects with customized contracts in partnership with governments, utilities and corporations in regions where there is a need for reliable power infrastructure but insufficient capital and expertise.

4. Platform expansions

Expanding existing projects leverages existing relationships with governments, offtakers, lenders and suppliers, replicating the same technology and structure. Platform expansions are typically low risk and high return, given the expertise already acquired, and the synergies and cost reductions that can be achieved.

Integration of new assets is key in successful growth; transition plans are closely prepared and monitored, promoting knowledge transfer among assets.

In line with our CO_2 intensity reduction commitments, our investment strategy will foster low- and no-carbon technologies, focusing on renewable and high-efficiency cogeneration plants, carbon capture, as well as plant efficiency improvement.

3. FINANCIAL STRENGTH

We seek to optimize the cash flow generation from each of our projects. The Company's strong and predictable cash flow generation is the basis for funding new growth projects such as M&A opportunities and developments, and also supports our progressive dividend policy.

We seek to maintain a highly efficient capital structure to support our business model. Majority non-recourse project-level debt at each project company and attractive corporate-level bond debt maximize the Company's financial flexibility. An important financial KPI is net leverage ratio – the ratio of total net indebtedness to adjusted EBITDA.

Strong operational performance combined with an efficient capital structure has enabled us to deliver superior project-level returns. As at 31st December 2020, our weighted average financing cost was 4.0%, in line with 2019 levels.

We enable financial investment partners to make passive, minority investments in some of our assets on attractive terms for ContourGlobal. These sell-downs significantly bolster our project returns and our strategy is to continue to seek similar opportunities.

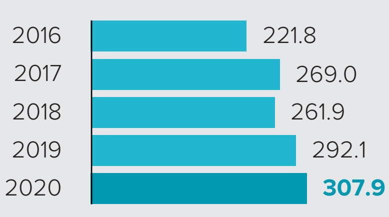
Our financial KPIs are detailed on pages 30 and 31.

MEASURING PERFORMANCE

We measure our performance against ten financial and non-financial key performance indicators (KPIs).

FINANCIAL KPIS

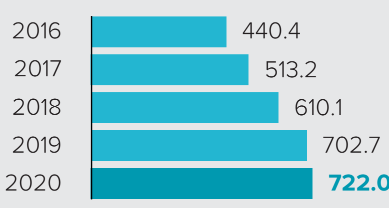
Income from Operations ($m)



Income from Operations (IFO) is derived from the IFRS consolidated statement of income and corresponds to the sum of the following line items: Revenue, Cost of sales, Selling, general and administrative expenses, Other operating income, Other operating expenses, Acquisition-related items.

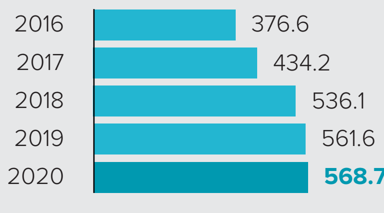
This is a measure of profitability that includes depreciation and amortization expenses as well as development costs. IFO has increased by 5% mainly thanks to the full year impact of the acquisition of Mexican CHP assets.

Adjusted EBITDA ($m)



Adjusted EBITDA is the profit from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition-related expenses, plus net cash gain or loss on sell down transactions (in addition to the entire full year profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non consolidated entities accounted for on the equity method, plus the Group's prorata portion of Adj. EBITDA for such entities. Adjusted EBITDA grew by 3% compared to last year, supported by the strong performance of our generation plants portfolio, and the contribution of our Mexico CHP assets acquired in 2019, offsetting negative foreign exchange impact and the 2019 impact of our CSP Spain sell-down.

Proportionate Adjusted EBITDA ($m)

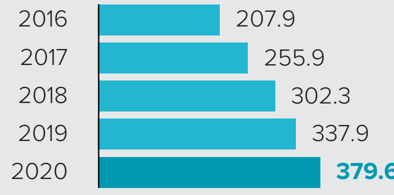


Proportionate Adjusted EBITDA is presented using Adjusted EBITDA calculated on a proportionally consolidated basis based on ContourGlobal's ownership percentage of assets.

The Proportionate Adjusted EBITDA as well includes the net cash gain or loss on sell down transactions as well as the underlying profit from continuing operations for the business in which the minority interest sale relates to reflecting applicable ownership percentage going forward from the date of completion of the sale of a minority interest.

Proportionate Adjusted EBITDA grew by 1% as compared to 2019, for similar reasons as Adjusted EBITDA and due to 12-month impact of the CSP Spain sell-down completed in 2019.

Funds from Operations ($m)

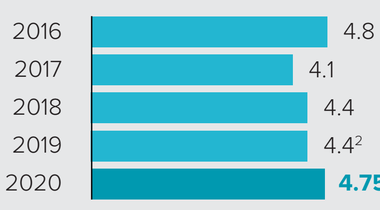


Funds from Operations is the cash flow from operating activities, excluding changes in working capital, less interest paid, maintenance capital expenditure[1] and distribution to minorities.

This is the key measure of the Company's strength of cash flow.

Strong operational performance and highly contracted cash flows allowed us to maintain the Group's high level of FFO. The growth of 12% compared to 2019 is mainly driven by the Adjusted EBITDA growth.

Net Leverage ratio (x)



The Group net leverage ratio is measured as total net indebtedness (reported as the difference between Borrowings and Cash and Cash Equivalent under the IFRS statement of financial position) to Adjusted EBITDA.

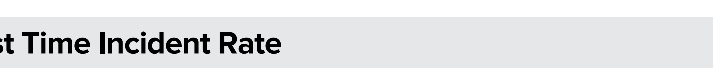
This is the key credit measure of the Group. The Net Leverage ratio is in line with 2019, and is slightly outside of our indicated target range of 4.0-4.5x, driven by the EUR/USD appreciation at year end.

1. Maintenance capital expenditure is defined on page 57.

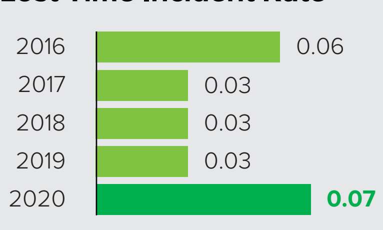
2. Pro forma for full year Adjusted EBITDA of CHP Mexico.

Beyond the COVID-19 global pandemic, ContourGlobal continued to deliver very strong financial results in 2020, supported by its highly robust and resilient business model generating stable and predictable cash flows from operations. Our plants operated in 2020 with a high level of availability, in spite of unprecedented challenges, keeping the lights on thanks to our people's commitment. Whilst pursuing our stretch Target Zero for Lost Time Incidents (LTIs), we were disappointed to experience two LTIs in 2020, further detailed on page 42. Pursuant to our ambitious CO_2 emissions reduction targets, CO_2 emissions intensity in total energy dropped by 12% in 2020.

NON-FINANCIAL KPIS



Lost Time Incident Rate



The Lost Time Incident Rate (LTIR) shows the recordable lost time injuries per 200 000 labor hours so they can be compared across any industry. The chart presents our performance over recent years.

This is the key measure for our Health and Safety performance.

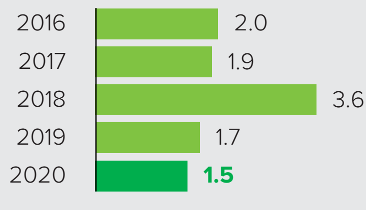
Our LTI rate of 0.07, corresponding to two LTIs. However, we remain fully committed to Target Zero in the future.

Availability Factor (%)

The Equivalent Availability Factor (EAF) represents the portion of the production capacity of a power plant that was available and ready to operate in a given period of time. It is widely used in the industry to track the technical performance of power plants and for benchmarking. We use it as a primary KPI for our assets.

The increase in the EAF from 94.3% in 2019 to 95.1% in 2020 is linked to the improvement in the technical performance of the fleet and the optimization of the scheduled outages duration across the portfolio triggered by the COVID-19 pandemic.

Equivalent Forced Outage Rate (%)

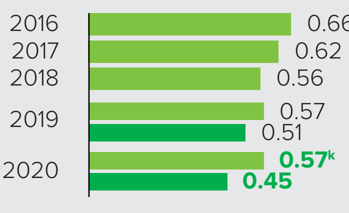


The Equivalent Forced Outage Rate (EFOR) represents the production capacity that is lost, over a given period of time, due to equipment failure or operational mistake (error).

Like the EAF, the EFOR is widely used in the industry to measure technical performance.

Our EFOR for 2020 shows continuous improvement from previous years as a result of deploying and improving our predictive maintenance strategy.

CO_2 emissions intensity (net CO_2 emissions tonnes/MWh)

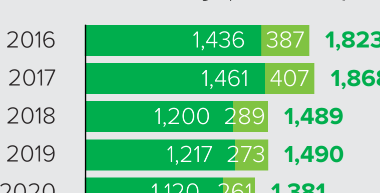


CO_2 emissions intensity is our key climate measurement and we have historically reported our intensity using MWh from electricity production. In 2019, we set our targets using MWh from total energy production to better reflect the impacts of our cogeneration power plants.

● Energy ● Electricity

The reporting for 2016 to 2019 reflects our historical CO_2 intensity based on electricity production as variances to energy production are immaterial. For 2019 and 2020, we are showing CO_2 emissions intensity for both electricity and energy production. In future years, we will only report our emissions intensity based on energy production.

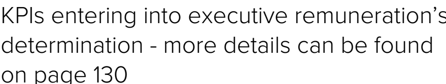
Gender diversity (total employees)



We are committed to building a diverse workforce ensuring equal opportunities for all in the long term. Aligned with our sustainability principles, gender diversity is a key metric.

● Male ● Female

Women represented 19% of our workforce in 2020 and 50% of senior management.



KPIs entering into executive remuneration's determination - more details can be found on page 130

K ContourGlobal PLC engaged KPMG LLP ("KPMG") to undertake limited assurance under the assurance standard ISAE (UK) 3000 over this Selected Information. KPMG's full assurance statement is included on our website at https://www.contourglobal.com/reports?its_media_category_id%5B%5D=43.

DRIVING PROGRESS

Our strategy underlies our growth initiatives. We analyze in each investment opportunity the potential for a high level of operations, through innovation and improved efficiency, and value creation for our shareholders.

MEXICO

Growth in Mexico

In November 2019 ContourGlobal acquired two CHP plants in Mexico. Integration of the new team operating and managing the plants started in the second half of 2019 and was completed in the first half of 2020. The integration was based on our values "To work hard and without boundaries as a multinational, integrated team" with personnel coming from several of our plants and offices worldwide to share experience, best practices and corporate standards. We used plant managers as well as Health and Safety professionals, technical experts, corporate functions leaders and project managers from Spain, Brazil, Peru, United States, Bulgaria, France, Italy, Rwanda and the Caribbean region. Everyone has contributed in their area to build an organization ready to work in the CG way: "To expect, embrace and enable excellence and continuous learning through humility, and the knowledge that we will fail but when we do, we will learn."

During the first COVID-19 period in early 2020, part of the integration team remained in the region to ensure the completion of the integration activities, showing resilience to support the new colleagues until the end of the project. The effectiveness of the integration was finally tested by an internal Health and Safety audit, and a thorough business review by the Internal Audit team to assess any gaps and provide the feedback to improve the integration at the next acquired business.

BONAIRE

Low carbon intensity in Bonaire

Our operations on the island of Bonaire represent well our strategy of reducing carbon intensity (total carbon emissions divided by total production) even as generating capacity increases. The plant is the sole supplier of electricity to the island's 16,500 inhabitants – a population that has doubled in the last 10 years.

We operate 10 MAN diesel engines with a capacity of 24MW, 3 Cummins back-up engines with a capacity of 3MW, a 12-turbine wind farm with a capacity of 11MW, and a latest-generation energy management system, incorporating lithium-ion batteries with a capacity of 6MW and a charge of 6MWh. Our project uses high technology to manage the new battery to react at any frequency variation in 50ms providing one of the most stable grids in the Caribbean islands which won the 'Best Microgrid Project 2019' award from the Caribbean Renewable Energy Forum (CREF).

The battery integrated in the new energy management system is allowing an expansion of the sustainable production on Bonaire by adding renewable capacities without risking the security of supply because of the stable grid. We are planning to cover the growing demand for electricity on the island by adding only new solar and wind capacity. This hybrid combination is allowing the island's energy needs to be supplied cost effectively, while at the same time minimizing carbon emissions.

We are planning to share this experience in the region in order to grow by implementing similar projects that allow a larger share of renewable generation, whilst at the same time minimizing generation costs, and ensuring stable grid for a high quality of energy supply.

WESTERN GENERATION PORTFOLIO

Acquisition of contracted power plants in the United States and Trinidad & Tobago

The acquisition of a 1.5 GW portfolio of power plants in the United States and Trinidad & Tobago that we announced in December 2020, and completed on 18th February 2021, is an excellent example of realizing all elements of our strategy.

It is operationally led: we have extensive experience in the technologies of all the assets acquired – principally low-carbon, natural gas-fired plants, including a highly efficient combined heat and power plant similar to those in our existing Solutions portfolio. We also know their underlying operating markets well – power pools characterized by long-term bilateral contracts. This deep expertise will allow us to improve their operational performance from the get-go and leverage our track record of operationally led value creation.

It supports our commitment to High growth – the acquisition grows our global capacity by 31%, from 4.8 GW to 6.3 GW. The acquired plants are located in or adjacent to areas where we already have an operating presence and where we see further strategic growth opportunities. The plants in Trinidad & Tobago further build our presence in the Caribbean, alongside our operations in Bonaire and Saint Martin. We will establish an operational hub in Houston, supporting our new assets in the United States and Trinidad & Tobago, as well as our existing assets in Mexico.

The acquisition will also build our financial strength, adding a high stream of free cash flow. In the first year, it is expected to generate about $40 million in cash distributions to the parent

company. This will support our policy of 10% annual dividend growth and will improve our dividend cover. The risk-adjusted return for this acquisition, as measured by cash IRR, will be attractive and is expected to significantly exceed our cost of capital. When assessing this transaction, the Board considered all the above aspects and considered that, overall, the acquisition builds our base of robust, low-risk assets, which distribute cash to the parent company, allowing us to redeploy capital, grow our dividend and increase dividend cover.

PROGRESS THROUGHOUT OUR BUSINESS

Our plants kept the lights on in 2020, and achieved high level of availability, relying on our committed people and continuous investment in innovations.

OUR PERFORMANCE IN NUMBERS

Business performance

Equivalent Availability Factor on the whole portfolio improved in 2020 to 95.1% from 94.3% in 2019, reflecting improvements in the technical performance of the fleet and optimization of the scheduled outages duration during COVID-19 pandemic

Thermal Fleet
availability factor (%)

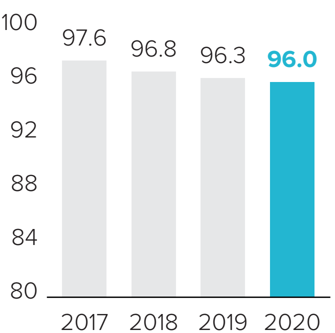
94.4%

2019: 92.8%

Renewable Fleet
availability factor (%)

96.0%

2019: 96.3%



BRAZIL

Despite COVID-19, our Balsa Nova power plant in Brazil turned in its best performance for availability (EAF) and forced outages (EFOR) since starting operations in 2002. It managed to perform planned maintenances, in safe conditions, putting first our value 'We care about our people's health, safety, wellbeing, and development'. It performed well on all other measures, except one: Capacity Factor. This was because, as a cogeneration plant, it dispatches on demand from its main client – in this case a business in the food industry. Since the client's production fell during the pandemic, the plant produced less energy and steam.

Three of our four Brazilian co-generation thermal plants received ContourGlobal awards for safety for the first time, including the top award for Brahma Rio: the Everest award (see page 44). Our target is to repeat this performance next year.

Embracing our principle to 'Enhance our operating environment', the Solutions plants in Brazil have been very active with communities, enacting the Board's decision to re-direct all social investments toward COVID-19 related projects. They supported an orphanage that faced a shortage of food for the children at the beginning of the pandemic, a charitable entity that also donates food for poor families and donated PPE and COVID-19 PCR tests to the health authorities of Balsa Nova.

RWANDA

Our KivuWatt plant exemplifies our approach to continuous improvement. Using our objectives-setting framework, it sets itself increasingly challenging targets for performance each year.

Embracing our value 'We expect, embrace, and enable excellence and continuous learning through humility and the knowledge that we will fail – but when we do, we will learn', KivuWatt conducted in 2019 13 episodes of failure analysis, using our "5-Whys" approach, a Continuous Improvement methodology, the use and insights of which are closely monitored by the Board. This number grew to 27 in 2020, and in 2021, KivuWatt team will enhance this to complete at least two 5-Whys per month and one lesson learnt per quarter.

After a good 2020 performance, with an average availability of 93% and a capacity factor of 91%, the plant's target for 2021 is not only to reach budgeted operational KPIs for capacity factor (CF), availability factor (EAF), forced outages (EFOR) and scheduled outage factor (SOF), but also to achieve next year's major planned outages without LTI, on time and on budget. It will continue to aim for its financial KPIs, i.e. meeting budgeted EBITDA and fixed costs, while ensuring cash distributions and debt obligations are met on time.

On Health and Safety, the plant starts from a high base, having achieved our top award for three consecutive years of zero LTIs. It plans in 2021 to emulate this and to achieve targeted compliance with respect to other ContourGlobal H&S standards.

SPAIN

We were able to continue operating all our solar plants as planned during 2020, meeting targets everywhere. We were in the middle of a major overhaul in one of our CSP (Palma II) when the COVID-19 outbreak emerged in Spain, in early March 2020. We rapidly put controls in place at the entry of the plant and during maintenance activities, to ensure a safe working environment. Considering the extensive manpower of subcontractors required coming from different regions, and despite the unexpected situation and adverse conditions, we were able to reduce the duration of the outage by one and a half days.

In preparation for having to work in isolation mode, we set up emergency operation control rooms off-site, to allow for remote working and to perform staff drills. We also proactively established contingency plans for essential goods and services, in case of disruption to the supply chain. Our COVID-19 specific risk assessments and associated plan for each site were audited by a third-party consultant to provide an extra degree of assurance.

In December 2020, after the routine inspection of one of the steam turbine blades in Majadas CSP, we discovered very early stage cracks on some blades that required replacement. An action plan was put in place to change out the partially damaged rotor with a spare one that we had available at another CSP warehouse. In order to minimize the impact, the plan included heavy load transportation during road traffic restrictions, and highly skilled manpower allocation in the middle of the third wave of the COVID pandemic in Spain. The unit was successfully put back into operation with no other issues, one week ahead of the preliminary schedule, in January 2021.

IN SPAIN, WE WERE ABLE TO CONTINUE OPERATING ALL OUR SOLAR PLANTS AS PLANNED DURING 2020, MEETING TARGETS EVERYWHERE.

PERU

Despite the severe lockdown conditions faced in Peru, it is gratifying to be able to report not only meeting but exceeding the business's targets for availability, forced outages and earnings in 2020.

Even under pandemic conditions, we were able to achieve the planned replacement of the main transformer at the Cupisnique site on time and within budget, whilst adhering to all safety requirements. This business continuity was made possible thanks to COVID-19 specific measures decided by the Board to protect employees.

In line with corporate guidance, the vast majority of funds set aside for social investment in Peru was directed towards COVID-19 relief. This included providing PPE and oxygen supplies to local hospitals; masks and sanitizers to first responders; and food parcels to communities experiencing major shortages.

DESPITE THE CHALLENGES FACED IN PERU, WE MANAGED TO EXCEED OUR TARGETS IN 2020.

BULGARIA

Supporting our communities has always been a mission for us in Bulgaria, and we are pleased to have been able to continue this work in 2020. We focus our efforts to contribute towards three UN Sustainable Development Goals (SDGs):

SDG 3 – Good health and wellbeing
SDG 11 – Sustainable cities and communities
SDG 17 – Partnerships to achieve the Goal

In the first category – to which we directed most resources in this pandemic year – a large part of our support went to supply PPE, testing and specialized medical equipment as well as to refurbish an oxygen distribution system for local hospitals. By doing so, we enabled medical staff to stay safe and deliver better outcomes for their patients. We also helped a nearby crisis center to operate safely and supported local schools and libraries so that they could allow continued access for children while observing all necessary infection control measures.

Early in 2020, before the pandemic, we celebrated the end of a seven-year investment program designed to support the cultural traditions and livelihoods of the Aprilovo community under SDG 11. This was marked by the blessing of vineyards, attracting national TV coverage.

Under SDG 17, we worked with partners to promote the benefits of volunteering and to thank those who had gone beyond the call of duty during the pandemic.

As well as donating over $200,000 to these projects, our employees also gave their own time, and we thank them all for their contribution.

WHILST OPERATING IN ISOLATION MODE FOR OVER THREE MONTHS, WE STILL MANAGED TO EXCEED OUR TARGETS FOR AVAILABILITY, AND FORCED AND PLANNED OUTAGE IN TOGO.

ARMENIA

Our hydro business in Armenia was hit by three ‘force majeure’ events in 2020: a major shortfall of water into reservoirs owing to historically low rainfall and snow melt; COVID-19; and a military conflict only a few miles away across the border with Azerbaijan.

The last two impacted our ability to undertake an Electromechanical Refurbishment Project, originally scheduled for completion by November. The contractors we rely on to undertake the work were unable to perform on time, and project completion has been delayed by several months.

However, thanks to the dedication of our engineering and operational teams, who worked 24/7 shifts from mid-March to mid-June, the plants performed to a high level of capacity, especially given the low water inflow.

Despite these barriers to normal operation, we were proud to continue contributing to the welfare of local communities. We worked with partners to establish a regional training center at the American University of Armenia in Goris, and provided funds to help medical clinics in two nearby towns – Goris and Sissian – to upgrade their equipment and facilities.

TOGO

Togo went into lockdown twice during 2020. On the first occasion, when PPE and testing were in short supply, the plant operated in isolation mode for three months, with shifts living and working on site for six weeks at a time. This enabled us to guarantee the presence of suitably qualified personnel to deal with any maintenance or technical issues during a period when external contractors would be prohibited from entering. To prepare for supply chain disruption, we stocked up in advance to ensure we had all necessary spare parts for engines and auxiliaries.

As a result, the plant performed well against its KPIs. The outturn for availability was 93.7% against a target of 92.8%; forced outage was contained at 0.9% against a maximum of 1.2%; and planned outage was restricted to only 5.3%, compared with a target limit of 6.0%.

OUR SUSTAINABLE BUSINESS PRINCIPLES

FOUR GUIDING PRINCIPLES FOR SUSTAINABLE BUSINESS

Four sustainable business principles govern our corporate behavior to ensure everything we do is sustainable from an environmental, social and governance point of view. These principles, which are aligned with the 17 United Nations Sustainable Development Goals (SDGs), are an integral part of our business strategy. Reporting related with these principles is addressing the risks identified in our materiality matrix, available in our 2019 Sustainability Report, based on importance to our stakeholders and significance of potential impacts.

Operate safely and efficiently and minimize environmental impacts

Grow well

Manage our business responsibly

Enhance our operating environment

Operate safely and efficiently and minimize environmental impacts

We care about our people's health, safety, wellbeing, and development. Safety is our number one priority. In the industrial space in which we operate, there are significant risks to life and health, and it is critical for us that these are absolutely minimized. By operating well and producing power according to plan, we can create significant value and sustainable impact.

Each year, we set ourselves a Target Zero for Lost Time Incidents (LTIs), i.e. zero harm, zero injuries. This is a tough stretch target, considering that about six million hours are worked each year, and since it was adopted in 2016, we have not quite yet achieved it. We regrettably experienced two LTIs in 2020; these have been thoroughly investigated and we have learned lessons from them. We remain fully committed to Target Zero in the future.

In 2020, we expanded our health and safety policies and procedures to include precautions related to COVID-19. All our policies and procedures apply to everyone working on our site: employees, contractors, and visitors. We make no exceptions and we apply the same standards in every business across the globe.

By running a power plant efficiently, we maximize electricity output, minimize environmental impacts and reduce costs. We gauge our performance by benchmarking ourselves against the performance of comparable peers.

In our thermal portfolio, our efficiency KPIs include heat rate and net efficiency. We have invested in Artificial Intelligence (AI) and predictive analytic capabilities to monitor performance and detect technical issues at an early stage in order to remove these issues before a failure can occur. In our renewable portfolio we have created a dedicated Intelligence Center to house experts in renewable operations.

We commit to minimizing environmental impacts – carbon, air, water, waste, and biodiversity – across all phases of business operations, while complying with environmental regulations and global best practices. Our environmental management is designed to align with UN Sustainable Development Goal (SDG) 12 for responsible consumption and production.

0.07
Lost Time Incident Rate

104,604
Health and Safety training hours

-12%
% reduction in CO_2 intensity of energy production from our 2019 base year intensity of 0.51 to our 2020 intensity of 0.45 (where intensity is Net CO_2 emissions in tonnes/total energy production in MWh)

Grow well

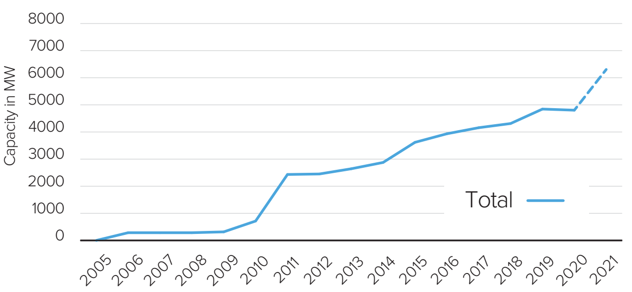
Growing well means:

(i) expanding wealth creation opportunities for investors and employees
(ii) expanding the supply of reliable and affordable electricity
(iii) acquiring and developing businesses utilizing low- or no-carbon technologies
(iv) deploying innovative thermal technologies that are cleaner than the alternatives, where renewable energy is insufficient to meet a country's needs

Achieving these goals allows us to promote energy and economic security and increase energy access while reducing environmental impacts and creating economic wealth for investors, our employees and our communities.

Our investment process has yielded strong growth throughout the Company's history.

Growth in MW capacity



+25%

Compounded Annual Growth Rate in Installed Capacity from 2006 (including Western Generation Portfolio)

1,502 MW

Growth initiated in 2020, closed in Q1 2021

3%

Growth in Adjusted EBITDA in 2020

Manage our business responsibly

We are committed to maintaining the highest ethical and legal standards, including complying with both the letter and the spirit of all applicable laws and regulations in every country where we operate. This commitment to transparency and moral integrity is unwavering, and we apply it equally to our supply chain. We believe that this organizational principle cultivates innovation and creativity and honors the commitments of those who have placed their trust in us.

In 2020, the onset of the pandemic meant we modified all our business procedures to keep COVID-19 infection out of our plants and supply chain as far as possible. We worked closely with the national and local authorities around our plants to understand and respect all their COVID-19 protocols and to show leadership in the community.

We believe in creating opportunity for employees to develop and grow into leaders. This promotes upward and geographic mobility and enhances knowledge transfer opportunities. We are committed to attracting women into leadership positions at our power plants, an area in which women have traditionally been under-represented. We believe this is vital to drive innovation and inclusivity. Finally, we commit to communicating transparently, which helps to cultivate trust, and encourage ownership and accountability.

87

Number of our new-hire employees who completed our online anti-corruption training course in 2020 (100% of new hires)

1,059

Number of employees who completed the online conflict of interest form in 2020

418

Number of service providers and suppliers submitted to compliance for due diligence in 2020, in line with our Third-Party Policy

Enhance our operating environment

Wherever we operate, we aim to share our expertise and improve quality of life through long-term sustainable improvement of the electricity sector, civil society, and local communities. This promotes transparency, builds capacity in the sector and specifically in energy efficiency, and improves community health and safety. Further, this principle encourages partnerships with governments, development organizations and NGOs to advance the UN Global Compact principles and drives us to serve as a model international investor when entering a new market through professionalism and cultural awareness.

We promote private sector and market-based solutions to electricity sector challenges, which helps to sustain the reliability of the electricity system in developed markets and increase it in developing markets.

We strengthen institutions and partner with NGOs, governments, suppliers and other stakeholders to help achieve sustainability objectives.

We engage with and invest in communities, in education, health and other infrastructure. In 2020, our community investment focused on mitigating the effects of the pandemic, and we made major contributions to local and national healthcare and food supply.

46,778

Hours devoted to community education activities

97

Number of social projects approved in 2020, all focused on COVID-19 related needs. 2020 saw less projects than 2019 (147), to allow increased individual projects amount and maximize impact

$2.2m

COVID-19 Extra compensation for front-line workers in 2020

$2.3m

Investment in social projects in 2020 (0.3% of Adjusted EBITDA), in line with 2019

Koete Nikouegan,
Maintenance Manager based in Togo

TOGO

FOCUSING ON THE HEALTH OF OUR TEAMS

The selflessness of our employees in the pandemic was extraordinary. Koete Nikouegan, Maintenance Manager at our Togo business, tells the story:

"We normally have a team of about 50 people running our 100MW engines in Togo, which is the largest power plant in the country. To avoid COVID-19 putting us out of action, we decided we had to operate for three months in isolation mode, which would mean working in two separate shifts of about 20-25 people each. Our workforce was fantastic and each team volunteered to be locked in to the plant for six weeks so as to avoid all contact with the outside world. I led the way and did this myself.

"We converted offices into bedrooms and tried to allow for recreation too, but it was tough. One issue was that, although we had lots of canned food, we had very little that was fresh, and we couldn't get it because we didn't want to risk contamination. It wasn't delicious, but we coped!

"Another issue was not seeing family. However, ContourGlobal provided communication devices and facilities to enable us to keep in touch, so I was able for example to have a Zoom chat with my wife and two children every day.

"The Government provided us with PCR tests free of charge at the beginning of the pandemic, which was really appreciated. Later, I was pleased we were able to reciprocate by delivering 8,000 PCR test kits to them for use by the general population: this represented one third of all the test equipment available in the country at that time.

"Being locked in for six weeks was stressful – but manageable. I'm just glad that we didn't have to do it for the full three months."

FACING THE PANDEMIC

From the start of the pandemic, we concentrated on preserving the health of our employees and their families and keeping them as safe as possible. This was on top of our underlying commitment to zero harm and zero injuries in a normal year.

In February, we formed a Steering Committee and Task Force composed of our most senior management which met several times each day to make decisions about operations and business continuity and to establish a clear line of communication to everyone in the Company. This was supplemented by a range of working groups and another Steering Committee that met daily to ensure we were able to respond quickly to the challenges that the Company and employees were facing. Members of the working groups dedicated a significant part of their time and effort to protect all employees' health and safety.

COVID testing and protection

As early as March, we began conducting PCR testing across our fleet. Since test packs were in short supply in many countries where we operate, we procured them centrally and distributed them around the world. Working with governments and local authorities, we secured lab facilities so that our employees could be tested – and we were also often able to extend this to their families. Where contractors were required to enter a site, their temperatures were tested before admission and they were required to sanitize their hands at the door. Everyone on site was provided with personal protective equipment (PPE) and was required to wear a face covering.

Emotional support

We trained our managers on how to support their employees psychologically during this upheaval, as well as in relation to their physical health. Daily check-ins with staff were put in place both to update employees on latest developments and to respond to their questions or concerns. We also made counseling available to many businesses.

Plant operations during the pandemic

We carried out hygiene and housekeeping risk assessments at each of our plants. Early in the pandemic, we conducted lockdown drills at a selection of plants to test how we could provide business continuity if we were forced to have teams stay on site in isolation. Employees typically volunteered to take part in these trials, committing to remain for two days inside the plant, rather than for the usual 8 to 12-hour shift. To make this possible, we converted space previously used for training into kitchens and bathrooms, and equipped living quarters with beds, bedding and all the other furnishings necessary. We erected partitions to keep people at a safe distance from each other and minimize contact. We provided food and kitchen utensils together with cleaning and personal hygiene products, a first aid kit and walkie-talkie for communication with the site Control Room. The trials were successful and taught us useful lessons about issues to be aware of, particularly if isolation was required for more than two days.

Recognizing the impact the virus would have on our people's personal lives as well as working lives, CEO and COOs held calls with every one of our plants and with every shift, to understand how they were impacted and how we could best support them. Often at the suggestion of the employees themselves, new shift patterns were established. At three plants – Togo, Cap des Biches and Vorotan – isolated working became necessary. Those employees who went to work in isolated conditions took a PCR test which had to prove negative before they entered the power plant, and we ensured that nobody from outside came into contact with these employees during this period. Rather than working typical shifts, some teams decided to live and work together inside the plants for periods as long as 3 to 6 weeks. To make life more bearable in these circumstances, we equipped facilities with gyms and entertainment options; barbecues were provided on some weekends to create a sense of variety from the working week. To look after employees' families during these periods, we provided food and medical supplies and ensured that they were able to communicate by smartphone to their loved ones; in Rwanda, we provided iPads to the families of our employees so they could keep in touch.

To avoid too many staff being rotated into and out of plants, we adopted technology to conduct routine health and safety inspections and maintenance audits remotely. By equipping a qualified employee in each plant with special glasses connected to a camera and sophisticated software, staff working externally could view exactly what the person walking around the site could see and inspections could be conducted with significantly reduced risk. This further step in digitalization will favorably impact our way of working in the future.

We also equipped most of our power plants with remote monitoring and operation technologies to be flexible in case of a shortage of staff as a result of the pandemic. Where power plants were due for an annual technical overhaul, we administered PCR tests for all contractors involved because of the high probability that they would come into contact with our employees. These tests were repeated on average every two weeks, depending on the infection risk in that region.

It is a testament to the success of our planning and delivery that the virus spread was much lower in our plants than in the communities they serve.

Office Employees

For our office employees, we moved quickly to enable remote working, ensuring they had the IT equipment or upgrades wherever necessary to allow good communication. In São Paulo, for example, we sent chairs and computer monitors to employees' homes and improved their internet access, so that they could work comfortably and effectively.

The Task Force established a special COVID-19 Portal to distribute information quickly, supported by the disciplined use of internal social media and a weekly all-staff update bulletin. This newsletter contained regular advice to people working from home to support their mental as well as their physical wellbeing. We ran webinars in multiple languages to give employees the opportunity to raise questions or concerns and to share information about best practice. Some offices were reopened in the summer when it was safe to do so, with special cleaning and social distancing measures put in place to protect those employees who came in.

FOCUSED ON TARGET ZERO

Target Zero

Beyond COVID-19, our global Target Zero program remained at the heart of ContourGlobal's approach to health and safety, with the aim of ensuring that 'everyone goes home safe, every day, everywhere'. Our target for zero Lost Time Incidents (LTIs) is always a stretch, but it was disappointing that we experienced two such incidents in 2020 – one in November and one in December. In the first, at our Vorotan business in Armenia, an employee received an electric shock from a live bar whilst painting in a local electric sub-station. He experienced serious injuries requiring hospitalization. The second event, at our CGA plant in Mexico, occurred when an operator was burnt by hot condensate and steam emanating from a vent pipe while he was performing an inspection. He was also hospitalized.

When an accident occurs we always organize an external investigation. Unfortunately in Armenia, this was very difficult due to the military situation and therefore, we assigned an independent team of experts from within the Company, that led the investigation into the Vorotan LTI remotely. They had reviewed the site and corporate standards/procedures so as to identify and understand the root causes and what could be done to prevent recurrence of this incident, ensuring a safe workplace for our employees.

The root causes led to some invaluable insights and preventative actions, some of which included technology, being identified and implemented:

- gaps in Health and Safety procedures and compliance thereto – relating to performing lone work in a high-risk environment. This led to the implementation and use of technology to contribute towards improving supervision for identified lone-work areas (e.g. electronic access systems at the doors of high-risk areas and video surveillance systems)
- effective and streamlined communication between employee and supervisor, avoiding more than one reporting line. This led to review of organizational charts, job descriptions and operating instructions to clarify the responsibilities and segregation of duties
- importance of conducting a Health and Safety risk assessment prior to commencing a task – i.e. identifying potential hazards and ensuring that the correct control measures are available and implemented. In addition, measures to address employees' competencies, and the reinforcement of behavior-based programs for site leadership.

Training

Our success in health and safety could not be achieved without our intensive training program. We target investing at least 2% of our total working hours in safety training. In 2020, we achieved a training hours rate of 3.2% in our Thermal plants and 3.1% in our Renewable plants.

Audits and interventions

Despite the pandemic, our program of health and safety audits continued through the year. One scheduled external audit, seven scheduled internal audits and one unannounced internal audit were carried out. No safety interventions were performed in 2020 due to COVID-19 travel restrictions.

Audits

Audits	2020	2019
Balsa Nova		1
Termoemcali	**1**	1
Bahia PCH		1
Italy Biogas		1
Solar Slovakia		1
Palma del Rio		1
Knockmore Hill (non-announced)		1
Cupisnique (non-announced)		1
Vorotan (External)		1
Maritsa (External)		1
Mogi Guaçu		
Arrubal		
Asa Bianca		
Inka		
Ploiesti		
Solar Italy		
Togo	**1**	
Rio PCH		
Nogara (non-announced)	**1**	
Cap des Bisches (external)	**1**	
Chapada	**1**	
Majadas	**1**	
Mexican CHP – CGA	**1**	
Mexican CHP – CELSCA	**1**	
Bonaire	**1**	
Total:	**9**	**10**

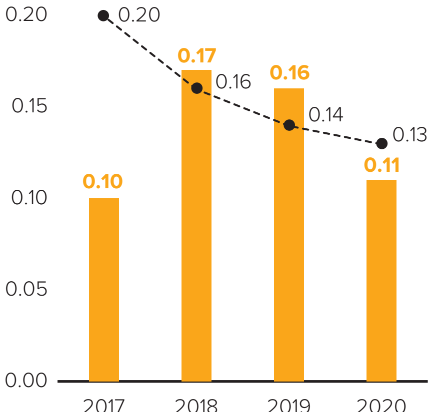
Campbell Institute

Our membership of the Campbell Institute played an important role in our COVID-19 response. We participated in the “Campbell Institute Symposium” and “Work to Zero Summit”, giving participants the opportunity to engage actively with peers in the HSE profession about COVID-19 related issues. Topics we are focusing on with sub-committees and workgroups include: contractor management; health and wellbeing; Severe Injury and Fatalities hazards; and environmental sustainability. Since the COVID-19 outbreak, the Campbell Institute, jointly with the NSC, has organized benchmark calls among members to share best practice. Our own COVID-19 office plans were developed from this body of expertise.

ICAP Global Health at Columbia University

Our partnership with ICAP, a leader in global public health, also proved invaluable in the context of COVID-19 as we proactively protected the health and safety of our employees, ensured business continuity and sought approaches to support our communities. ICAP’s global expertise in emerging transmission trends and technical developments allowed us to manage the unique needs of our plants in a timely way; support employees, their families, and the vulnerable communities in which they work; and identify impactful opportunities to decrease community transmission in priority countries and regions.

Total Recordable Incident Rate



The recordable incidents category gathers the following Health and Safety incidents – Medical Treatment Incidents, Restricted Workday Case Incidents and Lost Time Incidents.

OUR PERFORMANCE IN NUMBERS

Lost Time Incident Rate

0.07

Target ZERO.

Safety inspection per working hours (based on headcount)

0.44

(2019: 0.48)

We achieved the target rate of Level 2 Safety Inspections at all sites.

Hazard Identification Rate – target exceeded

77%

We achieved a Hazard Identification Rate of 77%, far exceeding the target of 40%.

Corrective and preventive actions (CAPA) – target exceeded

CAPA closed

8,074

CAPA opened

8,377

We achieved a CAPA closure rate of 96% against our target of 85%.

Total near misses

25

Training hours

2.6%

(2019: 2.17%)

SAFETY FOCUS AWARDS

As a tribute to our value "We care about our people's health, safety, wellbeing, and development", ContourGlobal established an award system, fostering a safe and secure working environment on sites. Sites achieving high levels of health and safety performance can be awarded company-wide recognitions, stepping up as our world's highest peaks: Mont Blanc, Denali and Everest, each step requiring increasing and long-lasting performance. We are proud of seeing over years more and more of our plants and teams being recognized by these awards.

Everest 8848m

- 3 year without LTI or RI
- 40% headcount of safety inspections per month (*)
- 3% of Training hours
- 95% closure of CAPA (*)
- 60% Hazard identification rate
- 90% compliance against Power for HSE standards & 0 High Non-Conformances (**)

2020

- Brahma Rio
- Galheiros & SDII
- Goias Sul
- KivuWatt
- Maritsa
- TermoemCali

2019

- Cap des Biches
- KivuWatt
- Saint Martin

Denali 6194m

- 2 year without LTI or RI
- 30% headcount of safety inspections per month (*)
- 2.5% of Training hours
- 90% closure of CAPA (*)
- 50% Hazard identification rate
- 85% compliance against Power for HSE standards & 0 High Non-Conformances (**)

2020

- Cupisnique
- Italy Solar
- Knockmore Hill
- Mogi Guaçu
- Rio PCH
- Solar Slovakia
- Talara

2019

- Brahma Rio
- Galheiros & SDII
- Goias Sul
- Maritsa
- TermoemCali

Mont Blanc 4807m

- 1 year without LTI or RI
- 25% headcount of safety inspections per month (*)
- 2% of Training hours
- 85% closure of CAPA (*)
- 40% Hazard identification rate
- 80% compliance against Power for HSE standards & 0 High Non-Conformances (**)

2020

- Arrubal
- Asa Branca
- Austria Wind
- Bahia PCH
- Balsa Nova
- Benin and Ikeja
- CELSA
- Chapada
- Nogara and Oricola
- Orellana
- Palma del Rio
- Ploiesti
- Romania Solar

2019

- Alvarado
- Cupisnique
- Italy Solar
- Knockmore Hill
- Majadas
- Mogi Guaçu
- Rio PCH
- Solar Slovakia
- Talara
- Togo

(*) over the last 12 months – (**) assessed within the last 12 months – exempt from this requirement are ISO 45001 certified plants

Definitions: LTI = Lost Time Incident; RI = Recordable Incident; CAPA = Corrective & Preventive Action

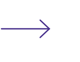
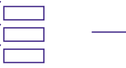
CONTINUOUS IMPROVEMENT CULTURE

Our value “We expect, embrace, and enable excellence and continuous learning through humility and the knowledge that we will fail – but when we do, we will learn” is embodied daily in our Company, in every department and location through a very powerful methodology: the “5-Whys”.

The “5-Whys” is a technique for performing failure analysis originally developed by Sikichi Toyoda of ‘Toyota Production System’ fame. This technique is used in the Analyze phase of the Six Sigma DMAIC (Define, Measure, Analyze, Improve, Control) methodology and helps us peel away the layers of symptoms that can lead to the root cause of a problem. By asking five times why a failure occurred, team involved in a failure identifies its root cause and can develop a proportional response to prevent the failure to occur again.

5-Whys performed are distributed widely in our Company, sharing experience and best practices. This tool goes hand-in-hand with another cultural pillar of our Company: Timely Transparency. ContourGlobal encourages at all levels of the organization, corporate services or operations teams, recognition of failure, and willingness to talk about it, learn from it and share lessons learned from it.

In 2020, 467 5-Whys analysis were performed, and shared widely in the Company, helping us to become a better organization.

Failure event → 5 Whys discussed and draft created → 5 Whys published → Actions assigned → Actions completed → 5 Whys shared internally

ContourGlobal praises annually employees embracing our Continuous Improvement culture by distributing Best 5-Whys awards and communicating it widely on our intranet.

In 2020, awards for Operations were distributed to:

- Asa Branca: ‘Near miss Control Room Operative Failure’
- Maritsa: ‘Boiler Protection related Forced Outage’
- CSP Spain: ‘Ethernet Failure causing Loss of Availability and Production’
- CGA Mexico: ‘Grease Ignition’
- Brahma Rio: ‘Generator Synchronization System Failure’
- CELSA Mexico: ‘Operator Fall while Closing Pump’
- KivuWatt: ‘Employee Slippage while Boat Boarding’
- Arrubal: ‘Gas Leakage’

A Hall of Fame also keeps record of the best 5-Whys performed along the years, promoting failure analysis respecting conscientiously the methodology to serve as an example for future 5-Whys.

Among the 2020 Best 5-Whys awards, 3 analysis were named for the Hall of Fame, joining the 13 5-Whys named over the previous years:

- Asa Branca: ‘Near miss Control Room Operative Failure’
- Maritsa: ‘Boiler Protection related Forced Outage’
- CSP Spain: ‘Ethernet Failure causing Loss of Availability and Production’

See examples on how we used the “5 Whys” methodology to improve in 2020 on pages 35, 70, 86 and 132.

THE HEROES OF OUR BUSINESS

Despite the unprecedented scale of the crisis, the year of COVID-19 was an amazing testament to the dedication of our people, who continued to keep our power plants operating against all the odds.

When a system is put under stress, as through the pandemic, its performance really shows how well the fundamentals have been designed. Now as we respond and recover as a Company, our focus is on what we can learn from the pandemic and how it will affect our clients, our people, and even wider society in the time ahead.

Recruiting the right people

As a people-led business, we are dependent on the skills and experience of our 1,381 employees, so we work hard to recruit the right people who we know will perform well and thrive with us. We look for individuals who are motivated self-starters with a strong will to learn and develop. They have to be experts in their role, team players and capable of collaborating effectively with a wide range of other functions, often using different languages and working across different time zones. We seek out people who take the initiative, have potential and are a good cultural fit. The pandemic particularly showed the resilience of our employees, and we are incredibly proud of them.

Onboarding

We are committed to ensuring all our new hires quickly learn about our business, our values and how they can flourish. We share our Essential Information manual with new hires to read before they start work. Our comprehensive onboarding program offers recruits formal and informal training on a wide range of topics, including health and safety, technology, communication, anti-corruption and human rights, and 87 people went through this in 2020. In a normal year, the program also offers them the chance to meet colleagues from across the business in person. In 2020, this was curtailed as a result of the pandemic, but through videoconferencing technology our recruits were able to interact virtually with other employees.

Learning and development

We had already invested considerable resource in online learning and training before 2020, but this really came into its own this year as we had to abandon all face-to-face events as soon as the pandemic started. We replaced scheduled live courses and conferences with digital equivalents, which

ContourGlobal's people performing reforestation activities, embracing our principles "Enhance our operating environment" and "Operate safely and efficiently and minimize environmental impact".

Giving our employees challenges, fair rewards and development opportunities.

proved very successful. In December, we ran our annual international conference, CG Way, entirely online, with keynote speeches delivered live, 'exhibitions' presented through video accompanied by transcripts in different languages, and even a virtual lounge, where delegates could chat and network. Some 515 employees from around the world attended to the conference. Even when the pandemic is over, we expect e-learning to represent a significant part of our training offer. Our employees benefited from 18,882 hours of training in total in 2020 – an average of 14 hours per person.

Worker exchange program

The worker exchange program (WEP), launched in 2012, gives employees the chance to live and work at other ContourGlobal sites, which serves both to boost their own skills and to facilitate cross-cultural exchange of ideas and experience.

Cultivating a collaborative culture

The strength of the collaborative culture we seek to cultivate was brought home during the pandemic by the extraordinary response we saw from our people. In Togo, for example, plant workers volunteered to isolate themselves for weeks on end within the facility so that they could keep the country's lights on. This culture does not come about by accident. We deliberately foster it by communicating transparently, by rewarding our people fairly and by treating everyone with respect. During the pandemic, our senior management held a conference call with every shift of every power plant we operate, to understand the issues they were facing and to identify how we could best support them. Using the power of digital communication, we gave staff around the world the chance to ask questions of our CEO in webinars, and our CEO opened 30-minute slots in his calendar for individual discussion with any employee, whatever the location or the position (30 employees discussions). We also sought feedback from employees through our employee surveys made available in seven languages, and in 2020 we conducted these with a focus on COVID-19 (office re-opening, daily screening survey before entering the office), Continuous Improvement and feedback on webinars and all Company townhalls.

Assessing performance

We want everyone at ContourGlobal to excel, so they can realize their own goals and contribute effectively as part of a close-knit multinational team. Assessing individuals' performance regularly represents an important means of achieving this. It helps to ensure fairness in career progression and reward, and at the same time enables us to check employee adherence to corporate standards. We hold mid-year reviews designed to give managers and employees opportunities to discuss progress toward annual goals and exchange views on performance. These are followed by more structured year-end reviews, which set objectives for the year ahead, including performance development opportunities.

Employee rights

Aligned with our commitment to the UN Global Compact, our Code of Conduct and Business Ethics, together with other policies and procedures, ensures employee rights are respected. We support freedom of association and collective bargaining wherever it is permitted: 830 employees participated in collective bargaining agreements in 2020. If employees have any labor concerns, we encourage the use of informal processes to resolve them, but we provide a formal grievance mechanism if these prove insufficient. We seek to ensure our suppliers follow the same high standards of labor relations as those we practice ourselves, and train our employees to identify any instances of non-compliance. If these arise, our human resources teams work actively with our contract managers to find suitable remedies.

Fair rewards

We apply the same fair and transparent compensation policies to all ContourGlobal employees irrespective of level, role, or location. Total rewards include base salary, annual bonus, and employee benefits. In 2020, in recognition of the sacrifices they made and the commitment they showed, we paid a special bonus of $2,020 to each of our workers who continued to work on site in their plants during the pandemic, for a total amount of $2.2 million. Our base salaries and benefits are benchmarked and managed locally, based on prevailing market practice or legacy arrangements and are reviewed periodically. We ensure equivalent roles within countries are paid on the same scale. When we expand operations into a new country, we conduct a benchmarking review to ensure our total compensation exceeds the market average. Our annual bonuses are based on a combination of corporate and business/function performance; corporate performance is given increased weight as responsibility level rises, with executive bonuses receiving a corporate weighting of 70%. We believe share ownership aligns objectives and fosters retention and we therefore provide ownership opportunities in the Company to employees who are assessed in our talent review process as having high potential as well as displaying strong performance.

Equality, diversity and inclusion

We need a diverse workforce to be successful as a company, especially as we advance in the field of energy transition, to help us solve complex challenges that matter, build long-term and trusted relationships, and make a real contribution to a low-carbon future. Our approach to diversity is informed by our deep roots in many geographical regions and our international focus: we seek to leverage these skills, experiences and backgrounds to ensure equal opportunities for all. At executive leadership level, women represented 50% of our senior management in 2020. We seek to hire locally at our power plants, preferring to employ in-country personnel rather than expatriates, but many of our offices are staffed by people representing a wide range of nationalities so that we can better serve our regional businesses.

Senior leadership and succession planning

In 2020, Sean McGrath joined us as Chief Human Resources Officer (CHRO), further strengthening the senior management team. This year, we introduced a new program to identify and develop talent, designed to select individuals who are ready to step up to new challenges outside their comfort zone; following evaluation and any adjustment necessary, we expect this to result in a reliable system for growth and succession planning. We also improved our integration capabilities by building a group of experts in this field, who were then successful in spearheading the major acquisition. we initiated in 2020 and closed in February 2021.

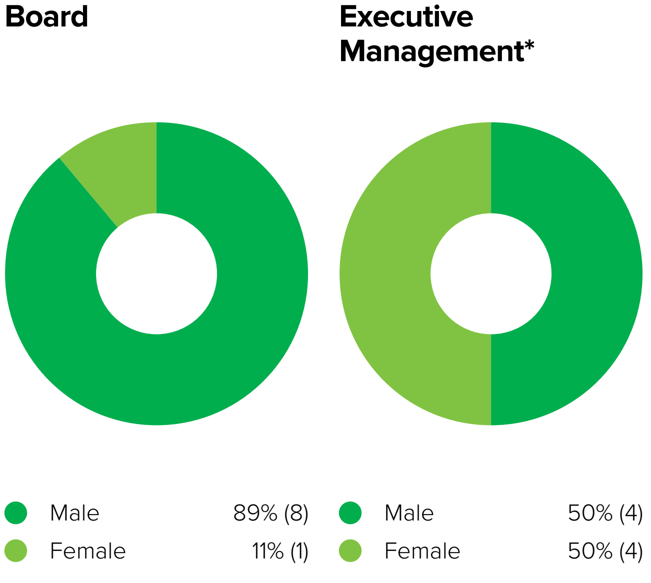
Looking ahead

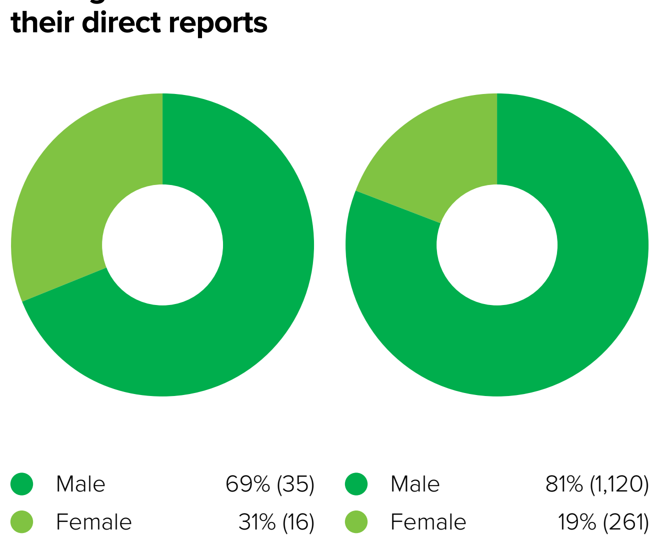
Over the course of 2020, further to decisions made at Board level, we have acted as 'power' first responders to the world's first responders, supporting people on the front line, from healthcare, to education, to critical manufacturing, grocery, and retail in the countries where we operate. This reflects the fundamental culture of the Company, and has formed part of our Board's commitment to comply with its s172 obligations, taking into account benefit that can be given to each of our stakeholders. And as we have navigated the response, we have witnessed years of transformation of the workplace in mere months, which will continue in the years ahead.

Amid this disruption, what is clear is that we have a once-in-a-generation opportunity to harness our workplace, and the future of the enterprise demands a new future for HR. Our new People technology "Success Factors" will allow many parts of our HR system to be remote while providing the foundation from which we can make better talent decisions. It will also support a different organizational design – which emphasizes how work gets done to meet the constant demands of the enterprise. In this regard there will be a greater focus on linking the talent we have with the value we seek to create, while at the same time supporting the organization's leaders with more science to help them in their decision-making. Accordingly, in 2021, we will make hiring better, cheaper, faster and more diverse. We will also adapt the Objective and Key Results (OKRs) framework into our performance management processes to redouble our efforts to increase alignment and delivery of key tasks. We have done a lot – and we have more to do.

A performance management system covering a very diverse workforce, over 3 continents.

Gender diversity in numbers





* Executive Management refers to the senior managers of the Group, employees who have responsibility for planning, directing or controlling the activities of the Group. This figure includes the Chief Executive Officer and the Chief Financial Officer, who are Executive Directors at the Board of Directors.

Ana Maria Palacios,
Occupational Health and Safety Technician based in Talara (Inka Complex), Peru

PERU

PERFORMING IN A CHALLENGING LOCKDOWN

Pandemic lockdown in Peru was far more severe than in the United States and Europe. Occupational Health and Safety Technician at our Inka Complex wind farm business, Ana Maria Palacios, describes her experience:

"To understand how we were affected, you have to appreciate the 'informal' and fragile nature of the economy in Peru. Although the first case of COVID-19 here was only reported on March 6, within 12 days the whole country was locked down to try to avoid the healthcare system collapsing. But even with the economy frozen, we had to continue producing energy. We put in place operational changes to keep people safe and the lights on. Shift lists were changed, cleaning stepped up and new protocols implemented on travel to and from our plants, using only our own vehicles.

"As well as day-to-day business, we had two maintenance operations planned using contractors. I oversaw this personally to ensure we adhered to all the measures needed to avoid contamination. It was a really big challenge, but we pulled it off.

"Although we were working double, without weekend breaks, by law we had to allow employees to take vacation. Thanks to support from ContourGlobal centrally, we were able to test everyone before they came back to work, and we discovered that two people had become infected. By having them self-isolate, we prevented any contamination among other employees – but their absence put even more pressure on us. However, excellent cooperation between our two plants – 436 km distance and eight hours' travel time away from each other – meant that we were able to share management and supervision resources.

"It was a tough period for all of us, personally as well as at work. One colleague had to spend six months without being able to see her family. The Company made psychological support available to anyone who wanted it, and I think we all used it. ContourGlobal also helped us with educational resources for our children, who were unable to attend regular school. I don't know how we could have got through everything without the wonderful people throughout the Company."

MINIMIZING OUR IMPACT

We seek to minimize the environmental impacts of our operations wherever possible.

Strategic framework

Our policy on environmental sustainability, which provides the framework under which we work, is aligned both with the targets in UN Sustainable Development Goal (SDG) 12 and with the International Finance Corporation (IFC) performance standards. For our European assets, we comply with EU environmental standards. These promote environmental stewardship, including pollution prevention and abatement, biodiversity conservation and responsible management of sustainable natural resources. Our environmental impacts are intensively regulated in all our markets and reported publicly.

In 2020, we remain a constituent of the FTSE4Good index, aiming to improve our index year on year, in the spirit of transparent management of ESG criteria and increasing commitments. We will also continue to focus on combating climate change over the course of 2021 and will report against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in our 2021 Annual Report.

FTSE4Good

Carbon emissions

During 2020, we made important commitments towards reducing carbon emissions. We announced a long-term target of net zero carbon by 2050 and a medium-term target to reduce the CO_2 intensity of total energy production to 0.30 by 2030 (a 40% reduction from its 2019 value of 0.51).

We also committed to make no further investments in coal-powered generation.

We reported for the first time to the Carbon Disclosure Project, which runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Additionally, in 2020 we received limited assurance on our CO_2 emissions intensity metric - electricity produced (tCO2e/MWhe) for the 2019 year.

In 2021, we also received limited assurance on our Scope 1 emissions (tCO_2e) and intensity metric – electricity produced (tCO_2e/MWhe) included in this report for the 2020 year. We will also expand our reporting of our Scope 2 and Scope 3 CO_2 emissions in our 2020 Sustainability Report to be published later in 2021.

Carbon capture technology is an integral part of our strategy to reduce our greenhouse gas emissions. This is in use at our European Solutions plants, where we typically capture and clean 95% of the CO_2 generated. Our two new facilities in Mexico present an opportunity for carbon capture that we are actively exploring.

Other atmospheric emissions

In addition to carbon emissions, we carefully manage other atmospheric emissions, such as nitrogen oxide (NOx), sulfur oxide (SOx), and particulate matter (PM), to reduce health risks and environmental impacts.

Streamlined Energy and Carbon Reporting disclosure

The UK portion of our CO_2 emissions is 0.2% of our global CO_2 emissions of 8,522k tCO_2e, of which 8,514k tonnes is from fuel combustion. The UK portion of our fuel energy consumption is 0.2% of our global fuel energy consumption of 19,233,896,310 kWh. Our CO_2 intensity metrics are 0.57 tCO_2e/MWh for electricity production and 0.45 tCO_2e/MWh for total energy production.

Our energy and carbon reporting in the annual report is aligned with the Greenhouse Gas Protocol and covers all global activities where we have operational control[1] and includes CO_2 data for acquired businesses for the period when we had operation control of the business, i.e., the date of acquisition[2]. Based on our materiality analysis, we have included carbon reporting only for our Scope 1 CO_2 emission and we include direct CO_2, HFCs, and SF_6 but we do not include CH_4 and N_2O. Our Scope 2 and Scope 3 emissions are not included in this report as data was unavailable and will be reported in our Sustainability report issued later in 2021.

Full details on our methodology can be found on our website at:

https://www.contourglobal.com/sites/default/files/2021-03/contourglobal_greenhouse_gas_emissions_calculation_methodology_2020.pdf

	2020	2019
Scope 1 CO_2e tonnes*	8,522,808.59[K]	7,741,709.18
Electricity production (MWh)	14,966,705.63	13,525,041.05
Energy production (MWh)	18,810,716.24	15,229,490.01
Total Energy Input (MWh)**	29,133,979.51	23,240,766.64
CO_2 emissions intensity – electricity produced (tCO_2e/MWhe)	**0.57[K]**	0.57
CO_2 emissions intensity – energy produced (tCO_2e/MWhe)	**0.45**	0.51

* 0.2% of the Scope 1 CO_2e tonnes is related to UK emissions
** 0.2% of the total energy input is related to the UK proportion of energy
K ContourGlobal plc engaged KPMG LLP ("KPMG") to undertake limited assurance under the assurance standard ISAE (UK) 3000 over this Selected Information. KPMG's full assurance statement is included on our website at https://www.contourglobal.com/reports?its_media_category_id%5B%5D=43

1. Under the control approach, a company accounts for 100 percent of the GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it owns an interest but has no control. A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation. Our report includes our CO_2 emissions from the TermoemCali business in Colombia, where we have a minority equity interest but exercise operational control. The report excludes our minority interest in the Sochagota business in Colombia where we do not exert such control.
2. Our 2019 data includes CO_2 emissions from our newly acquired businesses in Mexico from its date of acquisition (November 26, 2019) and excludes CO_2 emissions from our Radzymin business in Poland that was disposed of in 2019 and is immaterial to the overall portfolio. Our 2020 data includes CO_2 emissions for Mexico for the full year of operations.

Using water responsibly

We seek to use water responsibly throughout our operations. Where it is a primary fuel source – in hydroelectric generation – we ensure we utilize it in the most efficient manner possible; we also manage other impacts, including sedimentation, drainage, vegetation, and biodiversity. Where we use dams, such as at our Vorotan complex in Armenia, we ensure they are limited in size and impact. Where water is required as an input in thermal operational processes, we access only the amount required to meet our needs so that it is available elsewhere. Where we discharge water, we replenish the sources from which it came with equivalent volumes, properly treated.

Limiting waste

We minimize waste as far as possible through planned reuse and recycling. Despite an increase of 24% in power generation between 2019 and 2020, waste decreased by 7%. This was partly achieved as a result of steady growth in recycling at our plants (of 1%). However, some waste – including hazardous waste – is unavoidable during power plant operations. We ensure this is properly handled and treated.

Spills and grievances

While we never want to experience an incident or grievance, we keep ourselves fully prepared to deal with emergencies, unexpected environmental impacts, or complaints from our stakeholders. We therefore train our employees on how to recognize and avoid environmental risks and we report environmental incidents transparently. In 2020, there were 31 spills, compared with 103 in 2019. As for previous year, all these spills were rapidly contained and none of them generated any environmental contamination. There were 6 environmental grievances in 2020. We conducted a full root cause analysis on each incident to learn from our mistakes. Grievances are also reported in monthly management reports and action plans are developed to address them.

Biodiversity

Conscious of the importance of maintaining biodiversity, we carefully assess our impacts on flora and fauna during operations, and put in place mitigation wherever possible. We regularly monitor avian mortality, behavior of bats, and the effects on other species in the vicinity of our plants. This information is shared with NGOs and universities for research and study. Where our businesses may impact biodiversity over the long term, we seek to restore the ecosystem or implement an offset program.

We experienced two relevant incidents at our hydro plants in Brazil, which were investigated in 2020. The first occurred at our Bahia small hydro plant ("SHP") in September 2019, when a trip in our turbines caused a drop in the river's downstream water levels. We engaged an external consultant to evaluate the impact of the incident and no impact on the aquatic biota was evidenced in the study. An internal investigation concluded that we could improve our emergency procedure to enable the units to operate in idle mode, mitigating the impact on water flow. Investment in certain equipment, redundancy, and adjustments to the plant's automation systems were performed. Continuous monitoring has been carried out following specific incident management procedures.

The second took place in January 2020 at our Rio SHP business, when there was an unexpected increase in fish mortality in the river. Independent investigations by an external consultant concluded that the fish deaths resulted from a combination of factors. The most important factor was that fish were trapped in small pools due to variations in water level in the river during an extremely wet rainy period, associated with the migration of a large fish shoal. The study proposed measures to prevent further incidents, such as filling cavities and restructuring the threshold of the low flow section of the river.

Over the last three years we have performed one of our most extensive reforestation programs in Brazil. In 2018 and 2019, a total of 269,140 seedlings were planted, followed by a further 248,580 seedlings in 2020. The total area covered, which was previously devoid of vegetation, comprised 212 hectares. To preserve all the work carried out in previous years, we carried out maintenance on 240 hectares by replacing lost seedlings, controlling pests, mowing, and fertilizing as necessary. The area is protected by 315,837 meters of fencing, forming a vital preservation area. The total value of investment for the execution of this program in 2020 was BRL 2,708,143.

Green financing

In 2020, we were pleased to achieve verification of our Green Bond Framework and certification that it complies with the best practice standards set by the relevant governing bodies, including the International Capital Market Association. Green bonds facilitate capital-raising and investments for new and existing projects that have environmental benefits and can mitigate risks associated with climate change.

While operating our hydro plants, we utilize water resource efficiently and participate to reducing generation carbon emissions, in line with our principle "Manage our business responsibly".

PROVIDING VITAL SUPPORT

Our mission goes beyond generating energy and supporting our communities traduces our principle ”Enhance our operating environment”.

As COVID-19 was spreading, we decided to redirect our entire social investment budget to help fighting the pandemic, focusing our action where local institutions and civil society were most in need. In line with our social responsibility strategy, we rapidly engaged with communities and authorities to understand their specific challenges and concerns and worked in partnership with them throughout.

In Bulgaria we focused on supporting the healthcare system, investing $150,000 in the safety of medical practitioners and in testing capacities and relevant modern technology for the hospital serving our local community. Recognizing the strain the pandemic put on all social systems we continued our support for the most vulnerable groups of the population – people with disabilities, women at risk of violence, children deprived of parental care - providing necessary food, medical supplies, personal protective equipment and appropriate facilities improvements. In dire times we stood together with Bulgarian civil society, governmental institutions and our business partners, committing $60,000 to the United Against COVID-19 Fund; the fund raised over $600,000, allocated to 112 relief projects in 15 municipalities, reinforcing hospitals, community centers, schools, microbusinesses, or NGOs.

In Togo, where central government lacked resources to tackle the virus endangering 7,000,000 people, we worked together with our business partners and invested over $200,000 to provide a PCR testing platform for use across the country.

In Armenia, we invested in medical technologies and direct COVID-19-relief for the most at-risk groups among our communities, while also extending help to the families affected by the ranging armed conflict.

We recognized the different aspects of the pandemic and structured our social investments to respond in the most suitable ways while supporting the economy and social equity. For example, we worked with women’s groups in Brazil to make and distribute face masks, ensuring better protection of the community, while maintaining a much-needed income source.

Our support elsewhere ranged from providing medical equipment needed by the local hospitals (e.g. Spain, Italy, Brazil, Mexico, Senegal), including emergency vehicles to hospitals (Brazil), or testing capacities (Brazil, Bulgaria, Togo), to supplying PPE, food, and sanitary items to our local communities in Latin America and Africa.

However, the most important social contribution we made in 2020, was to keep the lights on wherever we operated, despite the effects of COVID-19. For this, our deep and sincere thanks go to all our employees, without whom this would not have been possible.

Community centers and schools donations to support local education.

COVID-19 protective equipment and material provision to support local health systems.

Looking ahead

We plan to continue focusing our social investment on COVID-19-related issues until the pandemic is over. At that point, we will conduct Project Impact Assessments to check how well the desired outcomes were achieved and to use this learning for future social investing.

In 2021, whilst still focusing on COVID-19-related projects, we also intend to resume an initiative that was put on hold when the pandemic started: the development of long-term social investment plans by each of our businesses. We allocate at least 0.3% of our EBITDA to social investment and, to leverage the impact, we design multi-year projects where we can partner with communities to invest where it is most needed.

We invested $2.3m in 2019, achieving our target, and this sum remained stable in 2020. We continue directing our social investment to five main themes aligned with our business strategy – education, health and safety, environment, human rights, and anti-corruption – which also align with the United Nations Sustainable Development Goals (SDGs).

OUR PERFORMANCE IN NUMBERS

$2.3m
Value of social investment

0.3%
2020 social investment as a % of Adjusted EBITDA

97
Number of social investment projects

435
Number of employees involved in social investment

8.4m
Beneficiaries of social projects

Microbusiness and family support.

Supporting education in the countries we operate in and contributing to forming future workforce.

Papa Mamadou Diack,
Plant Manager based in Cap des Biches, Senegal

SENEGAL

WORKING WITH OUR COMMUNITIES

The COVID-19 pandemic hit the people of Senegal hard. Papa Mamadou Diack, Plant Manager of our Cap des Biches business, describes how ContourGlobal worked to support the local community:

“The two main effects of the pandemic on the local community were job losses and a stressed healthcare system. We decided therefore to direct our social investment fund in 2020 to address these most pressing problems.

“In 2020, $54,000 of our social project budget was spent to help families who suddenly found themselves on the breadline, donating supplies of food. To support hospitals and clinics, we managed to source masks, gloves, boots and other personal protective equipment (PPE). This has enabled front-line medical staff to be better equipped and prepared to fight COVID-19 and limit the risk of infections among healthcare workers.

“For our employees, we worked really hard to put strong COVID-19 testing in place and were able to secure PCR tests for everyone. We were also able to provide PPE to their families. Thanks to good self-discipline in maintaining hygiene and social distancing, our workforce remained infection-free throughout the crisis, and I pay tribute to them. We were able to make available our 86MW plant continuously, which was vital since we are responsible for 9% of Senegal’s electricity.”

RESILIENT PERFORMANCE

Stefan Schellinger
Global Chief Financial Officer

Revenue ($m)
1,410.7
2019: 1,330.2

Adjusted EBITDA ($m)
722.0
2019: 702.7

Income from Operations ($m)
307.9
2019: 292.1

Funds from Operations ($m)
379.6
2019: 337.9

Proportionate Adjusted EBITDA ($m)
568.7
2019: 561.6

Leverage ratio
4.75x
2019: 4.40x

In spite of operating during an unprecedented global pandemic in 2020, ContourGlobal continued to deliver very strong financial results and met its financial commitments. This is a testament to ContourGlobal's highly robust and resilient business model generating stable and predictable cash flows from operations. We continued to meet the financial commitments made to shareholders by delivering our progressive dividend policy of 10% growth p.a.. In addition, earlier in 2020 ContourGlobal announced a share buyback program of up to £30 million to support long-term shareholder value, which has been successfully executed with 12,374,731 million shares being bought back by year end.

Revenue

Revenue continued to grow in 2020 to reach $1,410.7 million (+$80.5 million or +6%) mainly resulting from the full-year impact of the acquisition of the Mexican CHP assets completed in Nov. 2019 (+$188.1 million), as well as increased revenue on a constant currencies basis from our Wind assets in Brazil (+$12.9 million), Brazil hydros ($5.4 million) and Inka ($4.8 million) partially offset by lower dispatch of our natural gas-fired power plant in Arrubal ($51.7 million) and lower generation in our French Caribbean power plants ($16.6 million). In addition, Group revenue was negatively impacted by foreign exchange movements by $26.6 million mainly driven by a lower average level of BRL/USD (0.20 in 2020 compared to 0.25 in 2019).

Income from Operations (IFO)

IFO is a measure taken from the IFRS audited consolidated statement of income. IFO increased in 2020 by $15.8 million or +5% to reach $307.9 million as compared to $292.1 million in 2019, mainly as a result of the following effects:

- Increase in Gross margin in 2020 by $20.4 million to reach $377.2 million as compared to $356.8 million in 2019, driven by the increase in Revenue of $80.5 million partially offset by the increase in Cost of sales by $60.1 million. The gross margin remains strong at 27% of total Revenue in 2020, in line with 2019.
- We incurred a one-off exceptional restructuring costs in 2020 of $5.2 million related to the reorganization of our corporate offices across the Group. In addition, the Acquisitions related items decreased by $3m and Selling, general and administrative expenses increased by $2m as compared to 2019.
  The IFO has been driven by the same key contributors as the Adjusted EBITDA detailed thereafter, positively impacted by the full-year impact of the acquisition of the Mexican CHP assets (+$40.1 million) and a negative foreign exchange variance of around $11.6m.

Adjusted EBITDA

In $ million	2020	2019	Var
Thermal	**420.9**	335.9	25%
Renewable	**332.0**	397.0	-16%
Corporate & Other	**-31.0**	-30.2	3%
Adjusted EBITDA	**722.0**	**702.7**	**3%**

In 2020, we saw another year of strong Adjusted EBITDA performance with an increase of 2.7% to $722.0 million.

Adjusted EBITDA benefited from the strong performance of our existing power generation assets contributing $650.8 million of Adjusted EBITDA as well as from the full-year impact of the acquisition of the Mexican CHP assets contributing another +$94.3 million of Adjusted EBITDA, which was partially offset by a negative foreign exchange impact of $21.9 million mainly due to a weaker Brazilian real/USD (-$27.6.million) and partially offset the higher average level of EUR/USD (+$5.7 million). The 2019 Adjusted EBITDA also included a $46 million net cash gain on sell-down of CSP Spain and Solar Italy and Slovakia. Excluding this cash gain, Adjusted EBITDA increased by +10% in 2020 as compared to 2019.

Thermal Adjusted EBITDA increased by $85.0 million, or 25%, to $420.9 million for the year ended 31st December 2020 from $335.9 million for the previous year. The growth in Adjusted EBITDA is mainly driven by the changes resulting from acquisitions or sale of businesses totaling $88.4 million with the Mexican CHP acquisition full-year impact of +$94.3 million partially offset by other changes in business perimeter in the Solutions business and the French Caribbean assets of -$5.3 million. This demonstrates the stability of the underlying earnings and cash flows of the portfolio, based on its contracted business model protecting the segment from fluctuations in demand, fuel prices, electricity prices and CO_2 prices. The Thermal fleet is also highly diversified in terms of geography and technology, which significantly limits its overall market exposure. The Thermal fleet reached an average annual availability factor of 94.4% in 2020 (92.8% in 2019) demonstrating a meaningful improvement in its operational performance during the year.

Renewable Adjusted EBITDA amounts to $332.0 million for the year ended 31st December 2020, as compared to $397.0 million for the year ended 31st December 2019. The most significant impacts in Adjusted EBITDA for the year are the prior year non-recurring gain on the sell down of the CSP portfolio of $51.9m and adverse foreign exchange movements in Brazil of $24.3 million.

In 2020, the Renewable segment showed a good performance of our Wind assets in Peru and Austria, and a performance in Brazil in line with 2019. The Wind assets overall contributed a total of $107.9 million to 2020 Adjusted EBITDA which is in line with the 2019 performance, excluding the negative foreign exchange impact of -$14.0 million due to the weakening of the Brazilian real against the US dollar during 2020.

The Solar portfolio contributed $177 million of Adjusted EBITDA, $1.4 million below 2019, mainly impacted by lower resource across the portfolio. The Hydro assets in Brazil contributed $34.7 million of Adjusted EBITDA which is $4.8 million better than 2019 (excluding the negative foreign exchange impact of $10.3 million due to the weakening of the Brazilian real against the US dollar) benefiting from the optimization of our commercial strategy.

In 2019, the Renewable segment benefited from the impact of the highly attractive sell-down of a 49% stake in our Spanish CSP portfolio which resulted in a $51.9 million gain recorded directly in equity under IFRS rules and contributed to 2019 Renewable Adjusted EBITDA by the same amount.

ContourGlobal's business model does not only generate stable and predictable earnings and cash flows; it is also based on significant risk mitigation as a result of various key components:

- Limited currency exposure: 85% of 2020 Adjusted EBITDA is denominated in either Euros or US dollars. In addition, a portion of the small Brazilian reais exposure in regards to distributions is hedged.
- Geographical and technology diversification: No technology cluster represents more than 23% of 2020 Adjusted EBITDA and the group is present on three continents.
- Long-term contracts with strong and creditworthy counterparties: Approximately 89% of 2020 Adjusted EBITDA is generated under PPAs concluded with investment-grade offtakers or non-investment-grade offtakers under political risk insurance. During 2020 our cash collections from our offtakers were not impacted by the COVID-19 pandemic and remained stable and in line with agreed payment terms.

In terms of financial metrics, we believe that the presentation of Adjusted EBITDA enhances the understanding of ContourGlobal's financial performance, in regards to understanding our ability to generate stable and predictable cash flows from operations. 'Adjusted EBITDA' is defined as profit for the year from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition related expenses, plus net cash gain or loss on sell down transactions (in addition to the entire full year profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non consolidated entities accounted for on the equity method, plus the Group's prorata portion of Adjusted EBITDA for such entities.

In determining whether an event or transaction is adjusted, ContourGlobal's management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Adjusted EBITDA is not a measurement of financial performance under IFRS.

Proportionate Adjusted EBITDA

Considering the decision to strategically sell down minority stakes of certain of our assets at a significant premium, we have included Proportionate Adjusted EBITDA as part of our core financial metrics since 2018. Proportionate Adjusted EBITDA is calculated using Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage.

The Proportionate Adjusted EBITDA as well includes the net cash gain or loss on sell down transactions as well as the underlying profit from continuing operations for the business in which the minority interest sale relates to reflecting applicable ownership percentage going forward from the date of completion of the sale of a minority interest.

Proportionate Adjusted EBITDA increased from $561.6 million in 2019 to $568.7 million in 2020 (+1%), a lower increase than Adjusted EBITDA mostly explained by the sell down of 49% of the Spanish CSP portfolio which took place during 2019.

The following table reconciles net profit before tax to Proportionate Adjusted EBITDA and Adjusted EBITDA for each period presented:

In $ millions	2020	2019
Proportionate Adjusted EBITDA	**568.7**	561.6
Minority interest	**153.3**	141.1
Adjusted EBITDA	**722.0**	702.7
Reconciliation to profit before income tax		
Depreciation, amortization and impairment	**-311.6**	-282.3
Share of Adjusted EBITDA in associates	**-19.9**	-21.7
Acquisition-related items	**-20.2**	-23.2
Cash gain on sale of minority interest in assets	**–**	-46.1
Restructuring costs	**-5.2**	–
Private incentive plan[1]	**-6.6**	-9.1
Mexico CHP fixed margin swap[2]	**-15.6**	–
Change in finance lease and financial concession assets	**-31.7**	-26.4
Other	**-3.3**	-1.7
Income from Operations	**307.8**	**292.1**
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives	**-247.8**	-243.8
Share of profit in associates	**12.3**	11.1
Profit before income tax	**72.3**	**59.4**

1. Refer to note 4.27 of the consolidated financial statements.
2. Reflects an adjustment to align the recognized earnings with the cash flows generated during the year under the CHP Mexico fixed margin swap (derivative that locks in a fixed margin for certain contracts)

In relation to the 2020 and 209 financial years, these adjustments mainly included non-recurring and non cash items.

2019 also included a cash gain on the sale of minority interests in the Spanish CSP assets of $51.9 million together with an adjustment related to the 2018 Slovakian and Italy portfolio sell-down of $(5.8) million, all booked directly in equity under IFRS.

Cash flow from operations and Funds From Operations

Funds from Operations is a non-IFRS measure that is calculated as follows:

In $ millions	2020	2019
Cash flow from operations	**719.6**	**616.3**
Change in working capital[1]	**-52.8**	-5
Interest paid	**-175.8**	-189.2
Maintenance capital expenditure[2]	**-50.5**	-40.1
Other distributions received from associates	**13.0**	-
Cash distributions to minorities[3]	**-74.0**	-44.2
Funds From Operations (FFO)	**379.6**	**337.9**
Cash conversion rate (%)	**53%**	48%

1. Change in working capital variance in 2020 was positively impacted by a VAT refund in CHP Mexico totaling $68 million.
2. Maintenance capital expenditure is defined as funds employed by the business to maintain the operating capacity, asset base and/or operating income of the existing power plants. It excludes growth and development capital expenditure, which are discretionary investments incurred to sustain our revenue growth (including construction capital expenditure).
3. Cash distributions to minorities as per consolidated cash flow statement (excluding $8m payment to Credit Suisse related to payment of earn-out to the previous owner).

Cash flow from operations is presented in the Consolidated statement of cashflows of the financial statements and increased from $616.3 million to $719.6 million, mainly driven by the positive variance in working capital ($52.8 million) driven by a VAT refund in CHP Mexico ($68 million) and increase in Adjusted EBITDA ($19 million) excluding the 2019 net cash gain on Sell down ($46 million).

The Funds from operations is a key metric for ContourGlobal and gives an indication of the strength and predictability of our cash generation and how much of our Adjusted EBITDA is converted into cash flow. Funds from operations significantly improved in 2020 to $379.6 million, a 12% growth rate compared to 2019. This performance is the consequence of the continuous growth of Adjusted EBITDA explained above as well as a result of lower interest paid and $13m of cash distributions received from associates.

As a result the cash conversion rate, which compares FFO to Adjusted EBITDA, increased from 48% to 53%.

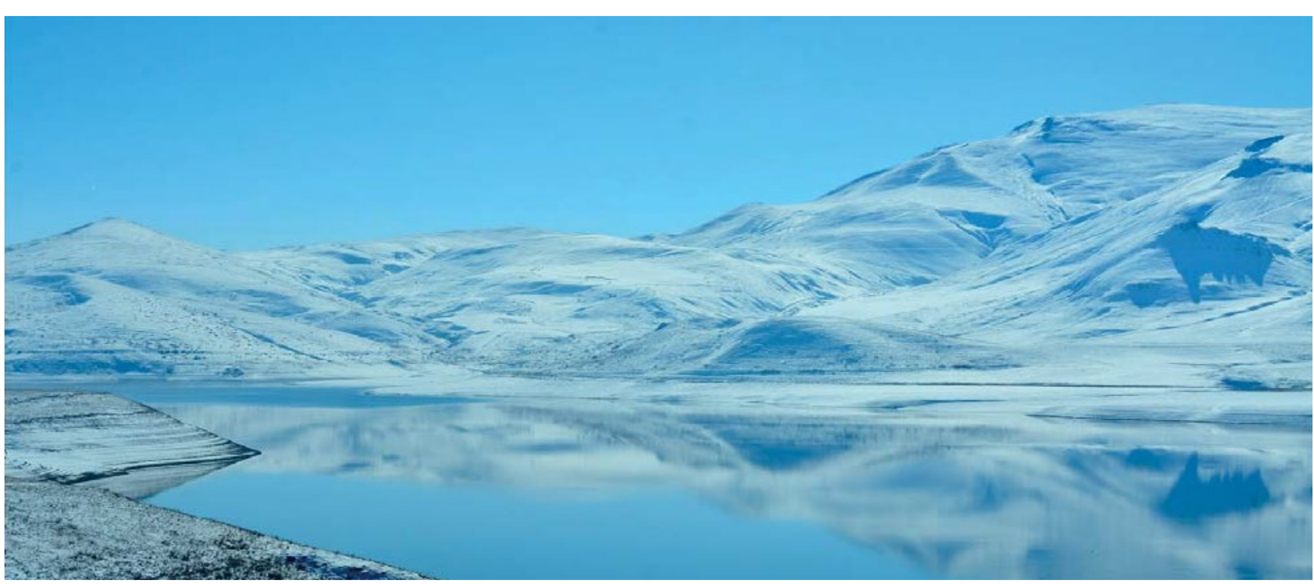
Leverage ratio

The Group leverage ratio is measured as total net indebtedness (reported as the difference between ‘Borrowings’ and ‘Cash and Cash Equivalents’ in accordance with IFRS statement of financial position) to Adjusted EBITDA. The leverage ratio does not include the IFRS16 liabilities ($33 million as Dec. 31, 2020). Whenever the impact would be significant, such a ratio is adjusted to reflect the full year impact of acquisitions or for financial debt of projects under construction which do not generate EBITDA.

The leverage ratio as of 31st December 2019 was 4.40x (Including pro forma adjustment for a full year of Mexican CHP acquisition), and is 4.75x as of 31st December 2020. The increase in reported Net Debt to Adjusted EBITDA ratio vs. 2019 is mainly caused by year end appreciation of the Euro, resulting in 31 December 2020 EUR/USDFX rates of 1.22 vs 2020 average of 1.14.

The Net parent company leverage is 3.0x as of 31 December 2020, and consistent with 3.1x as 31 December 2019. The Net parent company leverage is defined as:

- net debt at corporate level ($830 million as of 31 December 2020, $786 million as of 31 December 2019): net debt of the group corporate holding entities (excluding non recourse financing), mainly including the Corporate Bonds, less cash and cash equivalent in corporate holding entities
- divided by CFADS (cashflows available for debt service) as defined in the Corporate Bond Indenture ($274 million for 2020, $251 million for 2019).



There is no reconciliation of the Net parent company leverage to statutory measures because they do not derive from the statutory measure.

Finance costs – net

Finance costs – net increased from $243.8 million in 2019 to $247.8 million in 2020 (2%).

Interest expense increased from to $188.8 million in 2019 to $195.0 million, largely due to the impact of the project financing issued for the acquisition of the Mexican CHP ($26.8 million) partially offset by the natural deleveraging of the project financings together with the foreign exchange impact of the weakened BRL as compared to the US dollar (-$18.3 million).

The Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives increased by $20.8 million primarily attributable to:

- a positive impact in fair value of derivatives of $70.5 million in 2020 (driven by the $56.1 million non cash net change in fair value of the Mexican CHP fixed margin swap), as compared to -$13.4 million in 2019, and
- a -$59.8 million foreign exchange loss in 2020 (driven by an unfavorable exchange rate of the US dollar against the Euro which resulted in a negative revaluation of cash amounts held in USD by $14 million, and other unfavorable exchange rate movements of the US dollar against the Brazilian real and Armenian dram totalling $26.9 million) as compared to a $3.4 million gain in 2019.

Profit before tax

Profit before tax increased by $12.9 million to $72.3 million in 2020 as a result of the factors previously explained.

Taxation

The Group recognized a tax charge of $43.7 million in 2020 as compared to $36.3 million in 2019. This increase in the tax charge between periods was driven by the impact of the Mexican CHP acquisition ($21.1 million) and the profit mix between territories with different income tax rates. The main jurisdictions contributing to the income tax expense in 2020 are Mexico, Bulgaria and Brazil.

Net income and Adjusted Net Income

Net income increased from $23.1 million in 2019 to $28.6 million in 2020. Considering 666.6 millions of average number of shares outstanding in 2020 (670.7 millions in 2019), and a profit attributable to shareholders of $16 million in 2020 ($27.7 million in 2019) the Earnings per share (basic) decreased from $0.04 to $0.02.

Adjusted Net Income is defined as Net income excluding some items for the year. A reconciliation of Net income to Adjusted Net Income is as follows:

In $ millions	2020	2019
Net income	**28.6**	**23.1**
Change in fair value of the CHP Mexico fixed margin swap[1]	**(28.4)**	–
Acquisition-related items[2]	**20.2**	23.2
FX unrealized losses[3]	**26.5**	3.6
Restructuring costs[4]	**5.2**	–
Private Incentive Plan[5]	**6.6**	9.1
Corp. Bond and Italian / Slovakian refinancing[6]	**8.9**	15.4
Adjusted Net Income	**67.4**	**74.4**
Adjusted Net Income attributable to shareholders	**54.8**	79.0

1. Change in fair value of the Mexican CHP fixed margin swap (-$56m), net of $16m impact in Adj. EBITDA and net of 30% income tax impact ($12m).
2. Includes pre-acquisition costs and other incremental costs incurred as part of completed or contemplated acquisitions. ContourGlobal incurred exceptional amounts of such costs in 2020 and 2019 while signing and/or closing acquisitions in the US and Mexico in particular.
3. Includes FX unrealized losses as reported in the consolidated financial statements, and represent non-cash unrealized losses recognized during the year. 2020 was notably impacted by a decrease in local currency in Armenia (AMD), generating unrealized FX losses for the dollar denominated project financing debt totalling $20 million.
4. Costs incurred as part of the reorganization of our corporate offices.
5. Non-cash impact of the Private Incentive Plan implementation, which does not constitute a liability for the Company as the obligation is met by the transfer of existing shares own by Reservoir Capital.
6. Costs incurred in 2020 as part of the Bond refinancing and in 2020 as part of the Slovakian and Italian refinancings which required early settlement of the existing swaps and immediate recycling to profit and loss of deferred financing costs.

Non-current assets

Non-current assets mainly comprise property, plant and equipment ("PP&E"), financial and contract assets, and intangible and goodwill. The decrease in non-current assets by $260.3 million to $4,375.7 million as of 31 December 2020 was mainly due to the decrease of intangible assets by $32.9m (amortization -$26.2m, FX translation -$16.5m, partially offset by the additions $9.9m), decrease of PP&E by $255.2m (depreciation -$285.3m, CTA FX impact -$24.2m, reclassification of Kosovo project development costs to Other non-current assets -$21.7m, partially offset by the additions +$90.6m). Additions of PP&E in 2020 were mainly recognized in Vorotan ($22.5m), Maritsa ($12.4m), Brazil Wind $10.9m, and Spanish CHP ($8.6m).

Borrowings

Current and non-current borrowings increased by $739.7 million to $4,830.2 million as of 31 December 2020, mainly as a result of new or acquired borrowings (+$938.9 million mainly composed of the new Corporate bond for $810.3 million, RCF drawn and repaid totaling $77.0 million and new financing in Austria Wind totaling $38.7 million), partially offset by scheduled financing repayments totaling $353.0 million and currency translation differences and other ($153.8 million). Following the issuance of the new Corporate bond in December 2020, the € 450 million Corporate bond due in 2023 has been repaid in January 2021.

Equity and non-controlling interests

Equity and non-controlling interests decreased by $203.1 million to $337.7 million as of 31st December 2020 mainly due to the following factors: dividends paid to shareholders (-$105.7 million), dividends paid to non-controlling interests (-$5.4 million), purchase of treasury shares (-$30.4 million), change in hedging and other reserves (-$13.6 million), and currency translation adjustment and other (-$97.1 million) partially offset by the net income of the year ($37.3 million).

Dividend

The Board recognizes the importance of paying a regular dividend to shareholders. The underlying business generates secure, highly visible, long-term cash flows, and it is the Board's intention that dividends will be paid on a quarterly basis. Reflecting the growth potential of the business, since listing in 2017 the Board has targeted a high single-digit annual dividend increase, which was raised to a 10% annual target in 2019. At times the Board may approve additional returns of capital, arising from surplus generation of cash or corporate transactions.

The Board periodically reviews the dividend policy, considering overall prospects, conditions and capital requirements of the Group. The Company paid a dividend of $24.8 million in May 2020 corresponding to the final dividend for the year ended 31st December 2019 and three interim dividends for the year ended 31st December 2020 in total of $80.9 million in June, September and December 2020.

The Directors expect to pay a total dividend of approximately $107.5 million for the year ended 31 December 2020, including a quarterly dividend of 4.0591 USD cents per share (around $26.6 million) to be paid in April 2021.

Our dividend cover remains strong at 2.2x. Dividend cover is measured as "Parent Company free cash flow" of $234 million in total ($274 million CFADS as defined in the Corporate Bond indenture, less $40 million Corporate Bond interest costs), relative to the total declared dividend for the year ended 31 December 2020. There is no reconciliation of the Dividend cover to statutory measures because they do not derive from the statutory measure.

Outlook

We remain focused on generating strong and predictable cash flows as a result of our business model of development and operationally led acquisitions of power generation assets under long-term contracts providing significant protection from the risks associated with volumes, commodity prices or merchant energy prices as recently evidenced by the acquisition of a portfolio of natural gas-fired and Combined Heat and Power assets totaling 1,502 MW located in the US and Trinidad & Tobago which completed in February 2021 and which we are looking forward to integrating into the wider business in 2021.

Stefan Schellinger
Global Chief Financial Officer

Alexandre da Fonseca Reis,
Brazil Thermal Operation Manager

BRAZIL

FOCUSING ON THE PEOPLE AROUND US

Supporting the community is a key part of our ethos and was as important as ever during 2020. Alexandre da Fonseca Reis explains the measures ContourGlobal took in this pandemic year:

“Our efforts focused on what we could do to help the communities we serve in the face of COVID-19. At Balsa Nova in the state of Paraná, where one of our Solutions Brazil plants is based, the town of some 13,000 inhabitants saw a massive surge in infections in November and December. We contacted the health authorities to find out how we could help, and they said they were short of Personal Protective Equipment (PPE) and COVID-19 tests for their key healthcare teams. We pulled out all the stops and were able to supply PPE and PCR tests for more than half of their medical staff. Our contribution was worth 1.2% of the town’s entire health care budget and made a real difference in reducing cases at a time when the death rate was at a record high.

“At our Rio PCH business, where we operate two hydro plants in the state of Rio de Janeiro, the needs were different. There, the biggest problem was that the local people who relied on selling agricultural products at market were unable to operate and lost their income. Without this, many were unable to feed themselves and their families. With Government supplies slow in reaching people, we stepped in to donate food baskets to 140 families, taking them door to door to avoid crowds and the risk of infection. We found people who were starving and didn’t know who to turn to. I am proud that ContourGlobal was able to come to their rescue.”

OUR APPROACH TO RISK MANAGEMENT

We manage our risks rigorously across all businesses and corporate functions. This is a disciplined and dynamic process led from the top and applied day by day throughout the Company.

The Board of Directors has overall responsibility for the Company's risk appetite, risk management and ensuring that there is an effective risk management strategy and framework. The Audit & Risk Committee assists the Board with monitoring the Company's risk management framework, identifying areas of risk, challenging control weaknesses and providing independent assessment and opinion on the effectiveness and efficiency of the Company's internal controls and risk management systems. This also includes reviewing the risk register and providing regular updates to the Board on actions taken to mitigate the risks faced by the Group. Details of the Audit & Risk Committee's composition, responsibilities and activities can be found in the Audit & Risk Committee Report on pages 101 to 109.

Robust risk management

The Company's risk management framework consists of a register of all key risks, a risk map and qualitative analysis of the likely causes and impacts of each risk. The register details the management action plans in place to mitigate the effects of any risk materializing.

Our risk management approach is based on the three lines of defense model, with a set of controls, procedures, and responsibilities designed to provide reasonable assurance.

Operational management in our businesses is the first line of defense. This ensures that day-to-day risk management controls are implemented and monitored and that relevant systems are in place to identify, evaluate and mitigate the Company's business risks.

The second line of defense comprises Group functions such as compliance, internal control, legal, IT and quality. These focus on monitoring and compliance with risk control systems and processes implemented by the business.

Our internal audit function together with external assurance providers serves as the third line of defense, providing independent assurance of risk management, internal controls and governance.

Senior management plays a key role in monitoring the risk management governance framework and policy. A focus group of key senior management members reviews and updates the risks listed on the risk register.

New and emerging risks

We follow a robust process to review current risks and to identify emerging risks. In 2020, as part of this process, we held a moderated workshop on emerging risks for the first time, conducted jointly with one of the top risk management consulting firms. The reflection on ongoing changes to operating environment and emerging global risk factors and potential scenarios analyzed during the workshop led to identification of two new risks (in addition to COVID-19), which were added to the Risk Register: 'Disruptive innovation in power generation and storage technologies' (R04) and 'Supply Chain' (R05). We continue to monitor all risks through the online Risk Management Portal that we established in 2019.

Online Survey conducted through risk management portal

Emerging risks identified through moderated workshop

Updated risk register including emerging risks presented to the Executive Management

Existing and proposed emerging risks reviewed by Audit and Risk Committee

Final review conducted by the Board

COVID-19 pandemic

The significance of the COVID-19 pandemic and its potential for numerous impacts across the Company's operations, led us quickly in the first quarter of 2020 to organize a dedicated Task Force consisting of several working groups focusing on specific operational and logistical areas: remote working and internal communication; spares and procurement; operations staffing and Operational Technologies management; health, medical and testing. The activities of the COVID-19 Task force were reflected in a new 'Pandemic virus' risk (R03) added to our Risk Register, and risks were monitored through our Risk Management Portal from the first quarter of 2020.

Controlling risks

The Company faces a broad range of risks related to operating, maintaining and refurbishing power generation facilities. These include operational, health, safety and environmental (HSE) as well as cyber security and systems integrity risk. In line with our culture of operational excellence and safety, we make sure all the resources are available to control these risks at the right level.

The Internal Audit function conducted six audits in 2020, including information technology spend governance, energy trading, operating permits compliance and three assets-focused audits. These audits are directly or indirectly related to ContourGlobal's major risks and allow us to detect areas for improvement. The findings from the audit allowed us to strengthen controls around how the company enters into major commitments and contracts, compliance with the Company's processes and procedures at asset level.

In December 2020, the Audit & Risk Committee approved the 2021 Internal Audit risk-based plan.

Further information can be found in the Audit & Risk Committee report on page 105.

Our framework for managing risk

Roles and responsibilities

Board

Overall responsibility for risk management:
Risk appetite, strategy, policy and systems, approval of the risk register

Audit and Risk Committee

Assisting the Board with developing and monitoring the risk management framework, identifying and monitoring areas of risk and reducing control weaknesses

Assessing the effectiveness and efficiency of the internal control and risk management systems

Reviewing the Company's internal control, risk management systems and risk register Senior management team

Senior management team

Monitoring the risk management governance framework and policy

Reviewing and updating the Company's risk register in a working group of key senior management members

First line of defense
Business operations
Policies, Organization, Risk assessment procedures

Second line of defense
Compliance, Legal, IT, Internal Control, Quality

Third line of defense
Internal Audit

Risk ownership and control
ensuring day-to-day risk management controls are implemented and monitored, and that systems are in place to identify, evaluate and mitigate Company's business risks

Monitoring and compliance
regarding risk control systems and processes implemented by the business

Independent assurance of risk management, internal controls and governance

Reducing uncertainties

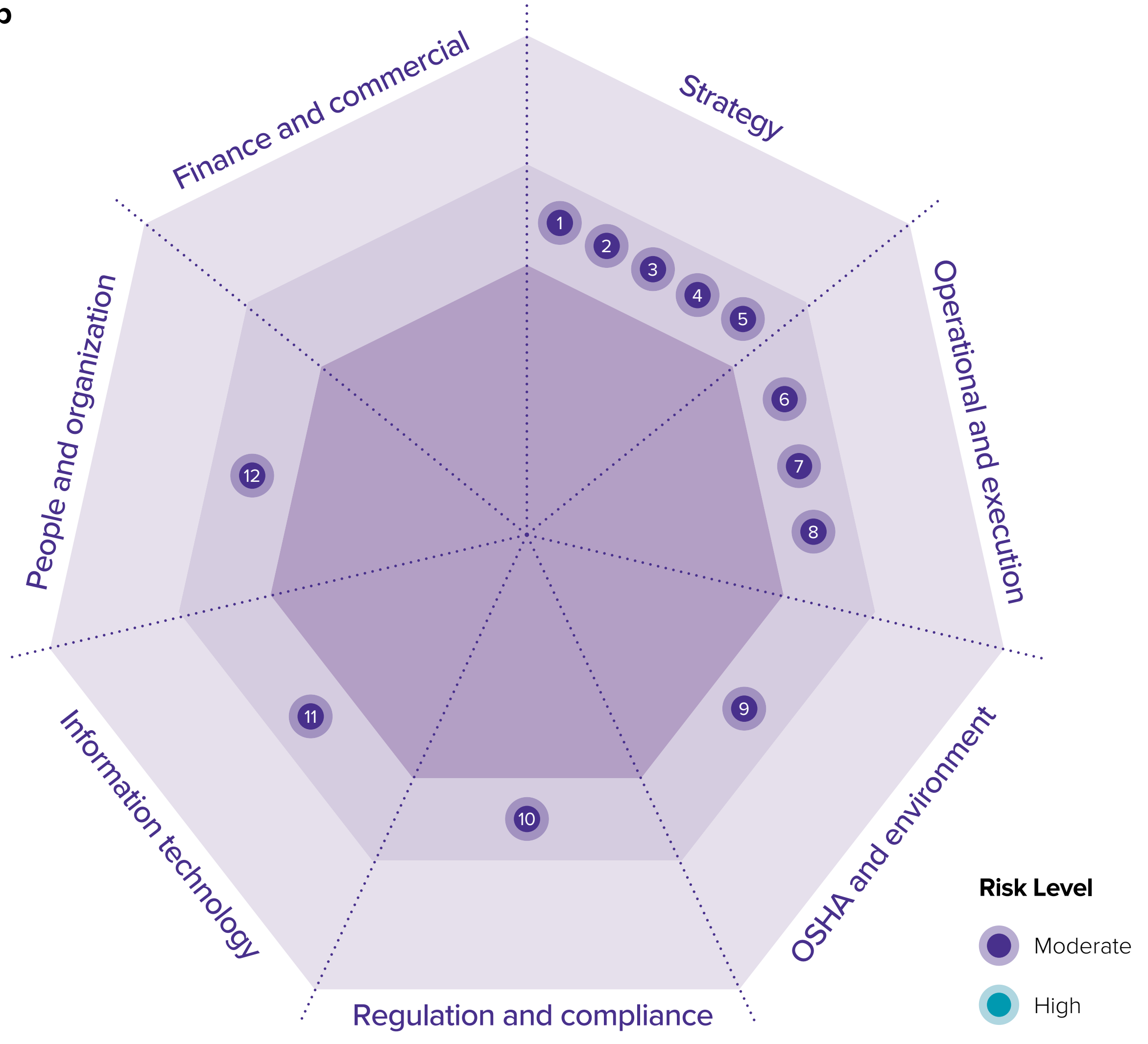
The Company's diversified geographical and technological approach to contracted and regulated power generation, as well as political risk insurance coverage of higher-risk assets, reduces uncertainties relating to medium-term operational results. We closely monitor residual risks related to governmental regulations, macroeconomic uncertainties and changes in market conditions through the risk management framework.

Focusing on the major risks

This section of the strategic report provides an overview of our approach to managing risk, focusing on the major risk factors related to implementing the Company's strategy and business model. It is not an exhaustive list of all possible risks. Additional uncertainties exist, some of which may not be known to the Company and could have a negative effect on the Company's financial position and performance. The principal risks and uncertainties were considered in assessing the long-term viability of the Company.

The viability statement can be found on page 72.

Risk map



R01	Impact of governmental actions and regulations
R02	Geopolitical uncertainties and social instability (including environmental activism, sanctions and trade war)
R03	Pandemic virus
R04	Disruptive innovation in power generation and storage technologies
R05	Supply chain
R06	Project execution (CAPEX)
R07	Asset integrity (OPEX)
R08	Resources/Climate change
R09	Health, Safety and Environment (HSE) and food: prevention and regulation
R10	Fraud, bribery and corruption
R11	Cyber security and systems integrity
R12	Key people (senior executive management) succession planning

The order of these risks does not reflect their relative significance – they are all major risks.

Our Risk Radar maps the top 12 risks ContourGlobal is facing. The risk radar has three levels of residual risk: high, moderate and low.

Each level is a combination of the inherent risk significance (potential impact and likelihood) and the risk response in place. Inherent risk is the risk to an entity in the absence of any direct or focused actions by management to alter its severity/significance. Residual risk is the risk remaining after management has taken action to alter its severity/significance.

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place. Additional actions should be taken to alter risk severity further.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to result in a moderate residual risk. Additional actions could be taken to reduce risk significance further.

Low: risk that may have limited impact on the business given that control mechanisms are in place together with relevant monitoring and assessment measures.

The closer the positioning of the risk to the center of the radar, the higher the residual severity of the risk.

Risk Factor	Main impact	Risk Response (management and mitigation)

R01. Strategy – Impact of governmental actions and regulations

Risk Factor

The risk that governmental actions or changes in (1) taxes or (2) regulations of our non-PPA long-term fixed rate arrangements (i.e. feed-in-tariffs) and Power Purchase Agreements (PPAs) including new adverse policymaking and investigations by regulatory or competition law authorities, as well as (3) restrictive regulation of Thermal generation as the result of climate change initiatives and transition to low-carbon economy, without regulatory risk pass-through mechanisms will have a negative impact on our results of operation and growth prospects.

↔ **Risk unchanged**

Included in the sensitivity analysis on principal risks for viability and going concern assessment.

Main impact

Deterioration of financial performance including loss of revenue and an increase in expenses (including fossil fuel cost).

Loss of business/growth opportunities:

Termination of agreements:
- Inability to obtain, maintain or renew required governmental permits/licenses
- Inability to receive permits for extension of existing capacities

Financing impact:
- Limited access to capital for Thermal power generation projects

Major Asset impact:
- Maritsa anticipates that in the near term it will engage in discussions with the government of Bulgaria related to the Bulgarian energy regulator's complaint to the European Commission that the Maritsa PPA contains elements of state aid and the EC's related review of the PPA. Separately, Bulgaria has submitted its proposed energy market reform plan to the EC, which plan proposes a market-wide capacity remuneration mechanism and termination of the long-term PPAs, including that of Maritsa, and foresees discussions with Maritsa on this subject. We cannot predict the outcome of such discussions, or of any resolution by the EC of its review should those discussions not result in an agreement. Maritsa believes termination of the PPA would not be justified and will take all required actions to protect its rights and interests. Resolution of the matter could nonetheless contain terms that adversely affect the Maritsa PPA and have a material adverse impact on Maritsa's and ContourGlobal's business.

Impact on other key Assets:
- The Group is subject to changes in laws or regulations or changes in the application or interpretation of laws or regulations in jurisdictions where we operate (particularly utilities where electricity tariffs are subject to regulatory review or approval) which could adversely affect our business. This is the case for instance in Mexico where the current government has engaged in several attempts to change the regulatory regime under which the Company's plants are operating, and related to Rwanda and Kosovo, where the Company is engaged in arbitrations related to the interpretation of its and counterparties' contractual obligations.

Risk Response (management and mitigation)

PPAs are held with state-owned, regulated or other offtakers, the majority of which are rated by Standard & Poor's, with a weighted average credit rating (after Political Risk insurance - PRI) of BBB+ (weighted by EBITDA).

PRI policies (from commercial insurers) are in place for several projects in case of events that can affect our assets, in particular the loss of invested capital. In some cases, these cover a return on our capital. These include:

Maritsa, Vorotan, KivuWatt, Togo, Cap des Biches, TermoemCali, and Kosovo.

Close relationships are maintained with energy lawyers and associations to anticipate any potential changes in regulation and express our interests.

Partnerships are fostered with multilateral development banks for both equity and debt which makes governments reticent to renegotiate.

Investment is placed in local communities and hiring locally.

The business has a sovereign credit rating of BBB+ post-PRI impact (based on the individual sovereign ratings determined by Standard & Poor's).

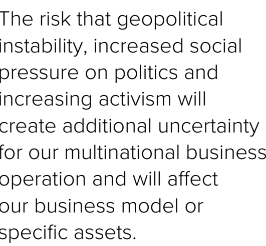
Close monitoring of global climate change initiatives and taking them into account in our medium- and long-term operations and growth strategy.

Proactive engagement and communication.

R02. Strategy – Geopolitical uncertainties and social instability (including environmental activism, sanctions and trade war)

Risk Factor

The risk that geopolitical instability, increased social pressure on politics and increasing activism will create additional uncertainty for our multinational business operation and will affect our business model or specific assets.



Main impact

Deterioration of financial performance:
- Increase in operational costs (including additional costs associated with supply chain disruptions)
- Higher financing transaction costs
- Disruption of operation of one or more of our assets
- Increase in OPEX and CAPEX
- Loss of invested capital
- Adverse effect on results of operation

Risk Response (management and mitigation)

PRI policies (from commercial insurers) are in place for several projects in case of events that can affect our assets, in particular in Africa and Eastern Europe.

In some cases we can recover a return on our capital:
- Maritsa, Vorotan, KivuWatt, Togo, Cap des Biches, TermoemCali, and Kosovo
- Our diversified operations limit the downside as the impact of a localized geopolitical effect is unlikely to have a significant effect on the full portfolio
- Diversification of jurisdictions and technologies minimizes the risk

Risk Factor	Main impact	Risk Response (management and mitigation)
R02. Strategy – Geopolitical uncertainties and social instability (including environmental activism, sanctions and trade war) (continued)		
The risk that sanctions affect our counterparties or stakeholders along our supply chain will have negative impact on our cost structure and our ability to acquire the required equipment. The risk that excessive cross border tariffs or negative regulation on foreign capital flow will have an impact on our supply chain and limit our flexibility in cross border investments. **Risk unchanged** Included in the sensitivity analysis on principal risks for viability statement and going concern assessment.	• Unforeseen additional recurring costs vs. financial model projections (project IRR and cash flow) • Charges and penalties due to non-compliance with external requirements **Loss of business/growth opportunities:** • Inability to operate effectively • Termination of agreements • Fewer opportunities for growth **Business disruption:** • Inability to procure required equipment • Impact on EAF and EFOR	• Access to several financial markets allows the business to choose the most opportune sources of transactional financing • Investment in local communities and hiring locally creates goodwill with local governments and populations • Reduced risk mitigation in place through diversified business • Regular analysis of suppliers and supply chain - related business case study on Spain on page 36

R03. Strategy – Pandemic virus

Risk Factor	Main impact	Risk Response (management and mitigation)
The risk that global pandemic(s) will cause (1) health issues for our employees, (2) business disruptions at operational as well as at corporate level, (3) disruption of our supply chain, (4) delays in power plants' major overhauls, (5) increase in counterparty risk given deterioration of our offtakers' credit strength as well as (6) slowdown of economic growth and thus disruption of global commodity markets which will result in adverse financial impact on results of our operation as well as growth targets and long-term impact on sustainability of regulated returns/FIT. **New risk** Included in the sensitivity analysis on principal risks for viability statement and going concern assessment.	**Direct financial impact:** • Adverse impact on revenue due to force majeure claims, decreasing power demand caused by slowdown of economic growth • Slow payment of certain of our offtakers/the country system, potential financial distress post-crisis of certain clients, regulatory measures to slow down payments • Adverse effect on results of operation due to increase of O&M costs and CAPEX expenditures due to supply chain disruption **Business interruption:** • Disruption to business-as-usual activities caused by restrictions imposed on travel and movement of goods • Business leaders' distraction from core business activities due to focus on risk prevention and mitigation measures • Disruption due to employees' illness at plant and corporate level • Disruption and delays to plants' planned maintenance due to travel restriction of O&M contractors (Impact on EAF and EFOR) • Potential supply chain disruption resulting in inability to procure important equipment, consumables or spare parts	**Information and Communication** • Emergency communication online site on the intranet that contains the most recent communication regarding Coronavirus to Company's employees in different languages • Crisis management task force (COVID-19) consisting of sub-groups: remote work and internal communication; operations staffing and OT management; IT readiness; health, medical and testing • Regular calls of senior management with business leaders and global Webinars for all employees **Mobility restriction, remote work and social distancing** • Employees training (Okta, VPN, zoom) and necessary IT set-ups in place and tested to ensure seamless remote operation for corporate functions • Remote power plant operations in some locations • Temporary travel business ban during quarantine and strict monitoring of travel situation going forward • Strict third-party visitors control (contractors, service providers) screening and authorization process including online questionnaire • Issuance of "Temporary home-based employee guidance" and "Emerging Respiratory Viruses Prevention Response Guidance" • Regular check-ins with managers • Procurement of masks and PPE equipment and shipment to sites for front-line workers • Assets operating in isolation mode **Supply chain analysis and contract management** • Global supply chain actions tracker per plant with regular update in case of potential risks. Calls with sites to review the status • Force majeure and termination clauses analysis for key contracts (PPA, facility agreements, supply chain) with regular communication on potential delivery delays. Local assets were advised to avoid or to require protection for advance payments

Risk Factor	Main impact	Risk Response (management and mitigation)

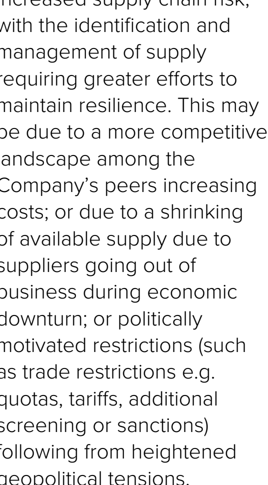
R03. Strategy – Pandemic virus (continued)

Risk Factor	Main impact	Risk Response (management and mitigation)
	Indirect financial impact (Country/Counterparty): • Adverse financial impact on the result of Company's operation through the adverse effect of economic growth slowdown on our counterparties, i.e. PPA offtakers and governments' feed-in tariffs • FX rate exposure due to disruption in countries with weak currencies **Financing and growth impact:** • Inability to get access to financing for new or existing projects due to potential liquidity crunch caused by global economy slowdown	**O&M optimization and inventory management** • Review of annual maintenance program to reschedule any maintenance activities that would require third-party interventions on site • Inventory requirement in place for spares and consumables at least through the end of 2020 (6-12 months' stock) **Health, Insurance and Testing** • PRC testing of front-line workers • COVID insurance policy for infected employees (in addition to existing health benefits) • Strict protocols for maintaining physical distance, disinfection of premises, masks and gloves use when required physical distance cannot be kept. In addition, screenings for temperature are conducted

R04. Strategy – Disruptive innovation in power generation and storage technologies

Risk Factor	Main impact	Risk Response (management and mitigation)
The risk that technological breakthrough in renewable generation, storage technologies and/or energy trading and financial markets (i.e. blockchain) will reduce our ability to be competitive in the new investments or could result in stranded assets. Note: this risk is regarded as an emerging risk but one unlikely to impact in the next three years. **New risk**	**Deterioration of financial performance:** • Loss of revenue • Decrease in operating cashflow **Loss of business/growth opportunities:** • Renegotiation/termination of existing contracts • Inability to expand in strategically important regions	• Strong PPAs drafted to protect ContourGlobal from non-payments • PRI policies, several of which provide protection against non-honoring of arbitration award • Diversification of ContourGlobal's portfolio (Thermal and Renewable) and installing the most modern technologies (where possible) in order to remain as competitive as possible • Innovation monitoring and using internal capabilities to capitalize on emerging technologies and innovative solutions already implemented within the Group

R05. Strategy – Supply Chain

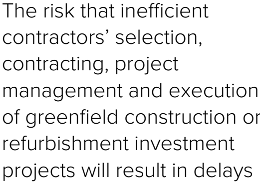


Risk Factor	Main impact	Risk Response (management and mitigation)
Increased supply chain risk, with the identification and management of supply requiring greater efforts to maintain resilience. This may be due to a more competitive landscape among the Company's peers increasing costs; or due to a shrinking of available supply due to suppliers going out of business during economic downturn; or politically motivated restrictions (such as trade restrictions e.g. quotas, tariffs, additional screening or sanctions) following from heightened geopolitical tensions. **New risk** Included in the sensitivity analysis on principal risks for viability statement and going concern assessment.	**Business disruption:** • Inability to procure required equipment or parts • Impact on EAF and EFOR **Deterioration of financial performance:** • Increase in Opex and Capex **Potential breach of loan agreements**	• Supply chain analysis and contract management: global supply chain actions tracker per plant with regular update in case of risks, regular reviews • Monitoring of force majeure and termination clauses and communication of potential termination

Risk Factor	Main impact	Risk Response (management and mitigation)

R06. Operation and execution – Project execution (CAPEX)

Risk Factor



The risk that inefficient contractors' selection, contracting, project management and execution of greenfield construction or refurbishment investment projects will result in delays or unanticipated cost overruns.

Risk unchanged

Included in the sensitivity analysis on principal risks for viability and going concern assessment.

Main impact

Financial impact e.g.:

- Overrun of project costs (including financing fees) vs. investment case impacting projected cash flows and IRR
- Liquidated damages/penalties/litigation
- Reduced revenue due to construction delays
- Potential defaults on financing and debt repayment before COD
- Image and reputation impact resulting from a loss of credibility with counterparties, lenders and other stakeholders

Risk Response (management and mitigation)

- Controlling methodology: specific internal resource is dedicated to provide guidance and best practice to ensure strict and real-time project cost control, enabling cost overruns to be identified early and mitigation actions put in place
- Minimizing the risk of exceeding construction budgets by entering into fixed price contracts with engineering, procurement and construction (EPC) contractors with proven track records
- EPC contracts contain back-to-back liquidated damages provisions which protect ContourGlobal against construction delays and other breaches by EPC contractors
- Contract monitoring and management with legal support
- External support to obtain permits
- Project Review Procedure: monthly review of the projects organized by the Project Management Team (including the Group COO) and presented to the Project Steering Committee
- Regular analysis of suppliers and supply chain

R07. Operation and execution – Asset integrity (OPEX)

Risk Factor

The risk that asset maintenance processes are not managed in line with the O&M plan and quality standards will prevent the power plants from delivering electricity and ensuring availability at the levels defined in the long-term PPAs.

Risk unchanged

Main impact

Deterioration of operational performance:

- Business interruption and power outages
- Performance below expected efficiency and output levels
- Inability to deliver electricity or ensure availability defined in long-term PPAs

Reduced profitability and cash flows:

- Increase of expenses (OPEX & CAPEX)
- Unplanned O&M and capital expenditures
- Loss of revenue and PPA penalties
- Liquidated damages
- Reduction in distribution and inability to service debt
- Reputational impact

Risk Response (management and mitigation)

- Business interruption insurance
- O&M strategy focusing on HSE, O&M organization, O&M performance management, benchmarks and KPIs
- Maintenance strategy including hydro and civil structures. O&M IT systems (including remote monitoring control room)
- Maintenance activities with regular KPIs for control, and timely corrective actions
- Daily KPIs and improvement meetings between local plant managers and operators
- Regular analysis of suppliers and supply chain

R08. Operation and execution – Resources/Climate change

Risk Factor

The risk that climate change (e.g. changes in temperature, wind patterns and hydrological conditions) will affect the certainty of our forecasts, will impact our operations and adversely affect our financial performance.

Risk unchanged

Included in the sensitivity analysis on principal risks for viability and going concern assessment.

Main impact

- Deterioration of financial performance including a loss of revenue and/or an increase in expenses (O&M costs)
- Impact on the operational performance with a strong deviation of actual renewable generation vs. projections in the investment case specifically for wind and hydro
- Read more about how we managed this risk in Armenia this year on page 19.

Risk Response (management and mitigation)

- Diversified geographical and technological portfolio of assets
- Extensive weather phenomena studies and due diligence before acquisitions
- Sign-off on all investment case assumptions by a reputable advisory firm
- Scenario analysis carried out across the portfolio
- StormGeo forecasting service has been implemented that provides medium- to long- range prognostics for LATAM assets
- Retina Performance Management platform for Renewable businesses to improve data analytics and forecasting, enabling predictive analysis for medium- to long- range maintenance planning and downtime reduction
- Review of weatherization planning for extreme temperatures

Risk Factor | Main impact | Risk Response (management and mitigation)

R09. Health, safety and environment (HSE) and food – prevention and regulation

Risk Factor

The risk that failure to prevent major health, safety, environmental and food (CO_2 production for human consumption) incidents and/or comply with relevant regulations due to inherent risks related to our activities (fuel types, technology, equipment in more than 20 countries) will have a material adverse impact on our operations, financing conditions and reputation.

↔ **Risk unchanged**

Main impact

Human and environmental impact:

- LTIs (Lost Time Incidents) and fatalities of ContourGlobal employees, contractors or people in local communities around the facilities due to incidents at the power plants
- Environmental accidents on site and in local communities
- Contamination of food supply
- Reputational impact

Financial and operational impact:

- Increase in liabilities and compliance costs
- Business interruption
- Loss of efficiency/productivity
- Breach of loan covenants
- Non-compliance with applicable HSE legal requirements and potential sanctions

Risk Response (management and mitigation)

- Health and Safety Policy reviewed annually and communicated Company-wide
- Health and Safety and Environmental management system is aligned with H&S 18001, ISO 14001 standards, and also with World Bank guidelines, namely the IFC Performance Standards
- Monitoring of reactive indicators (such as responses to accidents) and proactive indicators (including known hazards, inspection quality and number of training hours)
- Intense regular training
- Continuous improvement and failure analysis (like 5 whys and lessons learned) to prevent incident recurrence
- Strong environmental policies and procedures:
- Each business's compliance with applicable policies, local laws and permit requirements is managed directly by the business
- Oversight and audit through operations, environmental, health and safety departments
- Third-party contractors' environmental audits, including Coca-Cola audits of food grade CO_2
- Arrubal, Togo and Knockmore Hill have achieved ISO 14001 certification
- Adherence to a Company-wide environmental policy, reflecting the business commitment to the United Nations Global Compact

R10. Regulation and compliance – Fraud, bribery and corruption

Risk Factor

The risk that lack of transparency, threat of fraud, public sector corruption, money laundering and other forms of criminal activity involving government officials or suppliers will result in a failure to comply with anti-corruption legislation, including the UK Bribery Act 2010 and other international anti-bribery laws.

↔ **Risk unchanged**

Included in the sensitivity analysis on principal risks for viability and going concern assessment.

Main impact

Financial impact:

- Financial losses as a result of fraudulent activities
- Violations of anti-corruption or other laws
- Criminal and/or civil sanctions against individuals and/or the Company
- Loss of trust by key stakeholders
- Debarment by multilateral development banks and international financial institutions
- Reputation impact and loss of trust
- Exclusion from government funding programs

Risk Response (management and mitigation)

- A strong anti-bribery compliance program that reflects the components of an 'effective ethics and compliance program' as set forth by various international conventions and enforcement authorities, which is reviewed at least quarterly
- Policies and procedures include:
  - Code of Conduct and Business Ethics
  - Anti-Corruption Policy
  - Anti-Corruption Compliance Guide
  - Policy for Engaging Suppliers and Third-Party Service Providers
  - Gifts & Hospitality Policy
  - Compliance Transactional Due Diligence Protocol
  - Business Development Consultant Compliance Protocol
- Regular certification by employees
- Risk-based due diligence, including for third parties and transactions
- Pre-approval by Compliance of gifts and hospitality offered to Governmental Officials
- Online portals:
  - EthicsLine
- Regular checks and audits:
  - Bi-annual combined Compliance and Finance Audits, internal audits
  - Internal spot checks
- Tailored, risk-based training according to a yearly training plan
- Anti-Corruption e-learning course for new joiners and regular refresh course for existing employees

Risk Factor	Main impact	Risk Response (management and mitigation)

R11. Information technology – Cyber security and system integrity

Risk Factor

The risk that insufficient IT security or maintenance of systems will expose the Company to data corruption. This could have a negative impact on information systems as well as electronic control systems used at the generating plants, and could disrupt business operations, resulting in loss of service to customers, expense to repair security breaches and/or system damage.

↔ **Risk unchanged**

Included in the sensitivity analysis on principal risks for viability statement and going concern assessment.

Main impact

Organizational and operational impact:
- Disruptions to business operations
- Compromise of data integrity in core systems

Financial impact:
- Potential for fraudulent activity due to segregation of duties conflicts
- Penalties related to non-compliance with data-related laws and regulations
- Loss of revenue due to disruptions to operations
- Impact on reputation due to breach of confidentiality

Risk Response (management and mitigation)

- Dedicated IT security function established for corporate and Operations

Plants
- Physical access controls
- Dedicated plant IT functions established to consolidate IT management approach in the plants under a global framework of IT/OT security policies and procedures. This local, segregated approach to the management of plants minimizes risk

Corporate
- Security governance controls in place (including security policies, security training, security reviews)
- Security systems implemented (e.g. anti-virus, web filtering, firewalls, multifactor authentication, encryption)
- Security information and event management system (SIEM)
- Infrastructure hosting security in place (ISO-27001 compliant data centers)
- User provisioning process for key financial accounting and reporting systems, and segregation of duties where applicable
- Governance processes in place (e.g. change management, incident management)
- Restricted USB access
- Centralized administrative access restricting any changes introduced by individual users
- Annual external audits of financial systems and IT security

R12. People and organization – Key people (senior executive management) succession planning

Risk Factor

The risk that a combination of key people's (senior executive management) departure at short notice may affect the Company's ability to deliver its strategic objectives and the overall Company performance and the availability of talent to support long-term growth plans.

↓ **Risk decreased**

The risk assessment was re-evaluated due to set of measures implemented earlier in 2020 related to succession planning.

Main impact

- Removal or departure of key individuals could result in operational disruption, while competition for employees could lead to higher than expected increases in the cost of recruitment, training and employee costs
- Loss of key management members could have a reputational impact

Risk Response (management and mitigation)

- Focused action to attract, retain and develop high-caliber employees
- Managing organizational capability and capacity to meet our customers' needs
- Effective remuneration arrangements to promote effective employee behaviors
- Clear succession plans in place

Viability statement

In accordance with paragraph 31 of the UK Corporate Governance Code 2018 (”the Code”), the Board has assessed the prospects of the Company over a period of three years. The Board believes that an assessment period of three years is appropriate based on management’s reasonable expectations of the position and performance of the Company over this period, taking account of its short-term and longer-range plans.

The Directors’ assessment has been performed using a two-stage approach:

i) the assessment of the prospects of the Group through the review of the Group’s current position, strategy and business model, financial projections and principal risks. In particular, the Group’s financial performance has been assessed as relatively predictable given more than 90% of revenue and related cash flows are fully contracted or regulated, with no material contracts expiring during this period other than Arrubal (PPA expiring in July 2021). In addition, the resources available considering the financial projections provide sufficient headroom to serve its financing commitments.
ii) the assessment of the viability of the Company through the preparation of the most severe but plausible scenarios applied on these principal risks, the analysis of their financial impact (on revenue, profitability, cash generation cash distribution, and covenants), and the review of the mitigation factors that management reasonably believes would be available to the Company over this period.

Each of the risks presented on pages 66 to 71 has been assessed in terms of their potential financial impact. Out of those, the most severe but plausible scenarios (individual or combination) are presented in the table here below.

The results of the risk scenarios modelled showed that neither an individual risk nor a combination of the plausible risk events would have significant enough financial impact to endanger the viability of the Company over the period assessed. In addition, the geographical spread of the Group, present in 20 countries with 117 operating plants and the significant portion of non-recourse financing arrangements at the asset level, mitigate the impact at Group level.

After reviewing all of the above considerations, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over three years.

In assessing the prospects of the Company, the Directors noted that such assessment is subject to a degree of uncertainty that can be expected to increase looking out over time and, accordingly, that future outcomes cannot be guaranteed or predicted with certainty.

Risk scenario tested	Linked to the principal risk
Changes in governmental regulations, and commercial market conditions – Financial impact of no post-PPA business for a material asset ($65 million cash impact)	R01 – Governmental regulations R02 – Macroeconomic and political conditions
Construction and refurbishment activities – Financial impact of significant delay in refurbishment activities due to a pandemic and vendors’ force majeure ($15 million cash impact)	R03 – Pandemic virus R05 – Supply Chain R06 – Project execution (CAPEX)
Reduction of solar/wind/hydro resource due to climate change – Financial impact resulting from the loss of revenue of the selected renewable assets ($30 million cash impact)	R08 – Resources/Climate change
Significant compliance breach – Financial impact in the form of hypothetical fines and associated reputational damage ($40 million cash impact)	R10 – Fraud, bribery and corruption
Cyber-attack stopping a major asset for two weeks – Financial impact of revenue loss from a major asset in that period ($10 million cash impact)	R11 – Cyber security and system integrity

Going concern statement

The Directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason, the Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

In reaching this conclusion, the Directors have considered:

- The financial position of the Group as set out in the Annual Report and additional information provided in the financial statements including note 4.13 (Management of financial risk), notes 4.21 and 4.24 (Cash and cash equivalents and Borrowings) and note 4.14 (Derivative financial instruments).
- The resources available to the Group taking account of its financial projections and existing headroom against committed debt facilities and covenants.
- The principal risks and uncertainties to which the Group is exposed, as set out on pages 66 to 71, the likelihood of them arising and the mitigating actions available.

Francisco Javier Martinez Garcia,
Alvarado Plant Manager

SPAIN

EMBRACING CONTINUOUS IMPROVEMENT

Keeping outage to a minimum is always our goal, but it was doubly difficult at our solar facilities in Spain during the pandemic, when a large program of planned maintenance was due. Francisco Javier Martinez Garcia, Alvarado Plant Manager, explains how he overcame the challenges:

“We had a big program of inspection and maintenance planned for 2020, including an assessment of the condition of our main generator required by the original equipment manufacturer (OEM) ahead of a major refurbishment in 2021. COVID-19 was forcing us to change our shift patterns to keep teams in ‘bubbles’ isolated from each other and apart from contractors, but the pandemic brought other problems too: normally, the OEM sends its own teams over from Germany or Sweden to conduct the inspections, but foreign travel was out of the question; and spare parts can usually be shipped overnight by air – again not an option.

“We therefore organized to use robotics to help carry out the assessments, supported by our own workforce in place of the OEM team. To ensure we had the parts necessary for any contingency that might arise during the maintenance, we built up an inventory in cooperation with our sister plants elsewhere in Spain, checking that all the components were compatible.

“To minimize downtime while keeping to the usual high standards of quality and safety and sticking to budget, we had to be creative. We modified the normal maintenance and inspection process by undertaking some preparatory work in advance and conducting some final work after the outage. This worked really well.

“There was an upside to the pandemic therefore. We have found a new way of running inspections and maintenance that will be more efficient and improve our productivity – all part of our culture of continuous improvement.”

Non-Financial Information Statement

We create value for all our stakeholders and track our performance against key financial and non-financial indicators. The table below sets out where more information on non-financial matters can be found in this Annual Report together with an overview of our relevant policies and standards.

Reporting requirement	Relevant information	Policies, Standards and Commitments
Business Model	Page 6-7 Who we are Page 12-13 Business Model	Our values: • To care about our people's health, safety, wellbeing and development. • To expect, embrace and enable excellence and continuous learning through humility, and knowledge that we will fail but when we do, we will learn. • To act transparently and with moral integrity. • To honor the commitments of those who have placed their trust in us. • To work hard and without boundaries as a multinational, integrated team.
Principal risk and impact of business activity	Page 62-71 Our approach to Risk Management Page 72 Viability statement	• Risk Management Framework
Environmental Matters	Page 50-51 Environment – Minimizing our impact	Our environmental commitments include: • Complying with all environmental regulations and world-class best practices. • Striving towards reducing our environmental footprint. • Training and developing our workforce to understand our environmental and social responsibilities. • Executing targeted social investments aligned with our core business. We are also a signatory of the United Nations Global Compact • Code of Conduct and Business Ethics* • Supplier Code of Conduct* • Social Responsibility & Environmental Sustainability policy
Employees	Page 46-48 Our People – The Heroes of our business	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics*
Social Matters	Page 52-53 Communities – Providing vital support	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics* • Social Responsibility Environmental Sustainability policy • Social Investments Framework • United Nations Global Compact signatory
Human Rights	Page 46-48 Our People – The Heroes of our business Page 52-53 Communities – Providing vital support	• Signatory of the United Nations Global Compact • Code of Conduct and Business Ethics* • Supplier Code of Conduct* • ContourGlobal Modern Slavery Statement 2019* • Human Rights Policy Statement
Anti-Corruption and anti-bribery	Page 109 Whistleblowing mechanism Page 109 Bribery and anti-corruption policy Page 70 Risk Factor – Regulation and Compliance – Fraud, bribery and corruption	• Code of Conduct and Business Ethics* • Anti-Corruption Policy* • Anti-Corruption Compliance Guide* • Supplier Code of Conduct* • Policy for Engaging Supplier and Third-Party Service Providers • Gifts & Hospitality Policy • Compliance Transactional Due Diligence Protocol • Business Development Consultant Compliance Protocol • ContourGlobal Modern Slavery Statement 2019*

* Available at https://www.contourglobal.com/compliance-ethics

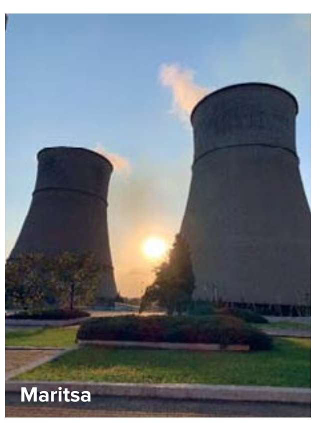
BRINGING OUR STORY TO LIFE

Participants

- Andre Botao
- Alexes Devocion
- Alexandre da Fonseca Reis
- Bonifacia Rubio
- Ederval Silva
- Imen Turki
- Marcus Oliveira
- Petar Kovachev
- Roman Tokarcik
- Tadeu Fayad
- Tatiana Cavalcanti
- Tiago Siqueira

A YEARLY PHOTOGRAPHY COMPETITION ALLOWS ALL OUR EMPLOYEES AROUND THE WORLD TO SHARE THEIR OWN CONTOURGLOBAL STORY.

It is another occasion for the Board to engage with employees, and acknowledge the value and commitment they bring everyday to our businesses on the ground.


Maritsa

KivuWatt

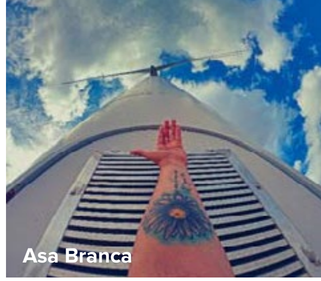
Balsa Nova

Majadas

Asa Branca

Asa Branca

Maritsa


Asa Branca

Slovakia

PCH of Goiandira

Chapada do Piauí Wind Farm

EXPERIENCED LEADERSHIP

Craig A. Huff
Chairman

Mr. Huff co-founded ContourGlobal in 2005 and has served as the Chairman of the Board of Directors since 2017. The Board has determined that the Chairman's tenure is regarded as having commenced following the Company's IPO in 2017.

Mr. Huff co-founded Reservoir Capital in 1998 and is a member of all fund Investment Committees. He currently serves on the boards of many of Reservoir Capital's portfolio companies in industries such as energy, power, aircraft leasing, and insurance. He has also been instrumental in the formation and development of a variety of hedge funds and private investment firms.

Mr. Huff is the President of the Board of Trustees of St. Bernard's School and is active in several non-profits.

Prior to founding Reservoir Capital, Mr. Huff was a Partner at Ziff Brothers Investments and, prior to business school, served in the U.S. Navy as a nuclear submarine officer and nuclear engineer. Mr. Huff graduated magna cum laude from Abilene Christian University with a B.S. in Engineering Physics. He completed his M.B.A. at Harvard Business School, where he graduated with high distinction as a Baker Scholar.

Joseph C. Brandt
President and Chief Executive Officer

Mr. Brandt co-founded ContourGlobal and has served as ContourGlobal's President and Chief Executive Officer since 2005 and is a member of its Board of Directors.

He has led development and operations in the global electric utility industry in Europe, the Americas and Africa for over two decades.

Prior to co-founding ContourGlobal in 2005, Mr. Brandt worked at The AES Corporation, an international power company, from 1999 to 2005, serving as Executive Vice President, Chief Operating Officer and Chief Restructuring Officer.

Mr. Brandt received a B.A. from George Mason University, a M.A. from the University of Virginia and a J.D. from Georgetown University Law Center. Mr. Brandt also attended graduate school at the University of California, Berkeley and was a Fulbright Fellow at Helsinki University in Finland.

Stefan Schellinger
Chief Financial Officer and Executive Director

Mr. Schellinger joined ContourGlobal in April 2019 and serves as Executive Vice President, Global Chief Financial Officer and is a member of the Board of Directors of ContourGlobal plc.

Prior to joining Stefan was Group Finance Director and Executive Director of Essentra plc from 2015 until 2018, having joined the company as Corporate Development Director and Group Management Committee member in 2013. Prior to this, Stefan spent eight years with Danaher Corporation, as Corporate Development Director and as Finance Director – Emerging Markets at Gilbarco Veeder Root. Stefan has previously worked as Vice President in investment banking at J.P. Morgan in London with a focus on strategic advisory and M&A. He started his career in accountancy in Germany at Arthur Andersen.

Stefan received his MBA from the University of Chicago, Graduate School of Business and holds a degree in Finance and Accounting from the University of St. Gallen, Switzerland.

Committee membership

Chair **Remuneration** **Nomination** **A** **Audit & Risk**

N

Alejandro Santo Domingo

Non-Executive Director

Mr. Santo Domingo has served on ContourGlobal's Board of Directors since October 2017. He is a Senior Managing Director at Quadrant Capital Advisors, Inc. in New York City.

Mr. Santo Domingo is a member of the board of Anheuser-Busch Inbev (ABI). He was a member of the Board of Directors of SABMiller Plc, where he was also Vice-Chairman of SABMiller Plc. for Latin America. Mr. Santo Domingo is Chairman of the Board of Bavaria S.A. in Colombia.

In the non-profit sector, he is Chairman of the Wildlife Conservation Society and Fundación Mario Santo Domingo. He is also a Member of the Board of Trustees of the Metropolitan Museum of Art, a Member of the Board of Channel Thirteen/WNET (PBS), a Member of the Board of DKMS; a foundation dedicated to finding donors for leukemia patients, and he is a Member of the Board of Fundacion Pies Descalzos. Mr. Santo Domingo is a Member of the Board of Trustees of the Mount Sinai Health System.

Mr. Santo Domingo is a graduate of Harvard College.

R N

Mariana Gheorghe

Independent Non-Executive Director

Ms. Gheorghe has served as Non-Executive Director on ContourGlobal's Board of Directors since 30th June 2019.

From 2006 to 2018, Ms. Gheorghe was Chief Executive Officer and President of the Romanian oil and gas company OMV Petrom which is part of the Austrian-listed OMV Group. Ms. Gheorghe led OMV Petrom's transformation following privatization and oversaw its entry into electricity generation.

Prior to this, Ms. Gheorghe held several senior finance roles, including working as an international banker for the European Bank for Reconstruction and Development based in London and as Deputy General Director for the Romanian Ministry of Finance.

She is currently a member of the Supervisory Board of ING Group and ING Bank, based in the Netherlands, a position she has held since 2015.

In respect of not for profit sector involvement, Ms. Gheorghe has served, amongst other appointments, as a board member of the Aspen Institute, Foreign Investor Council, United Way and UN Global Compact Romania.

Ms. Gheorghe graduated from both the Academy for Economic Studies and University of Bucharest Law School.

Committee membership

Chair
Remuneration
Nomination
A Audit & Risk

Dr. Alan Gillespie

Senior Independent Director

Dr. Gillespie has served on ContourGlobal's Board of Directors since 2017.

Dr. Gillespie previously served as a Non-Executive Director of Elan Corporation plc from 1996 to 2007, as Chairman of Ulster Bank Group from 2001 to 2008, as Senior Independent Director of United Business Media plc from 2008 to 2017 and as Senior Independent Director of Old Mutual plc 2009 to 2018.

In the public sector, Dr. Gillespie served as Chairman of The Northern Ireland Industrial Development Board from 1996 to 2002, Chief Executive of the United Kingdom's Commonwealth Development Corporation (CDC Capital Partners) from 2000 to 2003, where he was responsible for the creation of Globeleq, an electricity generation and transmission business across the emerging markets, and Chairman of The International Finance Facility for Immunisation (IFFIm) from 2005 to 2012 and as Chairman of the United Kingdom's Economic and Social Research Council (ESRC) from 2009 to 2018.

Dr. Gillespie's investment banking career spanned 10 years at Citigroup, Inc. in London and Geneva, and 15 years at Goldman Sachs & Co. in London, where he was a Partner for 10 years.

Dr. Gillespie received an M.A. and Ph.D. from the University of Cambridge and is an Honorary Fellow at Clare College, University of Cambridge.

Ronald Trächsel

Independent Non-Executive Director

Mr. Trächsel has served on ContourGlobal's Board of Directors since May 2015.

He currently serves as the Chief Financial Officer of the BKW Group and has been in that position since 2014. From 2007 to 2014, Mr. Trächsel served as the Chief Financial Officer of Sika Group, and from 1999 to 2007, he held several positions at Vitra Group, including Chief Financial Officer and Chief Executive Officer.

Prior to joining Vitra Group, Mr. Trächsel also worked at Ringier Group, Ciba-Geigy Corporation and BDO/Visura.

Mr. Trächsel also serves on various boards of directors, including the board of Swissgrid AG, and KWO AG.

Mr. Trächsel received an M.B.A. from the University of Bern.

Daniel Camus

Independent Non-Executive Director

Mr. Camus has served on ContourGlobal's Board of Directors since April 2016.

He most recently served as Chief Financial Officer of the humanitarian finance organization The Global Fund to Fight AIDS, Tuberculosis and Malaria, based in Geneva, a position he held from 2012 to 2017. Mr. Camus also serves on the Board of Directors of Cameco Corp (Canada) and is a member of the Board of Directors of FIND Diagnostics in Geneva (Switzerland) and MediAcdess Gurantee (London).

From 2002 to 2011, Mr. Camus served as Group CFO and head of Strategy and International Activities of Electricité de France SA (EDF), an integrated energy operator with an international presence, active in the generation, distribution, transmission, supply and trading of electrical energy.

Prior to joining EDF, Mr. Camus held various roles in the chemical and pharmaceutical industry in Germany, France, the United States and Canada. He held several senior responsibilities with the Hoechst and Aventis Groups.

Mr. Camus received his PhD in Economics from the Sorbonne University and is a Laureate of the Institute d'Études Politiques de Paris, with specialization in finance.

Gregg M. Zeitlin

Non-Executive Director

Mr. Zeitlin has served on ContourGlobal's Board of Directors since 2008.

Mr. Zeitlin co-founded Reservoir Capital in 1998, serves as a Senior Managing Director, and is a member of all fund Investment Committees. He serves on the boards of several Reservoir Capital portfolio companies and has been instrumental in the formation and development of several investment firms seeded by Reservoir Capital.

Prior to founding Reservoir Capital, Mr. Zeitlin was a partner at Ziff Brothers Investments. Before joining Ziff Brothers Investments, Mr. Zeitlin was Vice President, Financial Strategy for Ziff Communications Company, where he focused on strategic partnerships and acquisitions, and ultimately, the sale of the Ziff family's operating businesses. Previously, Mr. Zeitlin worked at Sunrise Capital Partners and Wasserstein Perella & Co.

M. Zeitlin graduated with Highest Honors from the University of Texas at Austin with a BBA in Finance.

CHAIRMAN'S INTRODUCTION

The Board is responsible for the long-term success of the Company and our governance framework helps to ensure that success.

Governance highlights for 2020

- Total announced dividend of $107.4m for the year 2020 – in line with our progressive dividend policy of 10% growth p.a.;
- Announcement of an up to £30m share buyback program in April to support long-term shareholder value;
- A task force was created during the outbreak of COVID-19 to manage all aspects of our response to the global pandemic, such as mitigating risks to employees and preventing disruption to our operations and contractual arrangements with our customers and suppliers and the Board has been actively engaged on the task force's activities. There has been continuous monitoring and engagement with key stakeholders both internally and externally. The CEO offered and held 1:1 meetings with employees during this difficult period.
- The mechanism for Board-level workforce engagement was discussed during the year and it has been agreed that a new model for such engagement will be employed from H2 2021 (as detailed in this report); and
- A detailed internally facilitated Board evaluation review was undertaken, which included a number of recommendations on how to continue to improve our governance arrangements in 2021.

Meeting attendance shown on page 91

Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Group's corporate governance statement for 2020.

Corporate strategy setting and monitoring

The Board has overseen significant developments in our strategic delivery over the course of 2020. At the forefront of these has been the continued development of our growth strategy, with the announcement of the acquisition of a portfolio of natural gas-fired and Combined Heat and Power assets totalling 1,502 MW located in the US and Trinidad and Tobago on 7th December 2020, the establishment of a CO_2 intensity reduction target for 2030 and a commitment to achieve net zero carbon emissions by 2050. We also made the decision to commence a share buyback program of up to £30m. As we reflect throughout this Report, this has all been against the challenging backdrop of the COVID-19 pandemic. We have taken time this year to understand the impact of the pandemic on our operations, our financial performance and our employees.

Stakeholder engagement

A key area of focus has been the Sustainability Strategy. The Board reviewed and updated its Sustainability Strategy and published the revision in its 2019 Corporate Sustainability Report. The Nomination Committee has continued to discuss the best method for formalizing the engagement channel with the workforce. Since the year end it has been agreed that Mariana Gheorghe will be appointed as the designated Non-Executive Director for workforce engagement. She will commence the role in H2 2021, working closely with the Chief Human Resources Officer and Company Secretary, giving both the newly appointed Chief Human Resources Officer and Company Secretary time to embed into the Company.

Throughout the pandemic, there has been a concerted effort to communicate with employees across the Company, through either a communication channel or meetings in person. More details on the ways in which we engaged with stakeholders and factored such engagement into our decision-making over the year are set out in the "Engaging with our Stakeholders" (pages 23 to 27) and "s172 statement" (pages 88 to 89) sections of this Report.

Succession planning

There were no changes to the Board throughout 2020. Nonetheless, succession planning at both the Board and senior management level remains a key area of focus in order to ensure that we have the resources and capabilities at both levels to develop and execute our long-term strategy.

The search continues for a further independent Non-Executive Director. Diversity is an important strategic area for the Group and, with the formal adoption of a Board diversity policy, we will be looking to integrate diversity considerations further into our succession planning approach over the course of 2021.

Board Effectiveness

This year we conducted an internal evaluation of the Board and the Committees by way of a questionnaire. This evaluation was led by the Chair with the assistance of Independent Audit Limited, a specialist board evaluator.

We have welcomed both the evaluation process and its findings, which we believe have identified a significant number of strengths in our current governance processes alongside a number of areas in which we can continue to improve. This is set out in more detail below on page 95.

Annual General Meeting

I would encourage all shareholders to vote on the resolutions to be put to the Company's Annual General Meeting on 12th May 2021, all of which are supported by the Board. Further details on the Annual General Meeting (AGM) are set out in the Notice of AGM, which has been circulated to shareholders separately.

Craig A. Huff
Chairman

Corporate Governance Code compliance statement

This corporate governance statement, together with the Nomination Committee report on pages 96 to 100, the Audit & Risk Committee report on pages 101 to 109, and the Directors' Remuneration report on pages 110 to 140, provide a description of how the main principles of the UK Corporate Governance Code 2018 ("the Code") have been applied by the Company during 2019. The Code is published by the Financial Reporting Council and is available on its website at www.frc.org.uk. It is the Board's view that, throughout the year ended 31st December 2020, the Company fully complied with the relevant provisions set out in the Code, with the following exceptions:

Provision 9 of the Code: "The chair should be independent on appointment." We set out the safeguards in place to ensure independence in Board discussions and decision-making in the Board Independence section of this Corporate Governance Statement on page 92.

Provision 21 of the Code: "There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years." The Board had intended for the board evaluation in 2020 to be externally facilitated. However, due to the COVID-19 pandemic, the external evaluation has been postponed and will now be conducted in 2021. As set out above, the evaluation for 2020 was supported by an external consultancy. Further information on the Board evaluation process is set out in the Board performance review section on page 95.

Provision 41 of the Code: "Engagement with the workforce to explain how executive remuneration aligns with wider company pay policy." The Board has, since-year end, decided to appoint Ms Gheorghe as the designated Non-Executive Director to lead on Board engagement with the workforce and engagement on executive remuneration will be incorporated within her role.

This statement complies with sub-sections 2.1, 2.2(1), 2.3(1), 2.5, 2.7, 2.8A and 2.10 of Rule 7 of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The information required to be disclosed in accordance with sub-section 2.6 of Rule 7 is shown on pages 141 to 144.

Details on the Board's approach to s172 of the Companies Act 2006 are shown on pages 88 to 89 of this Report. As a Board, we always want to improve engagement with all our stakeholders and will continue to consider ways of deepening our engagement over the next 12 months to complement existing stakeholder relationships.

BOARD LEADERSHIP AND COMPANY PURPOSE

An effective Board

Our Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to our Boardroom (biographies are on pages 76 to 79). It is through this diversity, and its deep understanding of our business, culture and stakeholders, that the Board generates sustainable long-term value.

Information sharing

We recognize that a prerequisite of an effective Board is the flow of high-quality information to the Board. Directors use an electronic Board paper system which provides immediate and secure access to documents. The Chairman of the Board and the Chairs of the Committees set the agendas for upcoming meetings with support from the Company Secretary. Through our formal evaluation process, we regularly review the quality of information provided to the Board and promote improvements in this area, with the support of the executive team and Company Secretary, as and when required.

Management aims to ensure that information shared with our Board is detailed enough to facilitate debate and to enable a complete understanding of the content without becoming unwieldy and unproductive. Further information on the evaluation of the Board is set out on pages 93 to 95.

Matters reserved for the Board

The Board is responsible for the long-term sustainable success of the Company by setting its strategy and purpose, promoting the desired culture, and ensuring that an appropriate risk management framework is in place. The Board has the following principal roles:

Role	Description	Strategic objective	Key stakeholders
PURPOSE, VALUES AND CULTURE	We help management to shape the core values and culture that will best enable the Group to 1) deliver our mission to develop, acquire and operate electricity generation businesses worldwide, creating economic and social value through better operations, and assisting the communities where we work, and 2) adhere to the highest standard of ethical, transparent conduct in our dealings with customers, regulators, suppliers and investors. Further details of our purposes, values and culture are set out on page 7.	Operational excellence High growth	Shareholders, investors and lenders Customers and suppliers Employees Governments and regulators Communities
CORPORATE STRATEGY SETTING AND MONITORING	We approve the strategic plan and objectives and consider changes, and recommendations of changes, to the Group's capital structure. We set and review performance indicators to assess progress on the agreed strategy. Further details on our strategic objectives are set out on pages 28 and 29. Our key performance indicators are set out on pages 30 and 31.	High growth Financial strength	Shareholders, investors and lenders Customers and suppliers Employees Governments and regulators Communities
ORGANIZATION AND LEADERSHIP EFFECTIVENESS	We ensure that the organization leadership, design, capabilities and supporting systems match the requirements of the Group and the diverse strategies of our current and future businesses. Further details of our leadership team are set out on pages 76 to 79. Further details on our risk management and internal control systems and processes are set out on pages 62 to 71.	Operational excellence	Shareholders, investors and lenders Customers and suppliers Employees
OPERATIONAL AND FINANCIAL PERFORMANCE	We review the performance of the Group in the light of strategic aims, business plans and budgets. With the support of the Audit and Risk Committee, we approve the Group's annual and interim financial statements. Further details of our financial performance are set out on pages 55 to 59.	Operational excellence Financial strength	Shareholders, investors and lenders Customers and suppliers Employees
SHAREHOLDER AND STAKEHOLDER ENGAGEMENT	We put the balance of stakeholder interests and the long-term interest of the Group at the heart of all of our decision-making. Further details of how we have engaged with stakeholders over 2020 and how we have taken stakeholders into account in our decision-making process are set out on pages 23 to 27.	High growth	Shareholders, investors and lenders Customers and suppliers Employees Governments and regulators Communities

The Board maintains a formal schedule of matters which are reserved solely for its approval, which sets out the Board's responsibilities in full. This was last reviewed in December 2020 and is available on our website at: https://www.contourglobal.com/corporate-governance.

Month	March	April	May
MEETINGS	Board Audit & Risk Committee (ARC) Remuneration (Rem) Nomination (Nom)	Board	Board ARC Rem
KEY BOARD DECISIONS/ DISCUSSIONS	• Preliminary Results • Approval of the Annual Report • Approval of share buyback program (subsequently extended by the Board in June and September 2020)	• Q1 update and FY outlook • COVID-19 measures to protect employees • Operational and Commercial Risk assessment • Financial performance	• Strategic update, incl. COVID-19 • Financial performance • Investor relations • Legal and regulatory update • Review of Stakeholder engagement • Modern Slavery statement reviewed and updated
KEY STAKEHOLDERS	• Shareholders, investors and lenders • Governments and regulators	• Shareholders, investors and lenders • Customers and clients • Employees	• All stakeholders

Purpose, values and culture

The importance of purpose, values and culture

Purpose	Why we do what we do
Values	The qualities we embody
Culture	How we work together

Purpose and values

The Board has established the Group's purpose and values which are set out in detail on page 7. The Group's purpose was last reviewed by the Board during its strategy day in October 2020. Further details of that session are set out subsequently on pages 85 and 86.

Culture

Our culture is a key strength of our business, the benefits of which are evident in our employees' engagement, risk management, internal control and our health and safety (H&S) and compliance performance. Our culture is described on pages 7 in the strategic report.

The Board monitors and assesses the culture of the Group by regularly meeting with management and reviewing the outcomes of employee compliance, audit and H&S surveys. The Board also assesses cultural indicators such as management's attitude to risk, behaviors and compliance with the Group's policies and procedures. The Executive Management Board has delegated responsibility for ensuring that policies and behaviors set at Board level are effectively communicated and implemented across the business.

Our intranet is used as a platform for employees to access our policies and be kept fully informed of the latest Group news, and to receive updates and share information on all aspects of the business.

If the Board is concerned or dissatisfied with any behaviors or actions, it seeks assurance from the Executive Management Board that corrective action is being taken. The Board did not have to seek corrective action during the course of 2020.

Sustainability

Sustainability and ESG considerations have been a key area of discussion for the Board over 2020. Sustainability is at the very core of our corporate strategy, and we report our work in this area further both throughout this Annual Report, through our website and in our Annual Sustainability Report.

In respect of ESG, the Board recognizes and is supportive of ESG factors continuing to gain importance with investors. ESG will increasingly impact upon companies' ability to access capital, capital allocation and portfolio composition. The Board has therefore dedicated time in 2020 both to understanding investor expectations around ESG strategies and disclosures, and to reviewing the Company's ESG strategy. Our ESG strategy commits to clear and meaningful targets but leaves strategic flexibility with regards to the portfolio composition and generation mix moving forward.

August	October	November	December
Board ARC Rem	Board Nom	Board	Board ARC Rem Nom
• COVID-19 Operational and Commercial Risk assessment • Review of Principal risks • Q2 update and FY outlook • Approval of Interim Results • Growth pipeline • Investor Relations	• Reviewed and approved a new Sustainability Strategy and key performance indicators • Q3 update, incl. COVID-19 • Strategic growth opportunities • Bond and refinancing discussions	• Acquisition of US and Trinidad & Tobago Portfolio	• Acquisition of US and Trinidad & Tobago Portfolio • Approval of the Company's revised refinancing arrangements • Review and approval of 2021 budget
• Shareholders, investors and lenders • Governments and regulators	• Shareholders, investors and lenders • Communities	• Shareholders, investors and lenders • Customers and clients • Communities	• Shareholders, investors and lenders • Customers and clients • Communities

We recognize shareholder, investor body and government expectations in terms of corporate disclosure on climate change and welcome the recent change in listing requirements in the UK that mandate certain disclosures against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. As a Board, we will continue to focus on our work in combating climate change over the course of 2021 and will report against TCFD recommendations in our 2021 Annual Report.

For further information on our sustainability activities, please see our Company sustainability report available on our website, www.contourglobal.com.

Workforce engagement mechanisms

We are mindful of the provisions in the Code around workforce engagement; however, the Board did not adopt any of the recommended methods in the Code on workforce engagement in 2020. Following year-end, the Board decided to appoint Mariana Gheorghe as the designated workforce representative director, with effect from H2 2021. In 2020, the Board received presentations at regular intervals from executive management on workforce issues and regularly considers other data sources, including employee surveys and themes emerging from exit interviews, to help to inform our discussions. We set out the views of our workforce, and how we have responded to those views in 2020, in our stakeholder engagement section on page 26.

Whilst we believe that the current arrangements allow for us to have a balanced picture of workforce views, obtained from a variety of different data sources, and are therefore considered effective, the Board is eager to remain in line with developing good practice in this area and has, as set out above, decided to appoint a designated non-executive director for workforce engagement, as per one of the recommended methods in the Code for workforce engagement with effect from H2 2021.

Corporate strategy setting and monitoring

This has been a particularly demanding year for the Board in terms of corporate strategy, as reflected throughout this Annual Report. The Board holds dedicated strategy sessions to undertake a careful review of our strategic positioning, with the last such session being held in October 2020. Further details of that session are set out below.

As set out in the strategic report on page 33, we have delivered excellent progress on our growth strategy. The acquisition of a portfolio of natural gas-fired and Combined Heat and Power assets totalling 1,502 MW located in the US and Trinidad and Tobago, which completed in February 2021, has been a key area of discussion for the Board over 2020, and we are looking forward to integrating these businesses over the course of 2021.

The Board remains confident that our acquisitions strategy will continue to provide demonstrable long-term value to our shareholders. Through our continuing regular review of the business development pipeline, which remains healthy, and supported by our continued strong financial and liquidity position, we will continue to remain alert to attractive acquisitive opportunities that further our purpose and support long-term shareholder value. The Board also continues to receive regular updates on the implementation of our organic growth strategy.

The considerable strategic activity of 2020 was undertaken against the backdrop of the COVID-19 pandemic and this has been a focal area of Board discussions over the course of 2020, not just in respect of potential immediate financial, operational, reputational and stakeholder impacts but also on long-term structural changes that may impact on the Company's business model. As a Board, we are pleased to note that the pandemic has not, to date, had the same financial or indeed operational impact upon us as it has on other businesses and sectors. Our assessment of the impact of the pandemic upon our stakeholders, and further details of the decisions we took in response to the pandemic, are set out in the stakeholder engagement section on pages 23 to 27 and in our s172 statement (page 88 and 89).

Nonetheless, the Board will continue to focus carefully in 2021 on the ongoing impact of COVID-19, including an assessment of how the business model may need to adapt, and any consequential changes to the Company's longer-term aims and prospects.

Annual strategic discussion

On an annual basis, the Board conducts a review of its strategy to ensure it remains relevant, flexible and capable of adapting to our changing environment.

Through its review, the Board can assess and identify changing or emerging risks which could impact on the Group in the short and medium term (further information on our principal risks is on pages 62 to 71).

The Board met in October 2020 to review, discuss and challenge the strategy. The discussion included:

- The impact of key industry trends and drivers on the Company's strategy and the risks and opportunities of its strategic positioning;
- The political environment in the markets in which the Company operates;
- How new technologies may impact on our business;
- Review of current financial framework and capital allocation and the financial implications of the various strategic alternatives;
- The impact and implications of ESG perspectives on the Group's strategy and portfolio composition; and
- Key markets and opportunities for growth

Organization and leadership effectiveness

We have taken a number of important steps over the course to improve organizational and leadership effectiveness over the course of 2020. A number of those steps are detailed below:

- Engagement with shareholders in respect of the development of our remuneration policy, to ensure that the incentives in place for our Executives continue to serve to deliver long-term shareholder value. Further details on the remuneration policy are set out in the Remuneration Committee Report on pages 117 to 127;
- Continued review of improvement data on the Group's "5 Whys" – these are significant accomplishments that speak to the growth of a continuous improvement culture at ContourGlobal;
- Evaluated the performance of the Board, its Committees and all Directors to ensure that the composition of the Board and Committees remains appropriate and that the procedures and processes underpinning the Board and Committees continue to be effective. Further details on the evaluation is set out on pages 93 to 95;
- Review of succession planning arrangements at both the Board and senior management level, through both the Board and the Nomination Committee. Our approach to Board and senior management succession planning is set out in more detail on pages 47 and 93 and in the Nomination Committee report on pages 96 to 98; and
- Approval of a diversity policy for the Board and the Company's Modern Slavery Statement.

Operational and financial performance

The diversity of our businesses demands highly tailored operating and financial performance management.

One significant decision made by the Board over the course of 2020 was to pursue a share buyback program. The Board agreed to pursue this program in view of the share price not being considered reflective of the fundamental value and resilience of the underlying business. The Board decided to subsequently extend this program in June 2020, September 2020 and January 2021.

Following our adoption in 2019 of a progressive dividend policy intended to grow the dividend each year, comprising a move to quarterly dividend payouts and an increased dividend growth guidance to 10% per annum, we were pleased to confirm a total dividend to shareholders of $107.4m for the year 2020, in line with our revised and progressive dividend policy. In 2020, the Board rigorously challenged a number of scenarios underpinning this dividend policy and remains confident that the policy remains appropriate and in the long-term interest of the Company and its shareholders.

During 2020, we made important progress on developing our risk management and internal control systems and processes, working in collaboration with our external and internal auditors. The Board and Audit and Risk Committee have spent significant time considering the Company's Principal Risks and Uncertainties, alongside potential emerging risks and their impact on the business should they materialize. The Board has reviewed the Company's Principal Risks and Uncertainties, which are set out on pages 62 to 71. The Group's governance structure for risk management is illustrated on page 63.

Health and safety matters continue to be a focal area for the business, and the Board receives periodic reports on health and safety practices across different sites within the Group. As at the time of this report, the Group had 100 days without an LTI (lost time injury). We are pleased with this achievement and remain committed as a Board and as a Group to health and safety, and the Group's Target Zero objective.

We also review the Company's Annual Report to check it is fair, balanced and understandable, and approve the going concern and viability statements, alongside the statement of Directors' responsibilities, for inclusion in the Annual Report. The process that the Board, with the support of the Audit and Risk Committee, undertakes to ensure that the Annual Report is fair, balanced and understandable is set out in the Audit and Risk Committee report on pages 101 to 109. Further information on the going concern and viability statements can be found on page 72.

Shareholder engagement

How do we engage with our shareholders?

Shareholders play a valuable role in safeguarding the Group's corporate governance through, for example, the annual re-election of Directors, monitoring and rewarding their performance, and their engagement and constructive dialogue with the Board.

Shareholder consultation

We will always seek to engage with shareholders when considering material changes to either our Board, strategy or remuneration policies. We have been particularly conscious in 2020 of the need to engage with a number of our shareholders to address any issues or uncertainties associated with the COVID-19 pandemic. Further information is set out in our stakeholder engagement section on pages 23 to 27 on how we have engaged with shareholders over 2020, the themes emerging from that engagement, and the ways in which we have responded to those themes.

Investor meetings, presentations and asset tours

Investor meetings are predominantly attended by our CEO, Chief Financial Officer and at least one other senior executive. Views that were expressed, either during or following the meetings, are recorded and circulated to all Directors on a regular basis.

Annual General Meeting (AGM)

Our 2020 Annual General Meeting was held on 27th May 2020 and we were delighted to receive in excess of 95% of votes in favour of all our resolutions. We were pleased that, despite the unprecedented circumstances in which the AGM was held in 2020 in view of the COVID-19 pandemic, engagement from shareholders remained strong. In total, 93.7% of our shareholders (voting capital) voted at the 2020 AGM.

The 2021 AGM is to be held on 12th May 2021. The Board is keen to ensure that, notwithstanding the current restrictions on travel and public gatherings in the UK in response to the COVID-19 pandemic, that the AGM continues to provide a key opportunity for shareholders to engage with the Directors and the chairs of each of the Board Committees.

Annual Report

Our Annual Report is available to all shareholders. Through our electronic communication initiatives, we aim to make our Annual Report as accessible as possible. Shareholders can opt to receive a hard copy in the post, or PDF copies via email or from our website. Additionally, if a shareholder holds their ContourGlobal ordinary shares in a nominee account and encounters difficulty receiving our Annual Report via their nominee provider, they are welcome to contact the Company Secretary to request a copy.

Corporate website

Our website, www.contourglobal.com, has a dedicated investor section which includes our Annual Reports, results presentations (which are made available to analysts and investors at the time of the half and full-year results) and our financial and dividend calendar for the upcoming year.

Senior Independent Director

If shareholders have any concerns, which the normal channels of communication to the CEO, CFO or Chairman have failed to resolve, or for which contact is inappropriate, then our Senior Independent Director, Alan Gillespie, is available to address them.

Other contacts

Contact details for our Investor Relations team, Company Secretary and our Registrars are available on page 228.

Section 172 – compliance statement

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006, being:

(a) the likely consequences of any decision in the long term
(b) the interests of the Company's employees
(c) the need to foster the Company's business relationships with suppliers, customers and others
(d) the impact of the Company's operations on the community and the environment
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly between members of the Company

Issues, factors and stakeholders

The Board has direct engagement principally with our employees and shareholders but is also kept fully apprised of the material issues of other stakeholders through the Executive Directors, reports from senior management and external advisors. On pages 23 to 27, we outline the ways in which the Board and management have engaged with key stakeholders and the material issues that they have raised with us.

Stakeholder engagement not only allows the Board to understand the impact of its decisions on key stakeholders, but also ensures it is kept aware of any significant changes in the market, including the identification of emerging trends and risks, which in turn can be factored into its strategy discussions.

Methods used by the Board to fulfil their s172 duties

The main methods used by the Directors to perform their duties include:

- An annual strategy review which assesses the long-term sustainable success of the Group and our impact on key stakeholders (see page 86);
- The Board's procedures have recently been updated to encourage further consideration and analysis underpinning all material decisions requiring Board approval on potential or actual impact on one or more of our stakeholder groups. Such analysis will assist the Directors in performing their duties under s172 and provide the Board with assurance that the potential impacts on our stakeholders are being carefully considered by management when developing plans for Board approval;
- The Board's risk management procedures identify the potential consequences of decisions in the short, medium and long term so that mitigation plans can be put in place to prevent, reduce or eliminate risks to our business and wider stakeholders (see pages 62 to 71);
- The Board sets the Group's purpose, values and strategy and ensures it is aligned with our culture (see page 7);
- Direct and indirect stakeholder engagement, alongside details of the themes emerging from such engagement (see pages 23 to 27);
- External assurance is received through audits, stakeholder surveys and reports from brokers and advisors; and
- Specific training for our Directors and senior managers, including tailored induction processes for new Directors and ongoing training on strategic, legal and regulatory developments (see pages 94).

The table on the following page sets out where relevant disclosure against each s172 factor can be found.

The likely consequences of any decision in the long term	• Our Business model (pages 12 and 13) • Our strategy for growth (pages 29 and 39)
The interests of the Company's employees	• Our people (pages 46 to 49) • Health and Safety (pages 42 to 44)
The need to foster the Company's business relationships	• Our KPIs (pages 30 and 31) • Business review (pages 34 to 37)
The impact of the Company's operations on the community and the environment	• Our four sustainability principles (pages 38 and 39) • Environment (pages 50 and 51) • Communities (pages 52 and 53) • Managing our principal risks (pages 62 to 71)
Maintaining a reputation for high standards of business conduct	• Business review (pages 34 to 37) • Engaging with our stakeholders (pages 23 to 27)
Acting fairly between members of the Company	• Engaging with our stakeholders (pages 23 to 27)

Major Board decisions during 2020

The Board factored the needs and concerns of our stakeholders into its decisions in accordance with s172 of the Companies Act 2006.

The major decisions taken by the Board and its Committees during 2020 include:

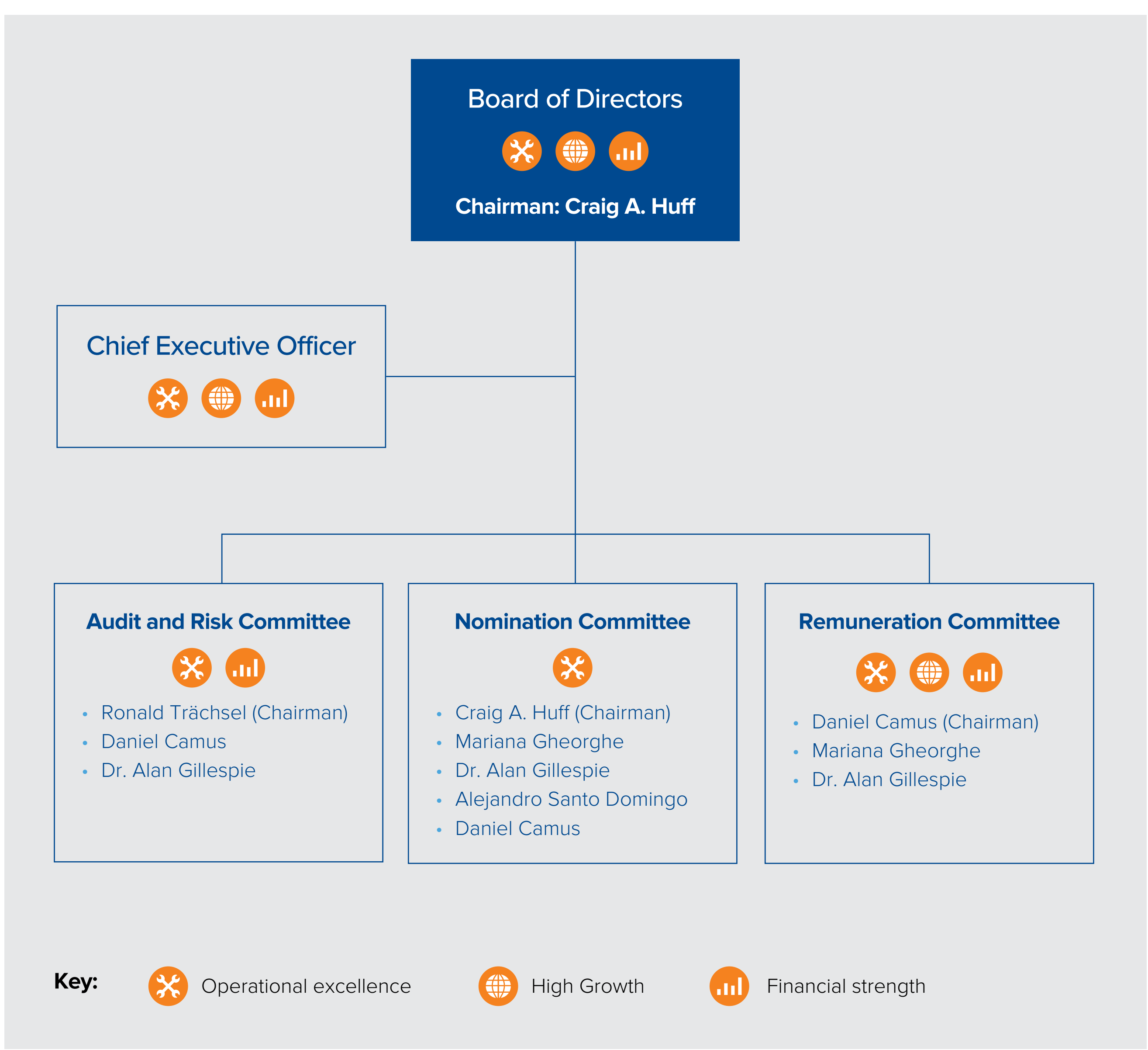
- The Company's response to the COVID-19 pandemic, its impact upon our investors, our employees, our customers and suppliers, the communities we work in, and on governments and the regulatory environment in which we operate, and the potential impact of the pandemic on our purpose and long-term value generation. This is discussed throughout the Annual Report (see pages 2, 3, 10 to 19, 22 to 27, 40, 41, 49, 54, 61, 73, 84 and 85);
- Approval of our sustainability strategy (see pages 17, 80 and 85);
- Approval of the Company's revised refinancing arrangements (see pages 25, 59 and 85);
- Acquisition of 1.5 GW contracted power plants in the US and Caribbean (see pages 2, 11, 16, and 33); and
- Adoption of our share buyback program (see pages 84, 86 and 141).

The impact on all stakeholders was an integral part of these decisions, and the way in which stakeholder impact was considered is set out above and in our stakeholder engagement section of the Annual Report (see pages 23 to 27).

DIVISION OF RESPONSIBILITIES

Board roles

There is clear division between executive and non-executive responsibilities which ensures accountability and oversight. The roles of Chairman and Chief Executive Officer are separately held, and their responsibilities are well defined, set out in writing and regularly reviewed by the Board. The role and remits of each of the Board Committees, alongside details of how each Committee has fulfilled that role and remit over 2020, are set out in the Committee reports.



Chairman

Mr Craig A. Huff currently serves as Chairman of the Board. The role of the Chairman includes:

- Responsibility for the effective running of the Board and ensuring it is appropriately balanced to deliver the Group's strategic objectives
- Promoting a Boardroom culture that is rooted in the principles of good governance and enables transparency, debate and challenge
- Ensuring that the Board as a whole plays a full and constructive part in the development of strategy and that there is sufficient time for Boardroom discussion
- Effective engagement between the Board and its shareholders

Senior Independent Director

Dr Alan Gillespie currently serves as the Senior Independent Director (SID). The role of the SID includes:

- Providing a 'sounding board' for the Chairman in matters of governance or the performance of the Board
- Being available to shareholders if they have concerns which have not been resolved through the normal channels of communication with the Company
- Leading a meeting of the Non-Executive Directors without the Chairman present to appraise the performance of the Chairman at least once a year
- Acting as an intermediary for Non-Executive Directors when necessary
- Acting as an independent point of contact in the Group's whistleblowing procedures

Non-Executive Directors

- Providing constructive challenge to our executives, helping to develop proposals on strategy and monitoring performance against our KPIs
- Ensuring that no individual or group dominates the Board's decision-making
- Promotion of the highest standards of integrity and corporate governance throughout the Company and particularly at Board level
- Determining appropriate levels of remuneration for the senior executives
- Reviewing the integrity of financial reporting and ensuring that financial controls and systems of risk management are robust

Chief Executive Officer (CEO)

- Executing the Group's strategy and commercial objectives together with implementing the decisions of the Board and its Committees
- Keeping the Chairman and Board apprised of important and strategic issues facing the Group
- Ensuring that the Group's business is conducted with the highest standards of integrity, in keeping with our culture
- Managing the Group's risk profile, including the maintenance of appropriate health, safety and environmental policies

Company Secretary

Link Company Matters Limited was appointed as the Company Secretary in November 2020. The responsibilities of the Company Secretary include:

- Responsibility for compliance with Board procedures and supporting the Chairman
- Ensuring the Board has high-quality information, adequate time and appropriate resources to function effectively
- Advising and keeping the Board updated on corporate governance developments
- Considering Board effectiveness in conjunction with the Chairman
- Facilitating induction programs and assisting with professional development
- Providing advice, services and support to all Directors, as required

The appointment and removal of the Company Secretary are at the discretion of the Board, as set out in the Matters Reserved for the Board.

Executive Management Board

Delivering the Board's strategy is the collective responsibility of the Executive Management Board (EMB) and it is composed of two Executive Directors and circa seven Executive Vice Presidents. To assist the EMB, a number of supporting committees have been established, to provide additional oversight of key business activities and risks. The EMB usually meets several times per quarter and can also meet on an ad hoc basis enabling the team to handle complex transactions and make quick decisions, with the overall aim of creating value and driving development and value growth.

Board members and attendance

	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee
Craig A. Huff	5		2	
Joseph C. Brandt	5			
Stefan Schellinger	5			
Alejandro Santo Domingo	5		2	
Mariana Gheorghe	5		2	5
Dr. Alan Gillespie	5	4	2	5
Ronald Trächsel	5	4		
Daniel Camus	5	4	2	5
Gregg M. Zeitlin	5			

In addition to the scheduled board meetings, there were ten ad hoc Board meetings and written resolutions.
There was one other meeting in addition to the five scheduled Remuneration Committee meetings

Board independence

Chairman

As a representative of the Company's largest shareholder, our Chairman, Craig Huff, is not considered to be independent under the Code, as he was not considered independent on appointment to the Board upon the Company's listing in 2017. The Board has determined that the Chairman's tenure is regarded as having commenced following the Company's IPO in 2017.

Non-Executive Directors

Together with the Chairman, two other Non-Executive Directors (Alejandro Santo Domingo and Gregg Zeitlin) are not considered as independent under the Code. Notwithstanding this, the Board considers that the Non-Executive Directors as a unit play an important role in ensuring that no individual or group dominates the Board's decision-making. It is therefore of paramount importance that their independence of mind and operation is maintained. At each Board meeting, the Chairman meets with the Non-Executive Directors without executive management being present. These meetings are useful to safeguard the independence of our Non-Executive Directors by providing them with time to discuss their views in a private context.

Any Director who has concerns about the running of the Group or a proposed course of action is encouraged to express those concerns for further discussion and minuting if consensus is not reached. No such concerns were raised during 2020. All Directors have confirmed (as they are required to do annually) that they have been able to allocate sufficient time to discharge their responsibilities effectively.

The Board considers that, except as disclosed in respect of Craig Huff, Alejandro Santo Domingo and Gregg Zeitlin, our Non-Executive Directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgment. Any Director is recused from any discussion involving any perceived or actual conflict of interest.

Conflict of interests

Directors are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest. The register of potential conflicts of interest is regularly reviewed by the Nomination Committee on behalf of the Board to ensure it remains up to date. The Board is satisfied that potential conflicts have been effectively managed throughout the year.

As a Non-Executive Director's independence could be impacted where a Director has a conflict of interest, the Board operates a policy that restricts a Director from voting on any matter in which they might have a personal interest unless the Board unanimously decides otherwise. At the start of every meeting and before all major Board decisions, the Chairman requires the Directors to confirm that they do not have a potential personal conflict with the matter being discussed. If a conflict does arise, the Director is recused from the relevant discussions.

Other external appointments

Our Directors are required to notify the Chairman of any alterations to their external commitments that arise during the year with an indication of the time commitment involved, and to notify our Chairman in advance of any additional external appointments. In 2020, the Nomination Committee, on behalf of the Board, reviewed the Directors' current list of external appointments and confirmed that it does not believe any current directorships will affect our Non-Executive Directors' commitment to, or involvement with, the ContourGlobal Board, nor will they give rise to a potential conflict of interest which cannot be effectively managed by recusal.

Executive Directors

Executive Directors may accept a non-executive role at another company with the approval of the Board. Currently, none of our Executive Directors is a director of another listed company.

COMPOSITION, SUCCESSION AND EVALUATION

Composition

The Nomination Committee facilitates, and the Board ensures that appointments to the Committee are made solely on merit with the overriding objective of ensuring that the Board maintains the correct balance of skills, experience, diversity, length of service and knowledge of the Group to successfully determine the Group's strategy. The benefits of diversity are considered in the widest sense, including gender, social and ethnic backgrounds.

The Code recommends that at least half of the Board, excluding the Chairman, should be composed of independent Non-Executive Directors. Our Board is composed of 50% independent Non-Executive Directors (excluding the Chairman) as at 31st December 2020.

Succession

We have used this year to focus upon the desired skills and diversity mix that we need on the Board to develop and our long-term strategic goals. The development and approval of our Board diversity policy (further details of which are below) is an important step in embedding diversity considerations in our succession planning activity.

In the 2019 Annual Report, we reported that we were in the process of recruiting another independent non-executive director following the resignation of Ruth Cairnie in late 2019, with a view in particular to having further independent director representation on the Board.

It remains the Board's intention to appoint a further independent non-executive director, and we expect to be able to report progress in this area in 2021.

The Board has also, primarily through its Nomination Committee, dedicated significant time to reviewing and developing the senior management pipeline. The Board is pleased with the range and efficacy of the various initiatives in place across the Company to develop internal talent, as mentioned in this Report. Further details on the Nomination Committee's activities, and on the Board appointment process, are set out in the Nomination Committee report on pages 96 to 100.

Further information on the Board appointment process is set out in the Nomination Committee report.

Board Diversity Policy

The Board agreed that further work on promoting diversity and inclusion at all levels of the Company was one of the priority areas for the Board throughout the course of 2020. This work has been ongoing in 2020, and we were pleased to be able to approve a Board diversity policy in December 2020. The policy is available to view via: www.contourglobal.com

The Board recognizes the importance and value of diversity in all its forms, and the Board's role in driving diversity and inclusion across the organization. We are committed to creating a culture which reflects the diverse communities we serve, and which provides equal opportunity and support for all to utilize their experiences and skills to contribute to the business.

We are pleased that, as at 31st December 2020, we have 50% female representation on the Executive Management Board. In the Hampton Alexander review published in February 2021, the Company had the fifth highest female representation of its Combined Executive Committee and direct reports within the FTSE 250.

We believe a key driver in delivering our organizational diversity commitments is through a Board which is diverse in gender, social and ethnic background, cognitive and personal strengths. The Board diversity policy sets out the importance of recent diversity reviews, most notably the Hampton-Alexander Review and the Parker Review, and sets out the Board's aims in respect of achieving the diversity targets set out in both of those Reviews.

We have not currently set timeframes in which we might achieve those targets. Nonetheless, we recognize that both Board diversity in respect of both gender and ethnic diversity, and senior management diversity in respect of ethnic diversity, are not yet at the stage we want them to be, and a priority area for the Board, supported by the Nomination Committee, in 2021 and beyond will be on driving initiatives that will allow us to continue to improve diversity at all levels of the Company.

We will continue to report in future Annual Reports on how our Board Diversity Policy has been implemented and to set out our achievements against the policy. Further details of our diversity and inclusion initiatives throughout the Company are set out on pages 47 and 99. Gender diversity across our business is set out on page 48.

Induction

On appointment, each Director takes part in a tailored induction program, during which they meet members of senior management and receive information about the role of the Board and individual Directors, each Board Committee and the powers delegated to those Committees. They are also advised by the General Counsel and Company Secretary of the legal and regulatory obligations of a Director of a company listed on the London Stock Exchange. Induction sessions are designed to be interactive and are tailored to suit the needs of the individual's previous experience and knowledge.

Training and development

With the ever-changing environment in which the Group operates, it is important for our Executive and Non-Executive Directors to remain aware of recent, and upcoming, developments. We require all Directors to keep their knowledge and skills up to date and include training discussions with the Chairman in their annual performance reviews.

We invite professional advisors to provide in-depth updates and training on legislative developments and a range of issues including, but not limited to, market trends, the economic and political environment, environmental, and technological and social considerations. Our Company Secretary provides regular updates to the Board and its Committees on regulatory and corporate governance matters.

All Directors have access to the services of the Company Secretary and any Director may instigate an agreed procedure whereby independent professional advice may be sought at the Company's expense.

Directors' skills and experiences

An effective Board requires the right mix of skills and experience. Our Board possesses a diverse range of skills, competencies and experience, and works collectively as an effective team focused on promoting the long-term success of the Group. An overview of the skills and experience of our Directors as at 31st December 2020 is set out in the Nominations Committee report on page 98. As part of the Board's annual effectiveness review, described on page 81, the Nominations Committee considers the composition of the Board and its Committees in terms of its balance of skills, experience, length of service, knowledge of the Group and wider diversity considerations. The Nomination Committee has confirmed that the membership of each of the Committees continues to be appropriate and in accordance with best practice and the Code.

Board performance review

On an annual basis, an evaluation process is undertaken which considers the performance of the Board, its Committees and individual Directors. This review identifies areas of strength and areas for improvement, informs training plans for our Directors and identifies areas of knowledge, expertise or diversity which should be considered in our succession plans.

2019 Board Evaluation

The recommendations arising from the 2019 internal Board evaluation conducted by the Chairman and Company Secretary together with the actions implemented in response were:

Recommendations	Action taken and outcome
People strategy and ensuring that the Group has the skills and characteristics needed to underpin its strategy	The Nomination committee has considered the Group's people and its strategy and will continue to focus on these in 2021.
Ensuring the leadership team stays effective and maintaining a clear management succession and development plan	The Nomination committee has considered succession planning and the succession plan has been further developed for 2021.
Tackling the IT security challenge and ensuring the Board asks the right questions on cyber risks	Systems were enhanced and new capabilities were introduced in 2021: findings from previous audits were addressed and training activity was increased to improve IT security and to adapt to the evolving cyber risks.
Crisis management and knowing that there is a response plan that will stand up to stress	The crisis management plan was activated in 2020. Due to the management teams' fast response and the efficiency of its implementation this ensured the Company's performance was maintained.

2020 Board Evaluation

In line with previous years, the Board undertook a Board performance review in 2020, which was supported by Independent Audit Limited, a Board evaluation specialist. Independent Audit do not have any other connections with either the Company or individual Directors of the Board.

The Board recognizes the provisions in the UK Corporate Governance Code 2018 around FTSE 350 companies completing an externally facilitated review at least once every three years. Due to the extraordinary circumstances posed by the COVID-19 pandemic, it was decided that it would be more appropriate to hold an externally facilitated review in 2021, which will allow for further reflection on the Board's role, processes and practices as we emerge from the pandemic.

Process steps for the 2020 Board Evaluation

Step 1	Step 2	Step 3
The Chairman agreed all the questions to be asked and the questionnaire was tailored to the Company's specific circumstances.	Independent Audit subsequently finalized the online questionnaire as agreed with the Chairman to cover the review of Board, chair and individual performances. The anonymity of all respondents was ensured throughout the process to encourage open feedback.	Independent Audit agreed a report of the evaluation with the Chairman for discussion at the meeting. Additionally, pertinent information was provided to the Chairman only.

Areas addressed for the evaluation

Outcomes from the 2020 Board Evaluation

The result of the Board evaluation was that the Board operated effectively and with the right balance between its contribution to development of strategy, as well as the risks and uncertainties that may impact the business. Board papers were well written and the agenda was used effectively. In addition, the Board also felt it had adapted and worked well together during the pandemic.

The result of this evaluation demonstrated that the Board undertakes effective assessment of the Company's financial health, focuses on compliance, effectively uses meeting arrangements to facilitate discussions and benefits from effective management of the agenda.

Focus areas in 2021

Through the evaluation, we have identified the below as being areas where the Board will look to dedicate continued focus in 2021:

- Continued focus on the Company's people strategy and succession planning; and
- Educational sessions on Cyber and Data Security in respect of the Company and its industry

REPORT OF THE NOMINATION COMMITTEE

Members of the Nomination Committee

- Craig Huff (Chairman of the Committee)
- Daniel Camus*
- Mariana Gheorghe*
- Dr. Alan Gillespie*
- Alejandro Santo Domingo

Meeting attendance shown on page 91

* Independent Director.

Dear Shareholders,

In 2020, the Committee maintained its focus on Board and senior management succession planning. We also approved our Board diversity policy, which will help to further embed diversity and inclusion in succession planning discussions. In 2021, we plan to recruit an additional female independent non-executive director. As part of our workforce engagement arrangements, it has been agreed, since year-end, that Mariana Gheorghe be appointed as the designated director for workforce engagement, commencing in H2 2021.

Roles and Responsibilities

The role of the Nomination Committee is set out in its terms of reference which are available on the Company's website at www.contourglobal.com/corporate-governance. The Committee plays an important role in making recommendations of appropriate candidates for appointment to the Board. It also keeps under review the composition of the Board and its Committees; the balance of skills, knowledge and experience on the Board; and the size, structure and composition of the Board.

The Nomination Committee is also responsible for making recommendations to the Board concerning succession planning. Since the year end, the Committee has reviewed the talent pipeline and succession regarding the executive and senior management teams with the Chief Human Resources Officer.

Meetings

The Nomination Committee will normally meet at least twice per year and otherwise as required in order to discharge its duties. It met twice in 2020.

Craig Huff is the Chair of the Committee. He is a representative of ContourGlobal LP, the Company's major shareholder. The Committee's composition meets the requirements of the Code with the majority of members being independent. The Company Secretary is Secretary to the Committee and attends all meetings.

Other attendees at meetings are at the invitation of the Committee and include the CEO or advisors. Neither the Chairman nor the CEO would participate in the recruitment of their own successor.

The Committee is authorized to seek outside legal or other independent professional advice as required.

Board and Committee composition

Over the course of 2020, the Committee continued to review the current structure and composition of the Board and its Committees. Our considerations around the composition of the Board are set out subsequently in this Report.

During the year, the Committee considered the composition of the Committees of the Board, taking into account the roles and responsibilities of those Committees and the outcomes of the most recent Committee effectiveness reviews. On that basis, the Committee did not recommend any changes to the membership of the Board Committees in 2020. This will remain under review at least annually.

Board and Committee skills and competencies mix

The Committee frequently considers a skills matrix for the Board, which identifies the core competencies, skills, diversity and experience required for the Board to deliver its strategic goals. The Committee reviews the skills matrix when considering a potential new appointment to the Board, as well as reviewing the current and expected Board and Board Committee composition.

Any gaps in the Board's needs, identified either as part of a current Director's retirement, or in view of the changing strategic priorities, are used to inform the search for a new Director or Directors and the specific skills that are required will be identified, for example, an individual with international experience, or recent history serving on a particular board committee.

Main responsibilities of the Nomination Committee include:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees and making recommendations to the Board
- Lead the process for appropriate executive and non-executive Board appointments and make recommendations for Board approval, including recommendations to the Board on refreshing the membership of the Board's principal Committees
- Implement plans for the orderly succession of Board members and senior management
- Review Directors' conflicts of interest authorization and the time required from Non-Executive Directors
- Consider requests from Directors for appointment to the boards of other companies (delegated to the Chairman, except in his own regard)
- Annually review the terms of reference.

The Board also takes into account the results of the annual Board evaluation process to determine any necessary changes to the Board membership or structure. Recent evaluation results have supported the view that the structure and composition of the Board and its Committees supports the overall effectiveness of the Board. This is an area that will remain under review at least annually.

Board skills and competencies matrix	No of Directors
Industry knowledge/experience	
Industry experience: engineering	3
Knowledge of power sector	7
Regulatory/public policy sector knowledge	5
Environmental knowledge	5
International experience	
Central/South America	5
Western Europe	7
Eastern Europe	6
Africa	5
Technical skills	
Financial literacy	9
Executive management/leadership	9
Strategic planning	8
Technology/digital	2
M&A/transactional	9
Compliance/ethics	6
UK FTSE experience	5*
Risk management:	
Operational	6
Governance	7

* includes partial knowledge.

Process for Board appointments

Board and Committee appointment process

The Board has formal, thorough and transparent procedures in place for Board recruitment and appointment. As mentioned above, the Company's goal is to ensure that the Board is well balanced and appropriate for the needs of the business. The Nomination Committee has regard to the Board's balance of skills, knowledge, experience and diversity, including gender and ethnic diversity.

How do we identify candidates?

In identifying suitable candidates, the Board will typically seek to use either open advertising or external search services to facilitate the recruitment. Egon Zehnder have recently been appointed as external search consultants to assist the Board with recent Board appointment exercises. We carefully assess each candidate against our objectives and the Diversity Policy, and take care that appointees have enough time available to devote to the position.

The Committee is cognizant of Board diversity targets, including those recommended from the Parker Review and Hampton-Alexander Review. Our approach to diversity is set out in more detail below and in the Corporate Governance Statement on pages 80 and 81.

What is the appointment process employed?

Shortlisted candidates are generally seen first by the Chairman of the Board, the Senior Independent Non-Executive Director and the CEO. If the selection process progresses further, each potential candidate is invited to meet other members of the Nomination Committee as well as members of senior management.

The Nomination Committee will agree whether to recommend that the candidate be appointed to the Board. The Board will ultimately resolve whether to make the suggested appointment.

Diversity and inclusion

Having a diverse, highly talented and skilled group of people at all levels at ContourGlobal is fundamental to our business success and a key part of the business model. Diversity and inclusion bring new ideas and fresh perspectives which fuel creativity and innovation. Therefore, the Company works to attract, retain and develop employees to improve the talent pipeline. As a multinational company with operations in more than 20 countries across the globe, diversity of thought and background is essential and will remain one of the key criteria by which candidates are selected for the Board and the pipeline for senior leadership positions.

The Company's position is that no individual should be discriminated against on the grounds of race, color, ethnicity, religious belief, political affiliation, gender orientation, sexual orientation, national origin, ancestry, age, medical condition, physical or mental disability, marital status, worker's compensation status, veteran status, citizenship status, or any other legally protected status and this extends to Board appointments.

The Nomination Committee and the Board ensure that, together, the Directors possess the appropriate diversity of skills, experience, knowledge and perspectives to support the long-term success of the Company.

The Committee was pleased that, upon their recommendation, a Board diversity policy was adopted by the Board in 2020. Further details of the policy are set out on page 93.

The Committee is of the view that this will help to further integrate diversity and inclusion considerations into the Company, including in Board and senior management recruitment and retention processes.

Review of progress against diversity policy

Objectives	Progress
Place emphasis on development of diversity within the Group and commit to further pursuing diversity, as appropriate and on merit, within the Group senior management roles.	We continue to strengthen the pipeline of senior female executives within the business. We were delighted to be recognized in the 2020 Hampton-Alexander Review report as one of the five highest performing FTSE 250 companies, in terms of female representation at senior management level (defined as those working at Executive Committee level and their direct reports). Our initiatives to support senior management diversity are outlined on pages 47, 98 and 100.
Aspire to achieve a level of at least 33% female directors on the ContourGlobal plc Board.	The Board is committed to its target for female representation and is mindful of the target set out in the Hampton-Alexander Review of a minimum of 33 per cent female representation at Board level. The Committee will continue to make recommendations for new appointments to the Board based on merit, with candidates measured against objective criteria and with regard to the skills and experience they would bring to the Board. As at 31st December 2020, the female representation on the Board represents 11 per cent of the membership.
Aspire to achieve the recommendations of the Parker Review by having at least one Director on the Board from an ethnic minority background.	The Committee has adopted this in its Policy and the Board continues to consider candidates from a wide range of backgrounds. As a multinational Group with operations in more than 20 countries, diversity of thought and background is essential and will remain one of the key criteria by which candidates are selected for the Board and the pipeline for senior leadership positions.
In its search for candidates, to engage with executive search firms which are signatories to the Voluntary Code of Conduct for Executive Search Firms.	The Board supports the provisions of the Voluntary Code of Conduct for Executive Search Firms and will only engage those who have signed up to this Code. The Board's current executive search firm is a signatory to the Code.
As required by the UK Corporate Governance Code, report annually against these objectives and other initiatives taking place within the Company to promote gender and other forms of diversity.	The Board recognizes the importance of diversity and that it is a wider issue than gender. Our diversity initiatives are outlined on pages 47, 98 and 100.
Report annually on the outcome of the Board evaluation, the composition and structure of the Board.	The Board continues to commit to reporting annually on the outcome of the Board evaluation, and the composition and structure of the Board.

Appointment of a Non-Executive Director update

The Committee reported in the 2019 Annual Report and Accounts that the Committee had, following a review of the current and desired future skills and competencies mix amongst Directors, and the structure, diversity and independence of the current Board, determined that an additional independent Non-Executive Director would add value. No appointments to the Board were made in 2020, due to the unprecedented events that took place over the course of the year arising from the COVID-19 pandemic. The Committee continues its search and will take care to ensure that the provisions and aims set out within the Board Diversity Policy agreed in 2020 inform future appointments. The Committee and the Board fully understands and appreciates the benefits of diversity in all its forms in promoting balanced and considered decision-making which aligns with ContourGlobal's purpose, values and strategy.

The Committee's current assessment of the current skills and competencies on the Board is set out in this Report on page 98.

Directors' independence and re-appointment

The Board keeps the independence of the Non-Executive Directors under continuous review. In July 2020, the Committee assessed the performance and independence of each of the Non-Executive Directors and concluded that each of them contributed effectively to the operation of the Board.

Each year Directors are subject to appointment or re-appointment by shareholders at our AGM. Non-Executive Directors are appointed for a specified term of three years, subject to annual re-election at the AGM. Re-appointment for a second three-year term is not automatic, and any term for a Non-Executive Director beyond six years is subject to a particularly rigorous review.

Conflicts of interest and time requirements for Non-Executive Directors

The Company's Articles of Association contain provisions which permit unconflicted Directors to authorize conflict situations. Each Director is required to notify the Chairman of any potential conflict or potential new appointment or directorship. This year, the Committee reviewed the list of Directors' external appointments and decided that there were no apparent conflicts of interest that could not be adequately managed by recusal and, consequently, recommended the same for approval by the Board.

The Board does not specify the exact time commitment required from its Non-Executive Directors as they are expected to fulfil the role and manage their commitments accordingly. The Board is satisfied that none of its Directors is overcommitted and unable to fulfil their responsibilities as a Director of the Company. Should a Director be unable to attend meetings on a regular basis, not be preparing for or contributing appropriately to Board discussions, the Chairman would be responsible for discussing the matter with them and agreeing a course of action.

Committee evaluation

The Committee undertook an internal self-evaluation supported by Independent Audit Limited as part of the 2020 Board evaluation. The results demonstrated that members of the Committee ensured that core skills were covered and there was good discussion and debate. However, the Committee is mindful that, while pleased with the progress made on the Company's talent management and executive succession processes, this will need to remain an area of continued focus for 2021, as reflected below.

Priorities for 2021

For the coming financial year, the Committee will, among other matters, focus on the following:

- the continued development of succession plans, the talent pipeline and diversity strategy.
- the continuous review of the composition of the Board and its Committees in respect of skills and diversity.

Craig A. Huff
Chairman of the Nomination Committee

18th March 2021

REPORT OF THE AUDIT & RISK COMMITTEE

Members of the Audit and Risk Committee

- Ronald Trächsel (Chairman)
- Daniel Camus
- Dr. Alan Gillespie

Meeting attendance shown on page 91

Dear shareholders,

My report seeks to provide you with an understanding of the Committee's work during the year and with assurance of the integrity of the 2020 Annual Report and Financial Statements.

During the year the Committee focused on the Company's financial performance and integrity of the annual, half-yearly and interim financial statements. This included a thorough review of the Company's going concern, viability statement and principal and emerging risks and uncertainties. The Committee had continually reviewed the impact of the outbreak of COVID-19 and management actions in mitigating risks to the Company's employees and preventing disruption to contractual arrangements with customers and suppliers. A dedicated Task Force was created, and risks to the business associated with the pandemic were closely monitored. As part of the process an emerging risk was identified as a potential principal risk in respect of supply chain management. In addition, cyber security risk mitigation was enhanced and various initiatives were put into place to mitigate the risks posed, such as software, platform upgrades and increased training.

The Committee also reviewed the key accounting areas of judgment, the adequacy and effectiveness of the Group's system of internal controls, including whistleblowing, and the effectiveness, performance and objectivity of the internal and external audit functions. The Committee also took steps to ensure that, when taken as a whole, the Annual Report is fair, balanced and understandable.

The Committee, along with management and the external auditor, considered the impact of reporting recommendations published by the Financial Reporting Council (FRC), as well as the new accounting and reporting requirements introduced by International Financial Reporting Standards (IFRS).

As part of the FRC's regular oversight role on company reporting in November 2020 the Company received a letter from the FRC which raised a limited number of queries in connection with disclosures contained in the 2019 Annual Report. These queries related to the recoverability of the certain development costs, purchase price allocation in relation to acquisitions, clarification of the accounting for the change in borrowings, accounting for emissions quotas, non-controlling interest disclosures, and the Company's approach to alternative performance measures. The Company's response was overseen by the Audit and Risk Committee and discussed with the Company's external auditors. We have taken the FRC's feedback into consideration and enhanced disclosures in the 2020 Annual Report and Financial Statements to reflect this, most notably regarding purchase price allocation, non-controlling interests and alternative performance measures. At the time of writing we have recently responded to the FRC's feedback and are awaiting their response to the last two matters. In 2020, the FRC's Audit Quality Review Team reviewed the audit work carried out by the Company's external auditors on our 2019 Annual Report and Financial Statements. The Audit and Risk

Committee discussed the FRC review with the Company's external auditors. There were no key findings arising from the review and, as a result, there were no significant actions identified, by either the external auditors or the Audit and Risk Committee, to be undertaken.

Committee evaluation

The Committee's performance was evaluated by Independent Audit and the key priorities for 2020-21 are as referred to on page 95. Further details on the activities of the Committee during the year and how it has discharged its responsibilities are provided in the report below.

As Chair of the Committee, I ensure that the Committee's agenda is kept under review and reflects relevant developments, and that this report provides clear and meaningful disclosure on the Committee's activities.

Ronald Trächsel
Chairman of the Audit and Risk Committee

18th March 2021

"THE COMMITTEE CONTINUES TO PROVIDE OVERSIGHT OF THE GROUP'S RISK ASSESSMENT AND MANAGEMENT, INTERNAL CONTROL, EXTERNAL AUDIT, INTERNAL AUDIT, COMPLIANCE, FINANCIAL MANAGEMENT, AND REPORTING FRAMEWORKS, PROCESSES AND ACTIVITIES."

Principal duties of the Committee

The principal duties of the Committee are to:

- Monitor the financial reporting process to ensure the integrity of the Group's financial statements and announcements relating to financial performance, and make any necessary recommendations for improvements.
- Assess and challenge significant accounting estimates and judgments.
- Monitor the statutory audit of the Annual Report and financial statements.
- Manage the relationship with the external auditor and oversee the external audit process including assessment of the quality of the audit.
- Review and monitor the external auditor's independence and the provision of additional services.
- Review the Group's strategic risk register, principal risks and the going concern and viability statements.
- Monitor the effectiveness of internal controls (including financial, operational and compliance controls) and the risk management framework used to identify and manage principal and emerging risks.
- Oversee the internal audit function and process including the findings of internal audit reports.
- Monitor the effectiveness of financial controls and the process for identifying and managing risk.

Ronald Trächsel has chaired the Audit & Risk Committee since the IPO in November 2017. He is currently the Chief Financial Officer of a Swiss publicly listed power generation Grid and Infrastructure company and is considered by the Board to have recent and relevant financial experience.

All members of the Committee are independent Non-Executive Directors and the Board is satisfied that the Committee as a unit has the competence relevant to the sector and its members have an appropriate level of experience of corporate financial matters. The Company Secretary is Secretary to the Committee and attends all meetings.

Regular attendees at Committee meetings by invitation include other Non-Executive Directors, the CEO, the CFO, the Head of Internal Audit, the Chief Compliance Officer, the General Counsel, the Group Controller, and representatives from PricewaterhouseCoopers LLP (PwC), the external auditor. None of these attendees are members of the Committee.

The representatives from PwC and the Head of Internal Audit are each afforded time with the Committee and the Company Secretary to raise any concerns they may have without management being present.

The Committee is authorized to seek outside legal or other independent professional advice though this was not required during the year.

The Committee's terms of reference can be found at: www.contourglobal.com/investor-relations.

The Directors' responsibilities statement in respect of the Annual Report and financial statements can be found on page 145.

The key role of the Committee is to ensure that the interests of shareholders are properly protected in relation to the Company's financial reporting, internal control and risk management arrangements, and to provide challenge to management's approach and decisions in relation to the content, significant accounting estimates, judgments and disclosures within the Company's financial reports. The Committee's role is also to ensure that management's disclosures reflect the necessary supporting detail, to challenge management to explain and justify their judgments. The Committee reports on its findings to the Board and makes recommendations accordingly. This includes confirming to the Board whether, in accordance with the requirements of the UK Corporate Governance Code 2018 ("the Code"), the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Committee is supported in this role by the Company's internal audit function and the external auditor, who in the course of the statutory audit, reviews the accounting records kept by the Company to test whether information is being recorded in line with agreed accounting practices. The external auditor's report is set out on pages 146 to 156.

The Committee is responsible for ensuring that the three-way relationship between the Committee, the auditor and the Company's management is appropriate, and that the external auditor remains independent of the Company. Independence is a key focus for the external auditor, whose staff must comply with their firm's own ethics and independence criteria which must be consistent with the FRC's Revised Ethical Standard 2019. Information on how the Committee assesses the independence of the external auditor is set out on page 106. All members of the Committee continue to contribute to the work of the Committee and have the necessary skills and financial and accounting experience to do so effectively. The Committee members seek clarification and a full explanation from management or the external auditor on any matter we feel necessary.

Structure and operations

The Audit and Risk Committee's structure and operations, including its delegated responsibilities and authority, are governed by its Terms of Reference which are reviewed annually and approved by the Board.

All members of the Committee are independent Non-Executive Directors with a wide range of skills and experience that enable them to provide effective oversight of both financial and risk matters, and to advise the Board accordingly. In the Board's view, the Committee has competence relevant to ContourGlobal's sector; Ronald Trächsel and Daniel Camus have extensive experience of international energy companies and Dr. Alan Gillespie has significant experience in industrial development and development finance. Ronald Trächsel is determined by the Board as having recent and relevant financial experience for the purposes of the Code. Details of the experience of all members of the Committee can be found on pages 76 to 79.

To maintain effective communication between all relevant parties, and in support of the Committee's activities, the CEO, CFO, General Counsel, Chief Compliance Officer, Head of Internal Audit, senior members of the finance team and representatives of the external auditor, attend all Committee meetings. Other members of the Board also attend as guests on an ad hoc basis. Additionally, the Committee has private sessions with the internal and external audit teams.

The Committee works to a structured program of activities and meetings to coincide with key events around our financial calendar. Following each meeting, the Committee chairman reports on the main discussion points and findings to the Board. The Committee will normally meet no fewer than three times a year. It met four times during 2020 and attendance at those meetings can be found on page 91. All meetings were held remotely and were effective.

An additional meeting was held to undertake a deep dive into the tax function and tax internal controls across the Group.

Outside of the formal meeting program, the Committee chairman maintains a dialogue with key individuals involved in the Company's governance, including the Chairman, CEO, CFO, Company Secretary, the external audit lead partner and the Head of Internal Audit, together with KPMG LLC, our co-sourcing partner who provide additional support on internal audit matters.

Audit and Risk Committee activity

The main areas of Committee activities during 2020 were:

Area	Activities
FINANCIAL REPORTING	Reviewing the draft full and interim results including key areas of judgment, the Group's viability, and going concern for approval by the Board. The quality, appropriateness and integrity of the interim and full-year financial statements. The information, underlying assumptions and stress test analysis presented in support of going concern and the viability statements taking into account the impact of the COVID-19 pandemic on the global economy. The consistency and appropriateness of the financial control and reporting environment. The dividend policy. Review of the alternative performance measures and the related disclosures. Review of the draft Annual Report and financial statements as a whole, and approval of this Audit & Risk Committee report. Review of the comments included in the letter from FRC on their review of the Annual report 2019, discuss the answers provided and how the key points have been addressed in the 2020 Annual report. At the time of the reporting, the majority of the points of the FRC review have been closed and the last remaining items are being discussed. The fair, balanced and understandable assessment of the Annual Report (and any other financial statements such as the half-yearly statement).
FINANCIAL ACCOUNTING MATTERS	Review of impairment tests and potential triggering events during 2020. Kosovo: Recoverability of project costs incurred in association with the discontinued development project for a new power generation plant. Update on Maritsa NOx Receivable recoverability assessment and Maritsa EC Directorate General Competition matter discussions. KivuWatt arbitration with Energy Utility Corporation Limited. Togo CEET Claim. Other matters related to litigation and claims. Finalization of Mexico CHP price allocation and fair market value.
SIGNIFICANT ACCOUNTING JUDGMENTS	The appropriateness of significant accounting judgments made in connection with the financial statements as set out on pages 106 and 107.
RISK MANAGEMENT AND INTERNAL CONTROL	Monitoring the outbreak of COVID-19 and assessing the impact on the Group particularly in relation to the year-end financial position. There has been focus on developing and implementing mitigating actions and processes to ensure that the Group can continue to operate in an effective control environment, including an internal audit in the reporting year on the Group's control environment. Reviewing and monitoring the principal and emerging risk profile of the Group. The scope of the internal control and risk management program and the internal control roadmap for 2020 which included a mid-year review, an internal self-assessment and any recommendations arising from the PwC external audit.

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)	The results of internal audit reviews and the progress made against agreed management action. Quarterly reports on investigated internal control issues significant to the Group. Quarterly reports on the Group's risk register, including significant and emerging risks. The implications and management of the General Data Protection Regulation (GDPR), data governance and information security. The adequacy and effectiveness of the Group's internal control and risk management processes. The review of principal risks and uncertainties and the risk register the top risks. Deep dive into the tax function and tax internal controls across the Group.
INTERNAL AUDIT	The internal audit methodology, processes and report template, KPIs and targets and tracking tools. The scope of the internal audit plan and resourcing requirements, including the selection of KPMG LLP as a co-sourcing partner. The independence, appropriateness, and effectiveness of internal audit, including the co-sourcing partner. The change of co-sourcing partner. Monitor the resolution of internal audit findings. Risk-based internal audits of specific Group companies, business units and processes.
EXTERNAL AUDIT	The external audit plan. The independence and objectivity of PwC. The level of fees paid to PwC in accordance with the policy for the provision of non-audit services. PwC's reappointment to office as external auditor. Reviewing and approving the non-audit services and related fees provided by the external auditor. Conducting an annual review of the effectiveness of the external audit process. Consideration of the findings of the external regulator's review of PwC's 2019 audit.
COMPLIANCE AND OTHER MATTERS	Quarterly compliance reports from the compliance function including updates on investigations for the quarter as well as the status of the compliance objectives and KPIs. The Committee's Terms of Reference and performance effectiveness. Compliance with the Code and the Group's regulatory and legislative environment. Monitoring and reviewing incidents of whistleblowing. Reviewing and approving the Modern Slavery Statement.
FINANCIAL MANAGEMENT	Introduction of an updated Treasury policy and reporting to the Committee on exposure, counterparty and credit risks. Cash and debt balances, debt covenants and headroom, and the liquidity available to the Group.
TAXATION	Review of the Tax Strategy and policy. Comprehensive review of tax advisors.

Committee Performance

External auditor, tenure and audit plan

PwC is engaged to conduct a statutory audit and express an opinion on the Company and the Group's financial statements. Their audit includes an assessment of the systems of internal controls that produce the information contained in the financial statements to the extent necessary to express an audit opinion.

PwC presented their proposed audit plan (reviewed by senior management) to the Committee for discussion. The objective was to ensure that the focus of their work remained aligned to the Group's structure and strategy as well as the risk profile. The audit plan was again risk and materiality focused, challenge-based and designed to provide a high-quality audit and other valuable insights.

Objectivity and independence

The Committee is responsible for monitoring and reviewing the objectivity and independence of the external auditor. In undertaking its annual assessment, the Committee has reviewed:

- The confirmation from PwC that they maintain appropriate internal safeguards in line with applicable professional standards;
- The mitigation actions taken to safeguard PwC's independent status, including the operation of policies designed to regulate the non-audit services provided by PwC and the employment of former PwC employees;
- The tenure of the audit partner and quality review partner (such tenure not being greater than five and seven years respectively); and
- The internal performance and effectiveness review of PwC referred to above, notably considering the findings of the external regulator's review of PwC's 2019 audit

Taking the above review into account, the Committee concluded that PwC remained objective and independent in their role as external auditor.

Effectiveness of the external audit

It is the responsibility of the Audit and Risk Committee to assess the effectiveness of the external audit process. Following the issue of our Annual Report and Financial Statements, the Chairman of the Committee leads the conduct of a performance evaluation and effectiveness review of the external audit which covered aspects including:

- The quality of reports provided to the Committee and the Board and the quality of advice given;
- The level of understanding demonstrated by the audit team of the Group's businesses and the energy sector;
- The findings of the external regulator's review of PwC's 2019 audit, and the fact that there were no significant matters arising; and

The objectivity of the external auditor's views on the controls around the Group and the robustness of challenge and findings on areas which required management judgment. The Committee believe that PwC have performed their audit services effectively and to a high standard. Areas identified for development will be shared with them for inclusion in their audit and service delivery plans going forward.

Significant accounting judgments

The Committee reviewed the significant financial matters in connection with the financial statements, having regard to matters communicated to the Committee by the auditor. The significant matters considered are set out in the table below.

Significant financial matters considered	How the Committee addressed the matters
Accounting for business combinations and power purchase agreements in the year of acquisition (including renegotiation of existing agreements) In November 2019, the Group acquired two Combined Heat and power assets in Mexico. Consideration was given to the allocation of the purchase price for the Mexico CHP assets.	The Committee considered the appropriateness of the items to which the purchase price has been allocated as well as main assumptions used in relation with discount rates and future cash flows.
Impairment of property, plant and equipment, and financial and contract assets As at 31st December 2020, the Group had $3,517.1 million of property, plant and equipment, the majority of which related to power plant assets, and $408.3 million of financial and contract assets, the majority of which related to concession arrangements. Impairment assessments of these assets requires significant judgment including assumptions of future cash flows, discount rates and inflation which are by essence judgmental.	The Committee has reviewed the indicators of impairment and main assumptions retained and described in the financial statements. The Audit & Risk Committee concurred with the testing performed with regards to wind farms in Brazil and agreed with management's judgment that no impairment charge was necessary.
Provisions for claims and contingent liabilities As at 31st December 2020, the Group had $18.3 million of legal and other provisions. Legal and other provisions include amounts arising from claims, litigation and regulatory risks which will be utilized as the obligations are settled and includes sales tax and interest or penalties associated with taxes. Legal and other provisions have some uncertainty over the timing of cash outflows.	The Committee has reviewed the main legal or contractual claims. As part of its review, the Committee has considered the judgments from external or internal counsels made as to the potential likelihood of any claim succeeding when making a provision or disclosing a contingent liability

Significant financial matters considered	How the Committee addressed the matters
Adjusted EBITDA and recognition of change in fair value of derivatives A new adjustment within the reconciliation of Adjusted EBITDA to Profit Before Tax to include the cash gain on the Mexico CMA fixed margin swap within Adjusted EBITDA for $15.5 million. Management believe this is a better measure of financial performance as the purpose of the instrument is to eliminate volatility in CFE tariffs, gas price, and wheeling charge by fixing margins on power sales. As such the inclusion of the cash gain (or loss) on the instrument in Adjusted EBITDA results in the presentation of earnings to reflect the fixed margin.	The Committee has reviewed this adjustment and believes the commercial rationale for this adjustment is reasonable and consistent with similar items included in Adjusted EBITDA – for example adjustments made in respect of service concession arrangements. The Committee also reviewed the associated disclosures in relation to Adjusted EBITDA and are satisfied that the adjustment is appropriately disclosed in the financial statements to support the 'fair, balanced and understandable' requirement.
Kosovo development costs On 24 May 2020, CG Kosovo delivered a Notice of Termination to the Government of Kosovo (GoK) in relation of the power plant construction project and a request that GoK pays a total of €20.1m, including €19.7m for the development costs incurred up to the development cost cap. CG subsequently issued a notice of arbitration to GoK in November 2020. €19.7 million ($24.1 million) is recognized as a non-current asset on the balance sheet, the recovery of which is dependent on the ability of CG to enforce the reimbursement of costs under the terms of the project agreements with GoK in the arbitration process.	The Committee assessed the judgments around the recovery of this asset which is likely to depend on the outcome of the arbitration proceedings and so is subject to some degree of judgement. The Group believes it will be able to demonstrate that the project failed to close for reasons attributable to the GoK and/or the relevant publicly owned companies, which is the key judgement that supports the recognition of the asset.

These items were considered significant considering the level of materiality and the degree of judgment exercised by management. The Committee discussed these with management and PwC, to understand any areas where there had been or continued to be differences of opinion, and to satisfy itself that the conclusions drawn were reasonable and supportable based on the information available at the time, and that the corresponding disclosures were appropriate. As a result of this discussion, the Committee was satisfied that all issues had been fully and adequately addressed and that the judgments made were reasonable, appropriate, and disclosed accordingly in the financial statements, and had been reviewed and challenged by the external auditor, who concurred with the approach taken by management.

In addition, the Committee considered, acted and made onward recommendations to the Board, as appropriate, in respect of other key matters including the viability statement, the going concern basis on which the financial statements are prepared and other specific areas of audit focus.

Non-audit services

During the year, the Committee adopted a revised non-audit services policy to reflect independence rules within the FRC's Revised Ethical Standard 2019. PwC UK continues to provide certain services to the Company in accordance with the independence rules set out in the revised policy. As a result, the volume of non-audit services performed by PwC in respect of the Company, its subsidiaries and related entities worldwide reduced significantly in 2020, both in absolute terms and in relation to the fees payable to PwC for the 2020 audit, as anticipated in 2019.

The non-audit fees paid to PwC for 2020 were $1 million ($1.5 million in 2019), including $0.3 million for the half-yearly review ($0.2 million in 2019).

Audit tendering

The French firm of PwC was first appointed as the external auditors of the Group in 2013. The UK firm was first appointed at the time of the IPO in 2017, and hence the UK firm was the first appointee to the audit of ContourGlobal plc. Matthew Hall is the current lead audit partner. Under current regulations, we will be required to retender the audit by no later than the 2027 financial year. Matthew Hall is required to be rotated off as audit partner by 2022 and the Committee will liaise with PwC to address this requirement during the 2021 financial year. Having regard to the quality, stability and continuity of the relationship with PwC as the current auditor, the Board believes that it is in the best interests of the Company and shareholders to tender the audit contract by a date no later than that stipulated by the current regulations. On the recommendation of the Audit and Risk Committee, the Board is proposing a resolution at this year's Annual General Meeting that PwC is reappointed as auditor for a further year.

The Company confirms that it has complied with the provisions of the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit & Risk Committee Responsibilities) Order 2014 for the 2020 financial year.

Audit fee

The fees payable to PwC for the 2020 audit are $2.3 million ($2.7 million in 2019).

Risk management framework and internal control

The Board is responsible for determining the Group's risk management framework and the nature and extent of the risk appetite that is acceptable in seeking to achieve its strategic objectives, for overseeing the Group's risk management processes and internal controls, reviewing their effectiveness and reporting on the outcome of their review in the Annual Report and Financial Statements, assisted by the Committee.

An overview of the risk management process explaining the key elements of the approach to risk, any changes to the process over the course of the current year and the key risk management priorities for 2021 is described on pages 62 to 71.

Primary responsibility for operation of the Company's internal control and risk management systems, which include financial, operational and compliance controls (and accord with the FRC's 2014 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'), has been delegated to management. These systems, which have been in place for the whole of 2020 and continue to be operative as at the date of this Report, have been designed to manage, rather than eliminate, the risk of failure to achieve the Group's business goals and can provide only reasonable, not absolute, assurance against material misstatement or loss. During the year, the internal control framework was reviewed and revised to incorporate a more risk-based and streamlined approach and allow for increasing the application of automation. Management also strengthened the internal controls documentation in certain areas.

The Committee, in consultation with management, agrees the annual work plan (including any assistance that may be required from external specialists) of the internal audit function to ensure alignment with the needs of the business and compliance with its governance charter. On a quarterly basis, the Committee receives and discusses the Group's risk register, including significant and emerging risks, and how exposures have changed during the period; summary reports of findings and recommendations from completion of the internal audit plan; and progress against completion of agreed actions from internal audit on their review of the effectiveness of various elements of the internal control system maintained by the Group. The Board is satisfied that the system of risk and internal control management accords with the Code and satisfies the requirements for internal controls over financial reporting. The management team has continued to further enhance risk awareness across the Group during the year.

Effectiveness

In line with the provisions of the Code, the Board has responsibility for carrying out a robust analysis of the Group's emerging and principal risks. The Board has undertaken a careful assessment of the principal and emerging risks faced by the Group, including those that could threaten the business model, and its future performance, solvency and liquidity, as well as monitoring compliance to ensure that any mitigating actions are properly managed and completed. Assisted by the Committee, the Board also reviewed the effectiveness of internal control systems and risk management processes in place throughout the year and up to the date of this report, which, in 2020, has also included consideration of the impact of COVID-19.

The Board's review also covers the work undertaken by the internal audit function, which includes a Head of Internal Audit as well as a co-sourcing partner (with direct access to the Committee chairman), and the relevant process, controls and testing work undertaken by PwC as part of their half-yearly review and full-year audit.

The Committee has not identified, nor been advised of, any failings or weaknesses that it has determined to be significant despite the present limitations and challenges imposed by the pandemic. As part of its review, the Committee noted that no significant internal control matters had been raised by PwC in the context of their annual external audit. Where areas for improvement were identified, new procedures have been introduced to strengthen the controls and will themselves be subject to regular review as part of the ongoing assurance process.

Fair, balanced and understandable

The Committee applied the same due diligence approach adopted in previous years in order to assess whether the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable. The Committee received assurance from the verification process carried out on the content of the Annual Report and Financial Statements by the Executive Directors to ensure consistent reporting and the existence of appropriate links between key messages and relevant sections of the Annual Report and this was supported by a robust schedule of review and verification by senior management and external advisors to ensure disclosures are accurate. The Committee itself reviewed a full draft of the document and considered whether all key events reported to the Board and its Committees during the year, both positive and negative, were adequately reflected, as well as the consistency between the narrative sections and the financial statements. The Committee also considered the use of adjusted measures by the Group and confirmed that these were appropriate for aiding users of the Group's financial statements to better understand its performance year on year.

Taking the above into account, together with the views expressed by PwC, the Committee recommended, and in turn the Board confirmed, that the 2020 Annual Report, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position, performance, business model and strategy.

Internal control

The key elements of the Group's internal control are as follows:

- The Company has developed and implemented a detailed internal control management system and has a dedicated internal control function within the Group Finance function.
- An established organization structure with clear lines of responsibility, approval levels and delegated authorities.
- A disciplined management and Committee structure which facilitates regular performance review and decision-making.
- A comprehensive strategic review and annual planning process.
- A robust budgeting, forecasting and financial reporting process.
- Various policies, procedures and guidelines underpinning the development, asset management, financing and main operations of the business, together with professional services support including legal, human resources, information services, tax, company secretarial and health, safety and security including cyber security.
- A compliance certification process from management conducted in relation to the half-yearly and full-year results, and business activities generally.
- A quarterly self-certification by management confirming that key internal controls within their respective areas of responsibility have been operating effectively.
- An internal audit function whose work spans the whole Group with assurance support from KPMG LLP who provide the team with additional resource and skills.
- A focused post-acquisition review and integration program to ensure the Group's governance, procedures, standards and control environment are implemented effectively and on time.
- A financial and property information management system.

Whistleblowing mechanism

On behalf of the Board, the Committee reviews the Group's whistleblowing mechanism which allows employees and third parties to report concerns about suspected impropriety or wrongdoing (whether financial or otherwise) on a confidential basis, and anonymously if preferred. This includes an independent third-party reporting facility comprising a telephone hotline and an online process. Any matters reported are investigated in line with our internal procedures and escalated to the Board, via the Committee, as appropriate. The Committee and the Board has access through regular compliance reports to details on matters raised through the whistleblowing procedure, a description of the way issues have been addressed and recommended remediation. The Committee is also provided with quarterly and full year trend data on whistleblower complaints, and provides assurance to the Board through regular reporting that appropriate arrangements are in place for the proportionate and independent investigation of matters raised and for appropriate follow-up.

The Company provides regular training to existing employees reminding them about the available reporting mechanisms within the Company, including EthicsLine, and the obligations to report violations of the Company's policies. The arrangements also form part of the induction program for new employees.

Bribery and anti-corruption policy

The Board has a zero-tolerance policy for bribery and corruption of any sort. We give regular training to employees on the procedures, highlighting areas of vulnerability. Our third-party providers are required to comply with our policies or evidence that they have similar policies and practices in place within their own businesses on a risk-adjusted basis.

Annual Evaluation Progress on 2020 Actions

The Committee has continued to focus on and has enhanced its reporting in respect of its activities. The Committee agreed that the focus for 2021 should be on increasing the number of deep dives into the business to further build upon its knowledge of risks within the business.

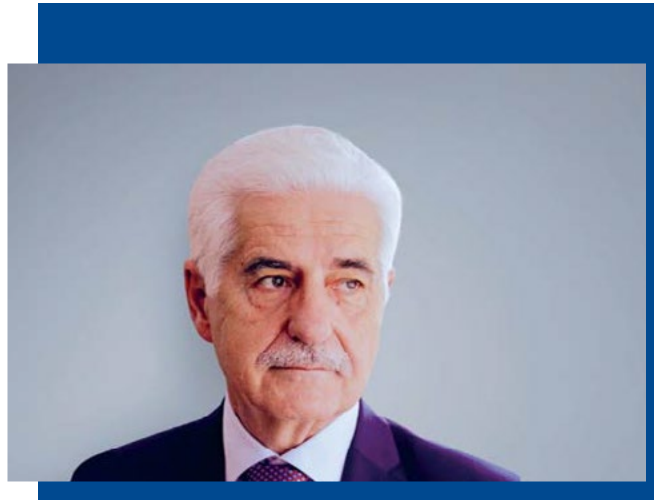
Shareholder engagement

As Chairman of the Committee, I am ready to engage with shareholders on significant audit and risk matters. No such requests were received during 2020.

Ronald Trächsel
Chairman of the Audit & Risk Committee

18th March 2021

REPORT OF THE REMUNERATION COMMITTEE



Members of the Remuneration Committee

- Daniel Camus (Chairman)
- Mariana Gheorghe
- Dr. Alan Gillespie

Meeting attendance shown on page 91

Dear shareholder,

I am pleased to present the Directors' Remuneration Report for 2020.

Undoubtedly, the global COVID-19 pandemic presented new challenges in 2020. Power generation is however deemed an essential activity in the countries in which we operate, and we therefore did not experience any meaningful disruption to our operations due to COVID-19 during the year. Due to ample liquidity, the financial impact of COVID-19 was also minimal and we continued to pay our dividend. Our priority throughout the pandemic was therefore on the health and safety of our employees, and providing continuity of service.

At ContourGlobal, no employees were furloughed as a result of the COVID-19 pandemic. We implemented comprehensive and innovative measures across our global business with the intention of protecting our workforce. These included reviewing shift patterns to allow people to work in a less densely populated environment, hiring physicians on site to support our employees, introducing remote control technology, and encouraging our most vulnerable employees to stay at home (while receiving full pay). We also materially increased pay for front line workers – those in our power plants – by awarding a special one-time $2,020 equivalent payment to every one of them.

Performance in 2020

The resilience of ContourGlobal's business model, with technology sophisticated and connected, reliable business continuity plans and the strength of our management team, meant we were able to continue to grow notwithstanding the challenges presented by the pandemic. We delivered an adjusted EBITDA performance of $722m, an increase of 3% on prior year. In terms of our growth strategy we completed on our acquisition of the US and Trinidad & Tobago Portfolio.

Corporate performance as well as strong individual performance from both Executive Directors, resulted in annual bonus out-turns of 85% of maximum for the President & CEO and Chief Financial Officer. The Committee considered these outcomes reflective of overall performance during 2020.

Vesting of 2018 LTIP

Following the completion of its three-year performance period to 31st December 2020, our first LTIP award granted following our IPO in 2018 will vest in 2021. This award was subject to EBITDA, Health and Safety and Growth performance. In terms of the Growth metric, this is measured by reference to IRR of key projects and completion of relevant milestones. Based on targets set, the vesting outcome is 54.4% of maximum.

Renewal of Remuneration Policy

In accordance with the normal three-year cycle under UK remuneration regulations, we are required to submit our Directors' Remuneration Policy for shareholder approval at our 2021 AGM. Ahead of this, the Committee spent time considering our executive remuneration framework and determined that overall this framework had been effective in supporting and incentivizing the delivery of our strategy whilst aligning with the interests of our shareholders. The Committee also did not consider that this year was the appropriate time to be making material changes to our Directors' Remuneration Policy. We are therefore proposing to submit, for shareholder approval, a Policy which continues with the current framework.

It is the Remuneration Committee's current intention that next year a more comprehensive review of our remuneration arrangements is undertaken to ensure that these remain appropriate for our business and forward-looking strategy. Dependent on the outcome of that review we may revert to shareholders with a proposed new Policy in 2022.

Notwithstanding the above, as part of our Policy renewal this year, the Committee will be formalising a number of changes in its operation, which have been made since the approval of our current Policy in 2018. These include:

- Alignment of Executive Director pensions with the workforce rate.
- Increased share ownership guidelines for Executive Directors of 250% of salary and, introduced in 2020, a post-employment shareholding guideline.
- Expanded recovery and withholding provisions under the annual bonus and LTIP.

Implementation of Policy for 2021

There will be no salary increases for Executive Directors in 2021 and incentive opportunity levels will remain unchanged.

For 2021, the overall annual bonus framework will remain consistent with prior years. The corporate scorecard, which comprises 70% of the total bonus, will be subject to financial (50% weighting), operational (30% weighting) and growth (20% weighting) performance over the year. Individual objectives will continue to comprise the remaining 30% of the total bonus.

In respect of the LTIP, the Committee is undertaking a more thorough review of performance measures to ensure these remain appropriate, including consideration of environmental, social and governance measures. The Committee will disclose the measures and targets on the Company website and via an RNS in advance of the 2021 AGM, so that shareholders and other stakeholders have this information before voting at the General Meeting.

Key areas of focus in the year

Review of Directors' Remuneration Policy

- Reviewed our Directors' Remuneration Policy ahead of submitting for shareholder approval at the 2021 AGM

Incentive arrangements

- Reviewed and approved annual bonus payouts and targets
- Approved the grant of performance share, restricted share, and deferred bonus awards under the long term incentive plan
- Review of LTIP performance measures.

Compliance and governance

- Reviewed practices and changes to corporate governance environment with regards to remuneration arrangements and the Committee's remit

Legacy arrangements

In December 2020, part of the President & CEO's legacy interest in the Private Incentive Plan (PIP) vested. The value of this interest is reported in our remuneration table for 2020. As disclosed at the time of the IPO, this is a legacy arrangement established by Reservoir Capital Group (the major shareholder in the Company) in connection with its original investment in the business. The Company is not party to and has no financial obligation to pay cash or issue shares to settle the PIP. Value delivered under this arrangement has been funded by Reservoir Capital Group.

Conclusion

In line with the remuneration reporting regulations, at our forthcoming AGM, our renewed Directors' Remuneration Policy will be subject to a binding shareholder vote and the reminder of this report, including the Annual Report on Remuneration, will be subject to an advisory shareholder vote. I hope you will continue to support our approach to executive remuneration.

Yours sincerely

Daniel Camus
Chairman of the Remuneration Committee

18 March 2021

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Remuneration at a glance

Consideration of wider workforce – COVID-19 pandemic

- No employees were furloughed as a result of the COVID-19 pandemic.
- Management's first priority remained, and continues to remain, the health and safety of our employees.
- Implementation of comprehensive and innovative measures across our global business with the intention of protecting our workforce. These include reviewing shift patterns to allow people to work in a less densely populated environment, hiring physicians on site to support our employees, introducing remote control technology, and encouraging our most vulnerable employees to stay at home (while receiving full pay).
- Materially increased pay for our front line workers – for those in our power plants, a special one-time $2,020 equivalent payment to every one of them.

Summary of Remuneration Policy and implementation for 2021

Our Remuneration Policy for Executive and Non-Executive Directors will be presented for shareholder approval at our 2021 AGM. The below summarizes the key elements of the Remuneration Policy and how it will be implemented for 2021, if approved.

Remuneration component	Summary of Remuneration Policy	Remuneration for Executive Directors for 2021
Salary	• Normally reviewed annually, with any changes taking effect from 1st January. • Set taking into account a number of factors including but not limited to individual and Company performance, an individual's skills and experience, the responsibilities of the role. • In considering any increase, the Committee is guided by the general increase for the broader employee population.	See salary table below
Pension and benefits	• The Company may make contributions, or payment in lieu of contributions, to a pension scheme. Pension is set in line with the wider workforce. • Benefits may include, but are not limited to, private medical insurance, dental insurance, company car or allowance, life assurance and income protection. Benefits in relation to relocation or expatriation may be provided.	• No changes for 2021. • The current President & CEO does not receive any pension contributions or retirement benefits. • The Chief Financial Officer receives a pension allowance of 11% of salary, which is in line with other UK employees (excluding Northern Ireland). • Executive Directors receive benefits in line with the Remuneration Policy.

Annual performance bonus	• Maximum opportunity is:
	  • 100% of base salary for the current President & CEO
	  • 150% of base salary for any other Executive Director (including any future CEO)
	• Subject to stretching performance conditions, normally set by the Committee at the start of each financial year.
	• At least 70% of the bonus will be subject to corporate objectives with the balance based on individual objectives.
	• The Committee may adjust the bonus outcome taking into account any relevant factors, including the Company's underlying performance.
	• Any bonus earned in excess of 50% of maximum is deferred into shares for a period of two years.
	• Malus and clawback provisions apply.
		• The overall annual bonus framework for 2021 is consistent with 2020.
		• The maximum opportunity will be 100% of salary for the President & CEO and 115% of salary for the Chief Financial Officer.
		• Bonus will be based on achievement of corporate objectives (70%) and individual objectives (30%). Performance measures for 2021 are: (see table below)
		• Targets and performance against these will be disclosed retrospectively.

Salary – Remuneration for Executive Directors for 2021:

	Base salary effective 1 January 2021	Increase from 2020
President & CEO	**$1,200,000**	0%
Chief Financial Officer	**£375,000**	0%

Annual performance bonus – Performance measures for 2021:

Performance Metrics	% of Opportunity
Adjusted EBITDA	17.5%
FFO	17.5%
Operational metrics	21%
Growth metrics	14%
Sub-Total	70%
Individual objectives	30%

Remuneration component	Summary of Remuneration Policy	Remuneration for Executive Directors for 2021

Long-Term Incentive Plan (LTIP)	• Maximum opportunity is:
	  • 100% of base salary for the current President & CEO
	  • 200% of base salary for any other Executive Director (including any future CEO)
	• Performance measured over three years.
	• The Committee has the flexibility to vary the performance measures and weightings for each award taking into account the business priorities at the time of grant.
	• The Committee may adjust the vesting outcome if it considers that it is not consistent with the Company's overall performance.
	• An additional two-year holding period applies post-vesting.
	• Malus and clawback provisions apply.
		• The maximum opportunity will be 100% of salary for the President & CEO and 200% of salary for the Chief Financial Officer.
		• The Committee is undertaking a more thorough review of performance measures to ensure these remain appropriate, including consideration of environmental, social and governance measures. The Committee will disclose the measures and targets on the Company website and via an RNS in advance of the 2021 AGM, so that shareholders and other stakeholders have this information before voting at the General Meeting.

Share ownership guidelines	• Executive Directors are required to build and retain a shareholding in the Company equivalent to at least 250% of salary. • A post-employment shareholding guideline will apply for one year following cessation of employment.	• No changes for 2021. • The President & CEO has met the guideline in full. • The Chief Financial Officer has yet to meet the guideline. However, he will be required to retain at least half of any share awards vesting (net of tax) under the Company's discretionary share-based employee incentive schemes until the guideline is met. • Any new Executive Director, including the Chief Financial Officer, is expected to meet their share ownership guideline within five years of appointment.
Legacy arrangements	• The President & CEO has interests in a 'Private Incentive Plan' (PIP). These relate to legacy commitments prior to ContourGlobal's listing, reflecting that the President & CEO co-founded the Company in 2005. • The Company is not a party to the PIP and has no financial obligation in connection with it. • The President & CEO also has a carried interest arrangement which was established in 2008 and which is funded by a minority co-owner of certain assets of the Company. The Company has no financial obligation in relation to these interests.	• These arrangements do not form part of ContourGlobal plc's ongoing policy.

Remuneration strategy and alignment with our core principles

ContourGlobal's core business principles guide our day-to-day operations and our sustainable business strategy, driving positive, long-term and measurable business impacts.

The Committee is cognizant of these principles when designing and implementing the Remuneration Policy and considers that the current executive remuneration framework appropriately addresses the following factors, as set out in the UK Corporate Governance Code.

CLARITY	The Committee is committed to providing open and transparent disclosures with regards to executive remuneration arrangements. The Committee provides additional information on legacy arrangements. The Company is not party to these arrangements and does not have any financial obligation in connection with them.
SIMPLICITY	Our ongoing executive remuneration arrangements are in line with typical practice for a UK-listed company and are well understood by both participants and shareholders.
RISK	The Committee has discretion to adjust annual bonus and LTIP outcomes if it considers these to be inconsistent with overall Company performance, taking into account any relevant factors. Malus and clawback provisions apply for both the annual bonus and LTIP. Post-employment shareholding requirements support a focus on long-term stewardship of the Company.
PREDICTABILITY	The Remuneration Policy contains details of maximum opportunity levels for each component of pay, with actual incentive outcomes varying depending on the level of performance achieved against specific measures. As part of our transparent approach, we provide full details of legacy arrangements including illustrative potential values.
PROPORTIONALITY	Our Remuneration Policy has been designed to provide an appropriate balance between short- and long-term performance targets linked to the delivery of the Company's strategic plan and aligned with the Company's risk appetite. ContourGlobal operates across 18 countries. When determining remuneration arrangements for Executive Directors the Committee considers broader workforce remuneration and related policies across the global business. The Group only has 15 permanent employees in the UK and therefore falls below the threshold required to disclose pay ratios. The Committee considers that remuneration arrangements for Executive Directors are appropriate taking into account the principles, policy and practice for workforce remuneration and the locality of the relevant Executive Director.
ALIGNMENT TO CULTURE	The metrics used within our incentive arrangements for Executive Directors are aligned to ContourGlobal's core principles, with the aim of driving behaviors consistent with the Company's purpose, values and strategy. One of our key values relates to our employee's health and safety, and this is reflected in our incentive framework. Fostering a culture of share ownership within the business is a key part of our remuneration approach.

Alignment of performance measures with core principles

Our core principles are aligned with the metrics used under our remuneration approach for Executive Directors, as illustrated below.

	ContourGlobal – our core business principles			
Measures used in incentive schemes	Operate safely and efficiently and minimize environmental impact	Grow well	Manage our business responsibly	Enhance our operating environment
Adjusted EBITDA growth		Annual bonus, LTIP		
Adjusted Funds From Operations (FFO)	Annual bonus	Annual bonus		
Lost Time Incidents	Annual bonus, LTIP		Annual bonus, LTIP	Annual bonus, LTIP
Fleet Availability	Annual bonus			
Refurbishment milestones	Annual bonus	Annual bonus		Annual bonus
CO_2 capture	Annual bonus	Annual bonus	Annual bonus	Annual bonus
Non-fuel operations and maintenance cost	Annual bonus	Annual bonus		
M&A milestones (project completion; incremental EBITDA)		Annual bonus		
Project Internal Rate of Return and milestones		LTIP		
Strategic personal objectives	Annual bonus	Annual bonus	Annual bonus	Annual bonus

● Annual bonus metric
● LTIP metric

Remuneration Policy

Directors' Remuneration Policy

This part of the Remuneration Report sets out the Remuneration Policy for Executive and Non-Executive Directors. The Policy will be put to a binding shareholder vote at the AGM on 12th May 2021 and, subject to shareholder approval, will take formal effect from that date.

Renewal of Remuneration Policy

During 2020, the Committee undertook a review of the Remuneration Policy and its implementation. The Committee however did not consider that this year was the appropriate time to be making material changes to the Remuneration Policy, which continues to be effective in supporting and incentivizing the delivery of the Company's strategy whilst aligning with the long-term interests of shareholders. The renewed Remuneration Policy does however formalize a number of changes made since the approval of our previous Remuneration Policy in 2018. This includes:

- Alignment of executive director pensions with the workforce rate.
- Increased share ownership guidelines for executive directors of 250% of salary and, introduced in 2020, a post-employment shareholding guideline.
- Expanded recovery and withholding provisions under the annual bonus and LTIP.

In addition, a number of other minor drafting changes have been made to clarify how the Remuneration Policy operates and provide additional transparency over the Company's remuneration arrangements. In the development of this Remuneration Policy, the Committee followed a robust process and sought input from both management and its independent advisors, while ensuring that any conflicts of interest were appropriately managed. The Committee also wrote to key shareholders seeking their views on the proposed renewal as well as any other matters around executive remuneration at the Company and feedback was considered as part of the review.

In determining executive remuneration, the Committee continues to apply the following principles:

- Attract, retain and motivate high-quality executives in order to deliver the Company's strategic goals and business objectives
- Align the interests of executives with those of shareholders and other external stakeholders
- Be simple and understandable, both internally and externally
- Have a significant proportion of total remuneration tied to the achievement of stretching performance conditions to ensure individuals are rewarded fairly for success, while ensuring prevention of rewards for failure
- Provide an appropriate balance between short- and long-term performance targets linked to the delivery of the Company's strategic plan and aligned with the Company's risk appetite
- Take account of good governance and promote the long-term success of the Group
- Consider the wider pay environment, both internally and externally.

Remuneration Policy table

The table below sets out, for each element of pay, a summary of how remuneration is structured and how it supports the Company's strategy.

Executive Directors

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Base salary			
To help recruit and retain executives of suitable caliber to deliver the Company's strategic goals and business outputs. Reflects the individual's experience, performance and responsibilities within the Company.	Salaries are normally reviewed annually with any changes taking effect from 1st January each year. Salaries are set taking into consideration a number of factors, including but not limited to: • Individual and Company performance • Skills and experience of each individual • Responsibilities and accountabilities of each role • Mix of package of the individual • Salary increases for the overall employee population • Changes in size or complexity of the Company • Market competitiveness • External indicators, such as inflation • Broad alignment with equivalent roles at relevant peers, taking into account the country in which the Director is based	In considering any increase in base salary, if any increase is to be made the Committee is guided by the general increase for the broader employee population. However, more significant increases may be awarded from time to time in certain circumstances. For example, an increase in the individual's role or responsibility, an increase in the scale or complexity of the Company, or when an individual has been appointed to a new role at a below-market salary while gaining experience.	Executive Director performance is a factor considered when determining salaries.
Benefits			
To provide a market-competitive benefits package to assist with recruitment and retention of Executive Directors of suitable caliber.	Benefits may include, but are not limited to, private medical insurance, dental insurance, company car or allowance, life assurance and income protection. Under certain circumstances, additional benefits in relation to relocation or expatriation may be provided. Executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms. Any reasonable business-related expenses (including tax thereon) incurred in connection with the role may be reimbursed.	There is no formal maximum limit as benefit costs can fluctuate depending on changes in provider cost and individual circumstances.	Not performance related.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Pensions			
To provide a market competitive pension package to assist with recruitment and retention of Executive Directors of suitable caliber.	The Company may make contributions, or payment in lieu of contributions, to a pension scheme. The current President & CEO does not receive any pension contributions.	Pension set in line with the wider workforce. Taking into account the global nature of the Company, the Committee has the flexibility to determine the methodology and approach to determining the wider workforce rate, including but not limited to consideration of the country in which a Director is based. The current Chief Financial Officer receives a pension allowance of 11% of salary, which was set to be in line with other UK employees (excluding Northern Ireland) at the time of his recruitment.	Not performance related.
Annual performance bonus			
To incentivize and reward the achievement of annual strategic business priorities. Delivery of a proportion of remuneration in shares reinforces retention and provides alignment with the interests of shareholders over the longer term.	Annual bonuses are subject to achievement of stretching performance conditions, which are normally set by the Committee at the start of each financial year. At the end of the year, the Committee determines the extent to which these were achieved. Annual bonuses are payable in cash, with any bonus earned in excess of the target bonus deferred into shares which vest after at least two years subject to continued employment. Participants may also be entitled to receive dividend equivalents on share awards that vest. Bonus payments, including deferred bonus awards, are subject to recovery and withholding provisions in certain circumstances, including in the event of a material misstatement of accounts, an error in assessing the performance condition, serious misconduct, and, for awards from 2020, significant reputational damage and material corporate failure, or any other exceptional circumstances which the Committee considers justify the operation of the recovery and withholding provisions.	The maximum bonus opportunity is: • 100% of base salary for the current President & CEO • 150% of base salary for any other Executive Director (including any future CEO). 50% of maximum is payable for on-target performance and no more than 25% of maximum is payable for threshold performance.	Performance is measured over the financial year. Performance measures and weightings are determined by the Committee each year and may vary to take into account changes in the business strategy. At least 70% of the bonus will be subject to corporate objectives (EBITDA, cash flow, growth targets, Health & Safety, other Environmental, Social & Governance (ESG) measures and other corporate measures) with the balance being subject to measurable individual objectives. The Committee may adjust the bonus outcome if it considers that the payout is inconsistent with the Company's overall performance, taking into account any relevant factors. The Committee will consult with major shareholders if appropriate before any exercise of its discretion to increase the bonus outcome. In addition, the Committee has absolute discretion as to the amount of any bonus outcome, notwithstanding achievement of the measures applicable to the bonus, which may take into account the Company's underlying performance.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Long-Term Incentive Plan (LTIP)			
To reward delivery of sustained long-term performance and incentivize successful execution of business strategy over the longer term. Facilitates share ownership to provide further alignment with shareholders.	Awards will normally be granted annually to Executive Directors in the form of conditional free shares or nil (or nominal) cost options that normally vest after three years subject to performance conditions and continued service. Following vesting, awards will normally be subject to a holding period whereby vested awards, net of tax, must be retained for at least a further two years. Participants may also be entitled to receive dividend equivalents on awards that vest. Awards are subject to recovery and withholding provisions in certain circumstances, including in the event of a material misstatement of accounts, an error in assessing the performance condition, serious misconduct, and, for awards from 2020, significant reputational damage and material corporate failure, or any other exceptional circumstances which the Committee considers justify the operation of the recovery and withholding provisions.	The maximum award level is: • 100% of base salary per annum for the current President & CEO • 200% of base salary per annum for any other Executive Director (including any future CEO). No more than 25% of each performance element may vest for threshold performance.	Performance is normally measured over three years. Measures are selected to support the Company's long-term strategy and align with the long-term goal to create value for all stakeholders. The Committee has the flexibility to vary measures and weightings, including introduction of new measures, for each award taking into account business priorities at the time of grant. Performance measures for the 2018 to 2020 LTIP grants included growth in Adj. EBITDA, H&S Lost Time Incident Rate, Growth (IRR and Milestones). The Committee may adjust the vesting outcome if it considers that the level of vesting is inconsistent with the Company's overall performance, taking into account any relevant factors.
Share ownership guidelines			
To encourage Executive Directors to build a meaningful shareholding in the Company so as to further align interests with shareholders.	Executive Directors are required to retain at least half of any share awards vesting (net of tax) under the Company's discretionary share-based employee incentive schemes until the guideline is met. Shares owned outright on or following Admission will count towards the guideline. A post-employment shareholding guideline will apply for one year following cessation of employment. Executive Directors will be required to retain 100% of their shareholding guideline, or 100% of their actual shareholding of relevant shares if lower, for a period of six months post-cessation of employment, reducing to 50% for a further six months. The Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances.	Executive Directors are required to build and retain a shareholding in the Company equivalent to at least 250% of their base salary.	Not performance related.

Chairman and Non-Executive Directors

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Fees			
To attract and retain a high-caliber Chairman and Non-Executive Directors by offering market-competitive fee levels.	The Company Chairman is paid a single annual fee. Non-Executive Directors are paid an annual basic fee, plus additional fees for additional responsibilities such as a Committee Chairmanship and the role of Senior Independent Director, to reflect their extra responsibilities and time commitments. Non-Executive Directors are encouraged to purchase shares in the Company annually to the value of 25% of their gross fees. The Chairman's fee is reviewed annually by the Committee and Chief Executive. Fee levels for Non-Executive Directors are determined by the Company Chairman and Executive Directors. Fee levels are set taking into consideration market levels in comparably sized companies, the time commitment and responsibilities of the role, and the experience and expertise required. The Chairman and Non-Executives are not eligible to participate in incentive arrangements or to receive any pension. Reasonable travel, accommodation and other business-related expenses incurred in carrying out the role will be reimbursed by the Company, including any tax thereon.	There is no maximum level of fees. When reviewing fee levels, account is taken of market movements in Non-Executive Director fees, Board Committee responsibilities, ongoing time commitments and the general economic environment.	Not performance related.

Notes to the policy table

Prior commitments - PIP and carried interest in Brazilian assets

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before 25 May 2018 (the date the Company's first shareholder-approved directors' remuneration policy came into effect); (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved directors' remuneration policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

For the avoidance of doubt, all outstanding legacy awards that were granted in connection with, or prior to, listing including those made by ContourGlobal L.P. under the PIP and the current President & CEO's carried interest in the Brazilian assets will continue in accordance with their original or modified terms.

Performance measures and target-setting

The Committee determines performance conditions for incentives that are appropriately challenging and tied to the delivery of key business objectives and the Company's overall strategy. The Committee retains flexibility in the Policy on the specific measures used for each award to ensure alignment with the strategic priorities prevailing at the time they are set.

Annual bonus measures are normally determined at the start of each financial year, based on the key business priorities for the year ahead. LTIP measures are normally determined at the time of grant of each award, and are selected to support the Company's long-term strategy and align with the long-term goal to create value for all stakeholders.

Targets for the annual bonus and LTIP are reviewed annually to ensure they remain sufficiently challenging but achievable, taking into account a range of internal and external reference points, including internal budgets and analyst consensus forecasts.

Recovery and withholding provisions

Awards under the annual bonus, including deferred bonus awards, and the LTIP are subject to recovery and withholding provisions which permit the Committee, in its discretion, to reduce the size of any future bonus or share award granted to the employee, to reduce the size of any granted but unvested share award held by the employee, or to require the employee to make a cash payment to the Company. The circumstances in which the Company may apply the provisions include a material misstatement of accounts, an error in assessing the performance condition, serious misconduct on the part of a participant, or any other exceptional circumstances which the Committee considers justify the operation of the recovery and withholding provisions. For awards granted from 2020, the circumstances have been expanded to also include significant reputational damage and material corporate failure.

In respect of cash bonus payments, the recovery and withholding provisions apply for one year from the date of payment of the bonus (or, if later, the date of publication of the Company's financial results for the year following the relevant year over which the bonus was earned).

In respect of deferred bonus awards, the provisions apply up until the third anniversary of the date on which the relevant award was granted, and in respect of any other awards under the LTIP, the provisions apply up until the third anniversary of the date on which the relevant award vests.

Committee discretion

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to shareholder approval (Long-Term Incentive Plan) or by approval from the Board (annual performance bonus scheme). These rules provide the Committee with certain discretions which serve to ensure that the implementation of the remuneration policy is fair, both to the individual Director and to the shareholders. The Committee also has discretions to vary the level of the various components of remuneration. The extent of such discretions is set out in the relevant rules, and the maximum opportunity or performance metrics section of the policy table above. To ensure the efficient administration of the variable incentive plans outlined above, the Committee will apply certain operational discretions.

These include the following:

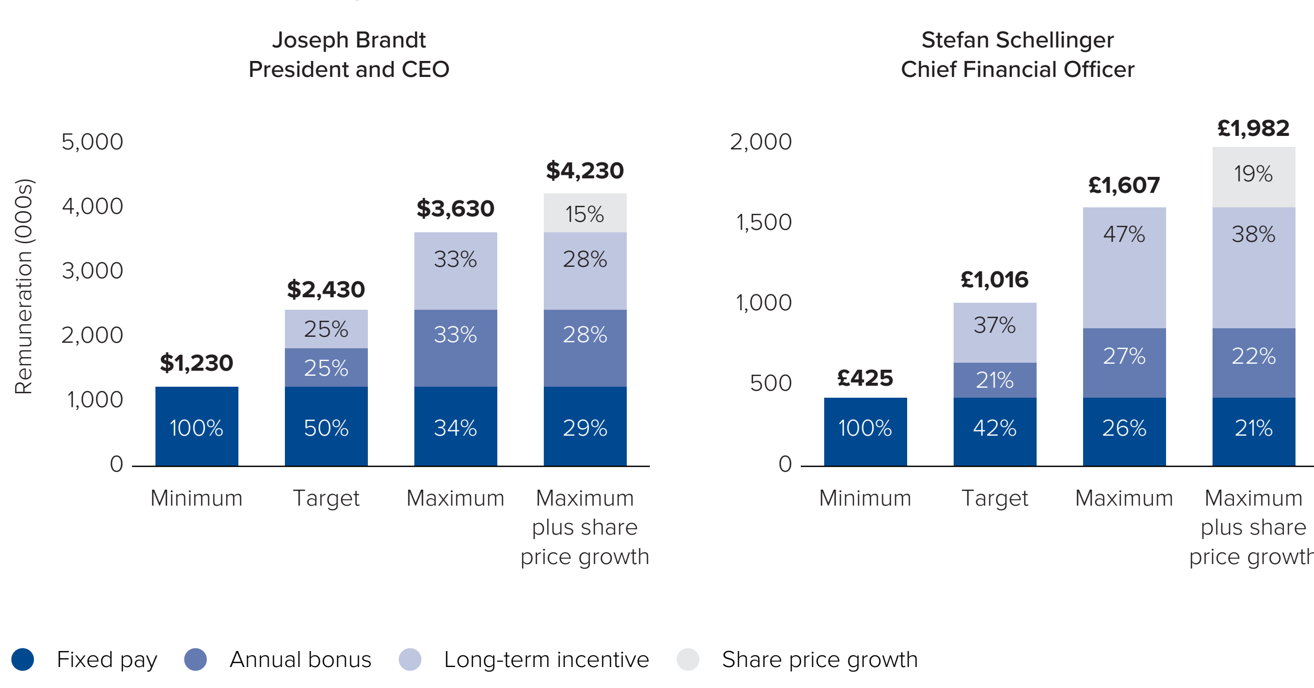
- Selecting the participants in the plans on an annual basis
- Determining the timing of grants of awards and/or payments
- Determining the quantum of awards and/or payments (within the limits set out in the policy table above)
- Determining the extent of vesting based on the assessment of performance
- Determining whether malus or clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which it shall be applied
- Making the appropriate adjustments required in certain circumstances, for instance for changes in capital structure, special dividends, acquisitions or disposals, or changes in accounting standards
- Determining "good leaver" status for incentive plan purposes and applying the appropriate treatment
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus plan and other incentive schemes, where applicable, from year to year

If an event occurs which results in the annual bonus plan or LTIP performance conditions and/or targets being deemed no longer appropriate (e.g. material acquisition or divestment), the Committee will have the ability to amend the performance conditions and/or targets, provided that the revised conditions are not materially less challenging than the original conditions. Any use of the above discretion would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

The Committee reserves the right to make minor amendments to the Remuneration Policy to aid its operation or implementation without seeking shareholder approval. For example, for regulatory, exchange control, tax or administrative purposes or to take account of changes in legislation.

Remuneration scenarios for Executive Directors

The charts below show an estimate of the 2021 remuneration package for the current President & CEO and Chief Financial Officer, under four assumed performance scenarios, ("minimum", "target", "maximum" and "maximum plus share price growth"), based on the Remuneration Policy set out above.



The scenarios above are based on the following assumptions, and exclude any share price growth or dividends except where stated:

Remuneration component		Minimum	Target	Maximum	Maximum plus share price growth
Fixed pay	Base salary	Base salary as at 1st January 2021 ($1.2m for the President & CEO and £375k for the Chief Financial Officer)			
	Pension	The President & CEO receives no pension contribution and the Chief Financial Officer receives a pension allowance of 11% of salary in line with other UK employees (excluding Northern Ireland)			
	Benefits	In line with benefits provided in 2020			
Annual bonus		No bonus payable	Target bonus (50% of maximum)	Maximum bonus (100% of salary for the President & CEO and 115% of salary for the Chief Financial Officer)	Maximum bonus
LTIP		No LTIP vesting	Target vesting (50% of maximum)	Maximum vesting (100% of salary for the President & CEO and 200% of salary for the Chief Financial Officer)	Maximum vesting plus share price growth of 50%

Approach to recruitment or promotion

The Committee's approach when considering the remuneration arrangements in the recruitment of a new Executive Director is to take account of the caliber, expertise and responsibilities of the individual, his or her remuneration package in their prior role, and market rates, without paying more than is necessary to facilitate their recruitment. The remuneration package for a new Executive Director will be set in accordance with the terms of the Company's approved remuneration policy in force at the time of appointment and the maximum limits set out therein subject to any variation in or additional elements as set out below:

Salary	The Committee has the flexibility to set the salary of a new Executive Director at a discount to the market level initially, with a view to increasing it in phases over the following few years to bring the salary to the desired positioning, subject to individual performance. In exceptional circumstances, the Committee has the ability to set the salary of a new Executive Director at a rate higher than the market level to reflect the criticality of the role and the experience and performance of the individual.
Benefits	The Company may award certain additional benefits and other allowances including, but not limited to, those to assist with relocation support, temporary living and transportation expenses, educational costs for children and tax equalization, to allow flexibility to secure the best candidate, including an overseas national.
Pension	Pension in accordance with policy table above.
Variable pay	Maximum bonus and LTIP award opportunities for any new Executive Director shall be in line with the maximum opportunities specified in the policy table above. Depending on the timing and responsibilities of the appointment, it may be necessary to set different performance measures and targets, and different vesting and/or holding periods, as applicable to other Executive Directors in the year of appointment.
Replacement awards	In addition to the above, the Committee may offer additional cash and/or share-based awards in order to "buyout" remuneration forfeited on leaving a former employer, where necessary to facilitate the recruitment of a new Executive Director. Any such payments would be limited to what is felt to be a fair estimate of the value of the remuneration foregone when leaving the former employer, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining any such buy-out, the guiding principle would be that awards would generally be on a like-for-like basis unless this is considered by the Committee not to be practical or appropriate.
Internal appointments	Remuneration will be set in line with the policy detailed above as amended by the additional provisions for external recruits. Where an individual has contractual commitments made prior to their appointment in respect of their prior role, the Company will continue to honor these arrangements.

The terms of appointment for a Non-Executive Director will be in accordance with the remuneration policy for Non-Executive Directors as set out in the policy table.

Service contracts and termination policy

In accordance with long-established policy, Executive Directors have rolling service agreements which may be terminated in accordance with the terms of these agreements. The period of notice for Executive Directors will not normally exceed 12 months. Executive Directors' service agreements are available for inspection at the Company's registered office during normal business hours.

Generally, in the event of termination, the Directors' service contracts provide for payments of base salary, pension and benefits over the notice period. The Company may elect to make a payment in lieu of notice (PILON) equivalent in value to basic salary, benefits and pension for any unexpired portion of the notice period. PILON payments may be made in monthly instalments or as a lump sum. The individual is expected to take reasonable steps to seek alternative income to mitigate the payments.

Any outstanding incentive awards will be treated in accordance with the plan rules as follows:

Plan	Treatment on cessation
Cash annual bonus	There is no contractual right to any bonus payment in the event of termination; however, the Committee may exercise its discretion to pay a bonus for the period of employment, based on performance assessed after the end of the financial year. Any bonus paid will normally be pro-rated for time.
Deferred bonus	Any outstanding deferred bonus award will ordinarily vest in full on the normal vest date (or, in the case of death or in any other circumstances at the discretion of the Committee, at the date of cessation). However, if a participant ceases to be employed due to their dismissal for serious misconduct, the awards shall lapse.
LTIP	The default treatment is for any outstanding LTIP award to lapse on cessation of employment. However, if a participant is deemed to be a "good leaver" in certain prescribed circumstances such as injury, disability, retirement, their employing Company or the business for which they work being sold out of the Group or other circumstances at the Committee's discretion, their awards will ordinarily vest on the original vesting date to the extent that the performance conditions have been satisfied, and will normally be subject to time pro-rating for the proportion of the vesting period served. Alternatively, the Committee may determine that awards for good leavers will vest early on cessation, subject to performance conditions measured at that time and ordinarily pro-rating for the proportion of the vesting period served. Such treatment shall apply in the case of death. In the event of a Change of Control, awards will vest early subject to the achievement of performance conditions, and will normally be time pro-rated for the proportion of the vesting period served. Alternatively, it may be determined, that awards be exchanged for equivalent awards in the acquiring company.
Legacy awards	PIP shares are fully vested. The current President & CEO's carried interest in the Brazilian assets will vest in accordance with its terms.

Current Executive Directors

Name	Date of service contract	Notice period
Joseph C. Brandt	14th November 2017	6 months either party
Stefan Schellinger	15th April 2019	12 months either party

The President & CEO's service contract states that, in certain circumstances, he is entitled to any cash annual bonus earned but unpaid in respect of the prior financial year, and he is also entitled to certain benefits for a period of up to six months following termination. His service contract also states that any PILON would be payable in a lump sum.

The Company is unequivocally against rewards for failure; the circumstances of any departure, including the individual's performance, would be taken into account in every case. Statutory redundancy payments may be made, as appropriate, as would payment for any accrued but untaken holiday. Service agreements may be terminated summarily without notice (or on shorter notice periods) and without payment in lieu of notice in certain circumstances, such as gross misconduct or any other material breach of the obligations under their employment contract. The Company may require the individual to work during their notice period or may place them on garden leave during which they would be entitled to salary, benefits and pension only.

Any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the Committee, reimbursement for legal advice and provision of outplacement services) would be paid as necessary.

Policy on external appointments

The Board believes that it may be beneficial to the Group for Executives to hold Non-Executive Directorships outside the Group. Any such appointments are subject to approval by the Board, and will be determined based on the impact on their role within the Company. The Board will determine on a case-by-case basis whether the Directors will be permitted to retain any fees arising from such appointments. Neither Executive Director currently holds any external directorships.

Non-Executive Directors' terms of engagement

All Non-Executive Directors have letters of appointment with the Company for a three-year term. In any event, each appointment is terminable by either party on one month's written notice. All Non-Executive Directors are subject to annual re-election at each AGM. The Chairman and Non-Executive Directors are only entitled to fees accrued to the date of termination.

Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the AGM.

Consideration of employment conditions elsewhere in the Group

The Committee receives regular updates throughout the year on pay and conditions applying to employees across the Company, and takes these into account when setting remuneration for Executive Directors. The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. In particular, the Committee takes into account the general base salary increase for the broader employee population when determining any annual salary increases and the remuneration packages for the Executive Directors.

Following the revised UK Corporate Governance Code the Committee has enhanced its process for reviewing workforce pay and conditions as part of the annual cycle, and continues to develop its approach. While the Committee does not currently consult directly with employees regarding its policy for Directors, the Committee considered workforce pay and conditions across the wider organization.

The remuneration of senior managers below Board level is reviewed by the Committee on an annual basis. The remuneration packages of these executives are broadly consistent with the policy outlined above, with selected senior managers eligible to participate in the LTIP, save that different bonus and LTIP opportunities may be applicable and performance measures may vary to ensure relevance to individuals. Bonus deferral will apply to the significant majority of senior managers but the two-year holding period under the LTIP will not apply. Unlike Executive Directors, senior managers may receive awards of restricted shares without performance conditions. The remuneration of employees that are not senior managers generally include market-based salary, benefits, and discretionary bonuses.

Consideration of shareholders' views

The Committee is committed to open dialogue with shareholders and will seek to engage directly with them and their representative bodies when considering any material changes to remuneration arrangements. In addition, shareholder feedback received in relation to the AGM, as well as any additional feedback and guidance received during the year, will be considered by the Committee as it develops the Company's remuneration framework and practices going forward.

As part of the review of the Remuneration Policy, the Committee wrote to key shareholders seeking their views on the proposed renewal as well as any other matters around executive remuneration at the Company. No significant feedback was received.

Assisted by its independent advisor, the Committee actively monitors developments in the expectations of institutional investors and their representative bodies.

Annual Report on Remuneration

Governance

Membership of the Remuneration Committee during the year is shown below. The Board considers each of the Committee members to be independent in accordance with the Code.

Members:	Daniel Camus (Chairman) Dr. Alan Gillespie Mariana Gheorghe
Company Secretary:	Lola Emetulu (interim Company Secretary until 12th February 2020), Penny Thomas (until October 9th 2020) and Link Company Matters Limited (from 12th November 2020)
External advisors:	Deloitte, appointed by the Committee following a competitive tender, has been advisors to the Committee from November 2018.
Other attendees:	Joseph C. Brandt (President & CEO), Stefan Schellinger (CFO), Sarah Flanigan (Executive Vice President), Barbara Greutter (Executive Vice President, Chief Human Resources Officer until 31st March 2020), Robert Head (external advisor until May 2020) and, from his appointment on 10th November 2020, Sean McGrath (Executive Vice President, Chief Human Resources Officer) were consulted and invited to attend meetings as necessary. Care was taken to ensure there were no conflicts of interest when consulting with senior management and no Director or member of management was present when matters relating to their own remuneration were discussed.
Meetings held	The Committee held five meetings during 2020. See page 89 for attendance at Committee meetings.
Role:	The Board has delegated responsibility to the Committee for: • Setting, approving and implementing the remuneration policy, including pension arrangements and any compensation payments, for the Executive Directors, the Company Chairman, Executive Managers and Company Secretary; • Within the terms of the agreed remuneration policy and in consultation with the Chairman of the Board and/or President & CEO, as appropriate, determining the total individual remuneration package of each Executive Director, the Company Chairman, Executive Managers and Company Secretary including base salary, bonuses, incentive payments, share options or other share awards, pension arrangements and other benefits; • Approving the design of, and determining targets for, any performance-related pay schemes operated by the Company; • Monitoring the operation of performance-related pay schemes and approving the total annual payments made under such schemes; and • Ensuring that contractual terms on termination, and any payments made, are fair for the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized. The Committee's terms of reference are available on our website at www.contourglobal.com.

Introduction

This section sets out details of the remuneration of the Executive Directors and Non-Executive Directors (including the Chairman) earned between 1st January 2020 and 31st December 2020 and also describes the operation of the Remuneration Committee.

This Annual Report on Remuneration will, together with the Annual Statement of the Remuneration Committee Chairman on pages 110 and 112, be proposed for an advisory vote by shareholders at the 2021 AGM. Where required, data has been audited by the external auditors, PricewaterhouseCoopers LLP, and this is indicated where appropriate.

Total remuneration (audited information)

The table below sets out remuneration received by the Executive Directors and Non-Executive Directors for the year 1st January to 31st December 2020.

	Base salary and fees[1] $000		Taxable Benefits[2,3] $000		Annual bonus $000		Long-term incentives[4] $000		Pension Plan $000		Total fixed pay $000		Total variable pay $000		Total (excluding legacy awards) $000		Legacy agreement with Reservoir Capital – PIP[5] $000	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	**2019**	**2020**	2019
Executive Directors																		
Joseph C Brandt	1,200	1,200	30	30	1,024	714	635	0	0	0	1,230	1,230	1,659	714	**2,889**	**1,944**	19,866	–
Stefan Schellinger[6]	479	332	11	9	471	225	0	0	52	37	542	378	471	225	**1,013**	**603**	–	–
Total	**1,679**	**1,532**	**41**	**39**	**1,495**	**939**	**635**	**0**	**52**	**37**	**1,772**	**1,608**	**2,130**	**939**	**3,902**	**2,547**	**19,866**	**–**
Non-Executive Directors																		
Craig A. Huff	319	319	–	1	–	0	–	0	–	0	319	320	–	–	**319**	**320**	–	–
Daniel Camus	86	86	1	1	–	0	–	0	–	0	87	87	–	–	**87**	**87**	–	–
Ruth Carnie[7]	0	53	–	1	–	–	–	–	–	–	0	54	–	–	**0**	**54**	–	–
Mariana Gheorghe[8]	70	35	–	0	–	0	–	0	–	0	70	35	–	–	**70**	**35**	–	–
Dr Alan Gillespie	96	96	10	2	–	0	–	0	–	0	106	98	–	–	**106**	**98**	–	–
Ronald Trächsel	86	86	9	1	–	0	–	0	–	0	95	87	–	–	**95**	**87**	–	–
Alejandro Santo Domingo	70	70	–	0	–	0	–	0	–	0	70	70	–	–	**70**	**70**	–	–
Gregg M. Zeitlin	70	70	10	0	–	0	–	0	–	0	80	70	–	–	**80**	**70**	–	–
Total	**797**	**815**	**30**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**827**	**821**	**0**	**0**	**827**	**821**	**–**	**–**
Grand Total	**2,475**	**2,347**	**71**	**45**	**1,495**	**939**	**635**	**0**	**52**	**37**	**2,599**	**2,429**	**2,130**	**939**	**4,729**	**3,367**	**19,866**	**–**

1. The Chief Financial Officer and Non-Executive Directors are paid in GBP. The numbers in the table have been converted to USD using the average exchange rate for 2020 of $1.276733:£1. The average exchange rate used for 2019 was $1.2775:£1.
2. Benefits for Executive Directors include medical insurance, dental insurance, income protection, life assurance, and disability cover.
3. Benefits for Non-Executive Directors comprise travel and other expenses incurred in the discharge of their duties including attendance at Board meetings which are deemed taxable by the relevant authority. The 2019 figures comprise expenses paid during 2020 including expenses for 2019 which were deemed taxable during 2020. In accordance with the Remuneration Policy, the Company will reimburse Non-Executive Directors for any tax thereon.
4. The 2018 LTIP award will vest in 2021 based on performance to 31st December 2020. The award will vest at 54.4% of maximum as described on page 132. The award value for the President & CEO included in the table above is based on a share price of 198.69p, being the three-month average share price to 31st December 2020. The President and CEO will also receive additional shares in relation to dividends accrued on the shares vesting during the vesting period, the value of which is included in the figure above. Given the fall in share price since grant, none of the above value is attributable to share price growth. The 2018 LTIP was the first LTIP award to be granted.
5. This relates to the vesting of an award made by Reservoir Capital Group under the Private Incentive Plan (PIP). The PIP is a legacy arrangement established by Reservoir Capital Group in connection with its original investment in the business. The Company is not party to the PIP and has no financial obligation to pay cash or issue shares to settle the PIP. The amount relates to the value of the ordinary shares (GLO) now held in Contour Management Holdings LLC following the conversion of Mr Brandt's Class S units into ordinary shares of the Company following the testing of the financial condition on 27 December 2020. The total PIP amount shown of $19,866k is based on 7,403,453 shares using the share price of 207p on 24th December 2020, and a dividend of $300k paid into Contour Management Holdings LLC in Dec. 2020. Further information on the PIP is provided on page 138.
6. Stefan Schellinger was appointed as Chief Financial Officer with effect from 15th April 2019. The 2019 figures are therefore part-year figures relating to the period during which he served as a Director of the Company. His annualized salary for 2019 was £375,000.
7. Resigned from the Board on 30th September 2019.
8. Appointed to the Board on 30th June 2019.

Annual bonus for 2020 (audited information)

In 2020, the bonus opportunity is dependent on achievement of corporate objectives (70%) and individual objectives (30%). All of the information pertaining to the bonus is auditable. Maximum opportunity for the President & CEO was 100% of salary and for the Chief Financial Officer 115% of salary. Full disclosure of the specific Group performance metrics, targets and achievement against these is provided.

Targets for Total Fleet Availability Factor and NFOM/MW (Non Fuel O&M Cost per MW installed capacity) were set individually for each of the relevant sectors rather than on an aggregate Group basis. The Committee considers this to be a more robust approach to measurement as maximum vesting requires strong performance against all relevant sectors within the Group. It also better reflects how performance is measured and reported within the business. Although, under this more granular approach, we do not provide the specific target for each sector, we provide the indicative weighted average Group target.

Group scorecard (70% of bonus opportunity)

Performance target	Weighting	0% of element	25% of element	50% of element	75% of element	100% of element	Performance achieved[1]	Bonus award
Financial metrics (50%)								
Adjusted EBITDA	25%	Less than $710m	$710m	$735m	–	$760m	$757.6m	23.8%
Funds From Operations	25%	Less than $350m	$350m	$365m	–	$380m	$397.1m	25%
Operations metrics (30%)								
Health and safety – Lost Time Incident Rate	10%	0.09	0.06	n/a	0.03	0.00	0.07	1.7%
Total Fleet Availability Factor	5%	Less than target	Based on the weighted average achievement against individual EAF targets for each of the sectors. The weighted average target is 95%.				See below	4.3%
Vorotan refurbishment schedule	2.5%	Milestone not met	100% awarded if Unit 1 and 2 of the Shamb are completed to schedule				0%	0%
Vorotan refurbishment budget	2.5%	Milestone not met	100% awarded if Unit 1 and 2 of Shamb are on budget				2.5%	2.5%
Mexico CO_2 capture	5%	Milestone not met	100% awarded if MOU and JV agreement are signed				2.5%	2.5%
NFOM/MW	5%	Less than target	Based on the weighted average achievement against individual NFOM/MW targets for each of the sectors. The weighted average target is 71.4.				See below	4.3%
Growth metrics (20%)								
M&A related milestones	15%	Milestone not met	100% awarded if relevant milestones met: Close off Brazil; Close Costa Rica and Dominican Republic; Additional M&A transactions or commercial close of Greenfield Projects				Brazilian divesture process; Acquisition of US and Trinidad & Tobago Portfolio signed.	10%
Financing activities	5%	Milestone not met	100% awarded if relevant milestones met: Refinance bonds				5%	5%
Total	**100%**							**79% of Group element**

1. Performance achieved against the financial metrics is stated at 2020 budget exchange rates to align with the performance targets set and to negate the impact of exchange rate movements in determining the outcome of the annual bonus for the year.

Sector performance – Total Fleet Availability Factor and NFOM/MW

Based on the achievement (100% of element) or not (0% of element) of individual EAF and NFOM/MW targets for each sector.

Total Fleet Availability	Achievement by sector
Turbines	100% of element
Engines	100% of element
Solutions	100% of element
Wind	0% of element
Hydro	100% of element
Solar PV	100% of element
Solar CSP	100% of element
Overall outcome	**86.0% of element**

NFOM/MW	Achievement by sector
Turbines	100% of element
Engines	100% of element
Solutions (includes CHP Mexico)	0% of element
Wind	100% of element
Hydro	100% of element
Solar PV	100% of element
Solar CSP	100% of element
Overall outcome	**86.0% of element**

Personal performance (30% of bonus opportunity)

The remaining 30% of the bonus is based on the delivery of key individual objectives. In reviewing achievements and objectives, the Committee took into account management's exceptional performance in meeting the challenges presented by the pandemic in 2020.

President & CEO

Performance areas	Key achievements
People	• Successful recruitment of senior positions and deepening of the succession pool. • Progress on key organizational initiatives, including the adoption of a new regional organization. • Redeployment of senior management across the organisation to lead and reinvigorate, both in the context of the pandemic and the strategic development of the business.

Strategic and operational excellence	• Rapid and successful implementation of significant changes to operational and health and safety procedures:
	  • Under new procedures senior management held calls with every single shift in every single plant
	  • Sourcing COVID-19 tests and Personal Protective Equipment and shipping to employees, contractors, and communities.
	• Board measures in the context of pandemic - Production of an increased reporting framework on Company performance, including on reliability of supply and safety of employees, ensuring the Board was fully informed throughout the pandemic.
	• Strategic review of acquisition pipeline in light of the pandemic and new sustainability strategy and, where necessary, renegotiation of agreements.

Long-term value creation	• Acquisition of the US and Trinidad & Tobago Portfolio, enhancing and diversifying cash generation and dividend coverage. Expected EBITDA contribution in first year of $92m and expected cash distributions of $40m. Builds on established track record of acquiring contracted, low carbon assets and provides flexible generation supporting the transition to renewables in highly developed, constrained markets. • Due diligence on the US and Trinidad & Tobago acquisition successfully conducted notwithstanding the limitations on travel during the year. • Addition of two new Vestas powered sites for construction at Austria repowering development and identification of development capabilities in Italy having obtained exclusivity for two new Italian solar acquisitions.
Shareholder relations	• Dedicated engagement process with key shareholders in the first half of the year in response to the impact of the pandemic – reaffirming operational and financial resilience. • Successful expansion of shareholder base, new shareholders attracted by quarterly dividend policy and share buy back programme.
ESG	• Adoption of new sustainability strategy accompanying publication of sustainability report containing explicit CO_2 reduction targets. Announcement that ContourGlobal would not pursue new coal projects. • First filing with the Carbon Disclosure Project and increased engagement with other ESG monitoring and rating bodies. • Renewal of membership and upgraded rating in the FTSE4Good Index, the responsible investment index of FTSE companies.

Taking into account the above the Committee determined that 100% of this element of the annual bonus was achieved for the President & CEO.

Chief Financial Officer

Performance areas	Key achievements
Finance function	• Implementation of process changes resulting in improvements to the speed and quality of reporting. • Comprehensive review of the entire corporate SGA cost base. • Led and managed deep dive reviews into a broad range of business areas within the Finance and IT function. • Material increase within the Finance function in the completed number of "5 Whys", the continuous improvement tool to tackle problems and learn and improve (90 in 2020 compared to 68 in 2019).
Strategy, operational excellence and long-term value	• Successful re-financing of corporate bond, which was upsized and priced at historical record low interest, and refinancing of the RCF facility. • Launch of Brazilian assets divestiture and commencement of a competitive broad auction process with significant interest generated.
Shareholder Relations	• Investor engagement leading to significant number of new top 20 shareholders entering the register. • Average daily trading volume measured as a percentage of free float increasing in 2020 (from 0.074% in 2019 to 0.211% in 2020) • Successful implementation of strategy to connect with private client fund managers, smaller institutions and regional pension funds leading to significantly more investor engagement and additions to the shareholder register. • Successful execution of £30m share buy back programme.

Taking into account the above performance the Committee determined that 100% of this element of the annual bonus was achieved for the Chief Financial Officer.

Overall bonus award

Executive Director	Group scorecard element (70% of maximum)	Personal objectives element (30% of maximum)	Total bonus earned (% of maximum)	Total bonus earned
Joseph C. Brandt President & CEO	79%	100%	85%	$1,023,600
Stefan Schellinger Chief Financial Officer	79%	100%	85%	£367,856

The Committee considered the Company's underlying performance prior to finalization of the annual bonus and was satisfied that it reflected the overall performance of the Company.

The Remuneration Policy requires any bonus in excess of 50% of maximum to be deferred into shares for a period of two years.

For 2020, this means that the $423,600 of the total bonus earned will be deferred for the President & CEO and £152,231 of the total bonus earned will be deferred for the Chief Financial Officer. Deferred Bonus Awards, which will be subject to continued employment, will be made under the Long-Term Incentive plan and set out in the Annual Report on the Remuneration for 2021.

Long-term incentive awards with performance periods ending in 2020 (audited information)

The 2018 LTIP award was the first LTIP award to be granted following the Company's listing in 2017. The President & CEO was granted an LTIP award equal to 100% of base salary on 28th June 2018. This award will vest in 2021 following completion of its three-year performance period to 31st December 2020. Achievement against performance targets is as set out below.

Performance target	Weighting	0% of element	25% of element	50% of element	75% of element	100% of element	Performance achieved	LTIP award
Compound annual growth rate in adjusted EBITDA / share	50%	Below 10% p.a.	10% p.a.	–	–	25% p.a. and above	12% p.a. Growth	17.6 %
Health and safety performance – Lost Time Incident Rate	25%	Above 0.09	0.09	0.06	0.03	Zero	0.04	16.0%
Growth – IRR[1]	12.5%	IRR for qualifying projects below 90%	IRR for qualifying projects at 90%	–	–	IRR for qualifying projects met	Actual IRR of 27.6% against target IRR of 17.4%[2]	12.5%
Growth – Milestones[1]	12.5%	Less than 90% of milestones for qualifying projects met	90% of milestones for qualifying projects met	–	–	All milestones for qualifying projects met	67% vesting[3]	8.3%
Overall vesting								**54.4% of maximum**

1. Qualifying projects means such projects approved by the Board during the performance period and in respect of which the Board has specified (a) a target IRR for the performance period and/or (b) milestones for the performance period.
2. Weighted average IRR across relevant qualifying projects.
3. Average vesting across relevant qualifying projects with specified milestones.

The 2018 LTIP will vest on 28th June 2021. In line with the Remuneration Policy, a two year additional holding period will apply.

The Committee also considered the Company's underlying performance over the performance period and was satisfied that the vesting outcome reflected the overall performance of the Company.

Long-term incentive awards granted in 2020 (audited information)

In line with our Remuneration Policy, the President & CEO and Chief Financial Officer were granted performance share awards under our LTIP of 100% and 200% of base salary respectively in 2020.

Executive Director	Date of award	Form of award	Number of LTIP shares awarded	Value of awards at date of grant[1]	Value % of salary[1]	Performance period
Joseph C. Brandt President & CEO	11th August 2020	Conditional award	459,564	£919,128	100%	1st Jan 2020 – 31st Dec 2022
Stefan Schellinger Chief Financial Officer	11th August 2020	Nil-cost option	375,000	£750,000	200%	1st Jan 2020 – 31st Dec 2022

1. The award value and number of shares was calculated by reference to the closing price of ContourGlobal shares of 200.0p on 10th August 2020, the dealing day immediately prior to the date of grant, and base salary converted where appropriate to GBP using the exchange rate on that date of $1.3056:£1.

LTIP awards granted during 2020 were subject to the following performance conditions.

	Adjusted EBITDA per share growth % p.a.	Health and safety Lost time incident rate	Growth Internal Rate of Return (IRR)[1]	Growth milestones[1]
Weighting	50%	25%	12.5%	12.5%
100% vesting	25% and above	Zero	IRR for qualifying projects met	All milestones for qualifying projects met
25% vesting	10%	0.09	IRR for qualifying projects at 90%	90% of milestones for qualifying projects met
0% vesting	Below 10%	Above 0.09	IRR for qualifying projects below 90%	Less than 90% of milestones for qualifying projects met

1. Qualifying projects means such projects approved by the Board during the performance period and in respect of which the Board has specified (a) a target IRR for the performance period and/or (b) milestones for the performance period.

Awards vest on a straight-line basis between 25% and 100% achievement.

In line with the Remuneration Policy, a two-year additional holding period will apply to any shares vesting for Executive Directors.

Deferred bonus awards granted in 2020 (audited information)

During the year, the Company also granted deferred bonus awards to the Executive Directors in respect of a deferral of 20% of the bonus amount for the 2019 bonus year, as voluntarily agreed by the Executive Directors.

Executive Director	Date of award	Form of award	Number of shares awarded[1]	Value of awards at date of grant[1]	Vesting date
Joseph C. Brandt President & CEO	11th August 2020	Deferred bonus awards/ Conditional Award	54,666	$142,744	9th March 2022
Stefan L. Schellinger	11th August 2020	Deferred bonus awards/ Nil-cost option	17,579	£35,159	9th March 2022

1. The award value and number of shares was calculated by reference to the mid-market price of ContourGlobal shares of 200.0p on 10th August 2020, the dealing day immediately prior to the date of grant, and the amount deferred converted where appropriate to GBP using the exchange rate on that date of $1.3056:£1.

Pension and benefits (audited information)

The President & CEO does not currently receive any pension contributions or retirement benefits. The Chief Financial Officer receives a pension allowance of 11% of salary, which is in line with other UK employees (excluding Northern Ireland).

Other benefits received include medical insurance, dental insurance, income protection, life assurance, and disability cover.

Implementation of Non-Executive Director Remuneration Policy in 2021

The annual fees for serving as the Chairman or a Non-Executive Director were last reviewed by the Board on 4th April 2019 They remain unchanged for 2021.

	Fees effective from 1st January 2020	Fees effective from 1st January 2021
Chairman	£250,000	£250,000
Non-Executive Director	£55,000	£55,000
Additional fees		
Senior Independent Director	£20,000	£20,000
Audit & Risk Committee Chairman	£12,000	£12,000
Remuneration Committee Chairman	£12,000	£12,000

Each Non-Executive Director will also be entitled to reimbursement of reasonable business-related expenses, including any tax thereon.

Statement of Directors' shareholdings and share interests (audited information)

Executive Directors are required to accumulate and maintain a holding in ordinary shares in the Company equivalent to no less than 250% of salary. At least 50% of any vested share awards (net of tax) must be retained until the guideline is achieved.

In 2020, the Committee introduced a post-employment shareholding guideline for Executive Directors, which applies for one year following cessation of employment. The Executives are required to retain 100% of their shareholding guideline, or 100% of their actual shareholding of relevant shares if lower, for a period of six months post-cessation of employment, reducing to 50% for a further six months. The guidelines will apply to shares delivered via deferred bonus and performance share awards from 2020 onwards. The Committee will be considering the mechanism by which it will enforce the post-employment shareholding guideline during 2021.

The share interests of the Executive Directors and their connected persons as at 31st December 2020 are as follows:

Executive Director	Total number of beneficially owned shares at 31st December 2020	Shares held in Contour Management Holdings LLC[1]	Unvested interests in share schemes awarded without performance conditions at 31st December 2020	Unvested interests in share incentive schemes awarded subject to performance conditions as at 31st December 2020[2]	Shareholding requirement (% of base salary)	Current shareholding (% of base salary)[3]
Joseph C. Brandt President & CEO	1,798,774	7,403,453	104,694	1,333,393	250%	2,259%
Stefan Schellinger Chief Financial Officer	–	–	17,579	757,262	250%	–[4]

1. The Private Incentive Plan comprised an interest in Class S units, Class C units and Class B units. The number of shares shown represents the total number of ordinary shares (GLO) now held in Contour Management Holdings LLC following the conversion of Mr Brandt's Class S units into ordinary shares of the Company. The number of shares delivered through the Class B and Class C units is uncapped and could be substantial depending upon levels of return to Reservoir Capital Group.
2. Unvested interests in share incentive schemes awarded subject to performance conditions comprise performance share awards under the ContourGlobal Long-Term Incentive Plan and are structured as Conditional Awards (President and CEO) or Nil-Cost Options (Chief Financial Officer).
3. The value of the Executive Directors' shareholdings was calculated by reference to the closing price of ContourGlobal shares of 215p on 31st December 2020 and base salary converted where appropriate to GBP using the exchange rate on that date of $1.37: £1. This includes the value of those shares in Contour Management Holdings LLC.
4. Stefan Schellinger has five years from the date of his appointment as an Executive Director to reach the shareholding guideline. In accordance with the policy for Executive Directors, he is required to retain at least half of any share awards vesting (net of tax) under the Company's discretionary share-based employee incentive schemes until the guideline is met.

The President & CEO participates in the Private Incentive Plan (PIP), a legacy arrangement under which he holds an interest in shares. Further details on the PIP and the allocation of shares under award for the President & CEO are provided on page 138.

There were no changes to the Executive Directors' interests in the Company's shares during the period between 31st December 2020 and 18th March 2021.

Non-Executive Directors' shareholdings (audited information)

The share interests of the Non-Executive Directors and their connected persons as at 31st December 2020 are as follows:

Non-Executive Director	Shareholding as at 31st December 2020
Craig A. Huff[1]	–
Daniel Camus	35,000
Mariana Gheorghe	–
Dr. Alan Gillespie	200,000[3]
Alejandro Santo Domingo[2]	–
Ronald Trächsel	24,000[3]
Gregg M. Zeitlin[1]	–

1. Craig A. Huff and Gregg M. Zeitlin each have an indirect interest in ordinary shares as a result of their interests in entities controlled by Reservoir Capital that in turn have indirect interests in the Company.
2. Alejandro Santo Domingo has an indirect interest in ordinary shares as a result of having a discretionary share interest in certain entities which have indirect interests in the Company. Alejandro Santo Domingo disclaims all beneficial interests and control in respect to such ordinary shares.
3. As disclosed in the Prospectus, at Admission Dr. Alan Gillespie and Ronald Trächsel were issued ordinary shares in the Company at the offer price, by way of private subscription.

Service contracts

Executive Directors have a service contract as follows:

Executive Director	Date of service contract	Notice period
Joseph C. Brandt, President & CEO	14th November 2017	6 months either party
Stefan Schellinger, Chief Financial Officer	15th April 2019	12 months either party

All Non-Executive Directors have letters of appointment with the Company for a three-year term. The letters of appointment were renewed in October 2020. Each appointment is terminable by either party on one month's written notice. All Non-Executive Directors are subject to annual re-election at each AGM.

The dates of appointment of each of the Non-Executive Directors serving at 31st December 2020 are summarized in the table below.

Non-Executive Director	Term of Appointment	Date of Appointment	Date of Expiry
Craig A. Huff (Chairman)	3 years	23rd October 2017	23rd October 2023
Daniel Camus	3 years	23rd October 2017	3rd October 2023
Mariana Gheorghe	3 years	30th June 2019	30th June 2022
Dr. Alan Gillespie	3 years	23rd October 2017	23rd October 2023
Ronald Trächsel	3 years	23rd October 2017	23rd October 2023
Alejandro Santo Domingo	3 years	23rd October 2017	23rd October 2023
Gregg M. Zeitlin	3 years	23rd October 2017	23rd October 2023

Executive Director service contracts and the Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the AGM.

Payments to past Directors and payments for loss of office (audited information)

During the year, the Company has not made any payments to past Directors; neither has it made any payments to Directors for loss of office.

Policy on external appointments

The Board believes that it may be beneficial to the Group for Executives to hold Non-Executive Directorships outside the Group. Any such appointments are subject to approval by the Board, and will be determined based on the impact on their role within the Company. The Board will determine on a case-by-case basis whether the Directors will be permitted to retain any fees arising from such appointments. Neither Executive Director currently holds any external directorships.

Percentage change in remuneration

The following table shows the movement in the salary/fees, benefits and annual bonus of each Director of the Company from 2019 to 2020, compared with that of the average employee.

While the Committee reviews base salary for the President & CEO and Chief Financial Officer relative to the broader employee population and all employees are eligible for an annual performance bonus, benefits are driven by local practices and eligibility for annual bonus and benefits is determined by level and individual circumstances which do not lend themselves to comparison.

	Percentage change in remuneration from 2019 to 2020		
Executive Directors	**Percentage change in salary/fees**	**Percentage changes in benefits**	**Percentage change in annual bonus**
Joseph C. Brandt, President & CEO	0%	0%	43%
Stefan Schellinger, Chief Financial Officer	0%	22%	40%
Non-Executive Directors			
Craig A. Huff (Chairman)	0%	-100%	–
Daniel Camus	0%	0%	–
Mariana Gheorghe	0%	0%	–
Alan Gillespie	0%	400%	–
Ronald Trächsel	0%	800%	–
Alejandro Santo Domingo	0%	0%	–
Gregg M. Zeitlin	0%	100%	–
Average parent company employee	0%	0%	0%

1. The figures shown for average parent company employee are the average percentage increase/decrease for employees employed for the whole of 2019 and 2020 calculated by reference to base salary, benefits and annual bonus received in respect of those years. The sample size is small and bonus payouts across the wider organization are considered to be reflected of overall business performance.
2. Where figures in the remuneration table are part-year figures, these have been annualized to enable year-on-year comparison.

Broader executive team and workforce remuneration

In line with the UK Corporate Governance Code, the Committee has responsibility for determining remuneration arrangements for the broader executive team. In order to ensure all members of the global executive team are focused on the delivery of ContourGlobal's strategic priorities, all participate in the annual bonus scheme and long-term incentive on a similar basis to the Executive Directors.

The Committee has taken steps to strengthen the information provided to the Committee regarding broader workforce remuneration and related policies to ensure that these are fully considered when determining the remuneration arrangements for Executive Directors and that the principles, policy and practice for executive and workforce remuneration are aligned.

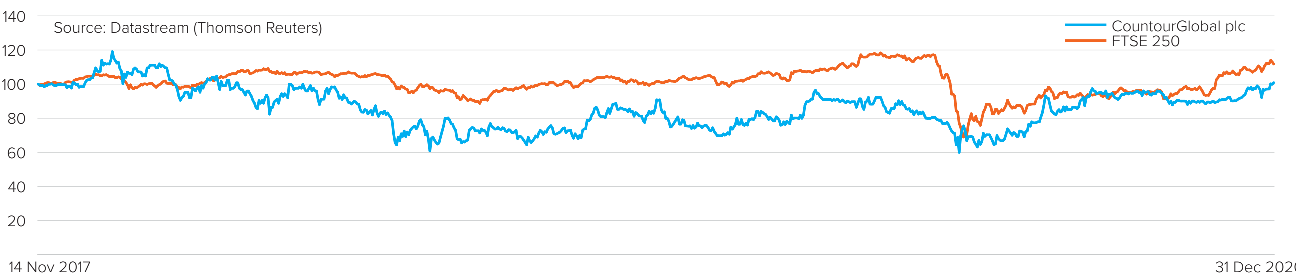
The Committee continues to develop its approach to engagement with the workforce in the area of executive remuneration, recognizing the global reach of the Company and its employee population.

As ContourGlobal only has 15 permanent employees in the UK, the number of employees in the UK falls below the threshold for the requirement to disclose the CEO pay ratio.

Comparison of overall performance and pay

The chart opposite shows the Company's total shareholder return performance compared with that of the FTSE 250 over the period from the date of the Company's admission onto the London Stock Exchange to 31st December 2020. The FTSE 250 Index has been chosen as an appropriate comparator as it is the index of which the Company is a constituent. TSR is defined as the return on investment obtained from holding a company's shares over a period. It includes dividends paid, the change in capital value of the shares and any other payments made to or by shareholders within the period.

The total remuneration of the President & CEO along with the value of bonuses paid and LTIP vesting, as a percentage of the maximum opportunity, is provided for the same period.



This graph shows the value, by 31st December 2020, of £100 invested in ContourGlobal on 14th November 2017, compared with the value of £100 invested in the FTSE 250 on the same date.

Joseph C. Brandt, President & CEO

	2017[1]	2018	2019	2020
Total remuneration (000)	$443	$1,854	$1,944	**$2,889[4]**
Actual bonus (% of maximum)	75%[2]	52%	59.5%	**85%**
LTIP vesting (% of maximum)	N/A[3]	N/A[3]	N/A[3]	**54.4%**

1. The figure for 2017 represents the remuneration earned in the period from 14th November 2017, being the date of listing, to 31st December 2017.
2. The President & CEO voluntarily agreed to a cap of 100% on his annual bonus for 2017.
3. There were no LTIP awards vesting based on a performance period ending in 2017, 2018 or 2019.
4. This total amount shown excludes legacy payments.

Relative importance of the spend on pay

The following table shows the Company's total spend on pay for all employees compared to Group performance and dividend distribution in 2019 and 2020.

	2019	2020	% change
Employee costs ($m)	83.8	**88.7**	5.8%
Average number of employees	1,431	**1,435**	0.3%
Adjusted EBITDA ($m)[1]	702.7	**722**	2.7%
Share buyback ($m)	0.0	**30.4**	100%
Dividend distributions ($m)	137.6	**105.7**	-23.2%

1. Adjusted EBITDA is the principal profit measure used by the Group.

External advisors to the Committee

Deloitte LLP were appointed as advisors to the Remuneration Committee in November 2018 following a competitive tender process. Details of the advice and services provided by Deloitte LLP are set out in the table below.

Advisor	Area of advice/services provided
Deloitte LLP	Provided guidance and advice in respect of corporate governance developments, best practice in remuneration arrangements, external benchmarking data relating to senior hires, increased transparency relating to legacy arrangements, remuneration disclosures and shareholder communications. Deloitte LLP received fees of £113,850 in respect of this advice, charged on a time and material basis. Deloitte LLP also provided tax advisory services and internal audit co-sourcing support to ContourGlobal in 2020. The lead remuneration committee engagement partner has no other connection with ContourGlobal or its Directors. Deloitte LLP is a member of the Remuneration Consultants Group and is a signatory to its voluntary Code of Conduct, which requires their advice to be objective and independent. The Committee is satisfied that this is the case and that the provision of other services in no way compromised their independence.

Statement of voting on the Remuneration Report at the AGM

The table below provides details on the 2020 AGM voting result for our Annual Report on Remuneration. The voting result for our Remuneration Policy, as approved at our 2018 AGM, is also provided.

	% of votes cast in favour	% of votes cast against	Number of votes withheld
Remuneration Policy (2018 AGM)	99.82%	0.18%	3,884,676
Annual Report on Remuneration (2020 AGM)	99.78%	0.22%	1,250,060

Legacy equity arrangements – the Private Incentive Plan (PIP)

The President & CEO, along with certain members of the ContourGlobal plc management team, have interests in a 'Private Incentive Plan' (PIP). As disclosed at the time of IPO and in subsequent Directors' Remuneration Reports, the PIP is a legacy equity arrangement established by Reservoir Capital Group (the major shareholder in the Company) in connection with its original investment in the business.

The Company is not a party to the PIP and has no financial obligation to pay cash or issue shares to settle the PIP. All shares delivered to the President & CEO under the award are funded by Reservoir Capital Group. Consequently, the Remuneration Committee has no authority over the plan, or the allocation and release of awards.

The PIP is not an ongoing element of the executive remuneration policy at ContourGlobal plc, and no new allocations will be made under the plan.

History

Joseph C. Brandt, the current President & CEO, founded the Company together with Reservoir Capital Group in 2005. Around that time, incentive arrangements were established which enabled the President & CEO, along with other senior management, to participate in the return on invested capital above a required return hurdle.

The PIP therefore relates to legacy commitments connected with the founding of ContourGlobal and the growth of the Company in the years prior to its listing on the London Stock Exchange, and modified in anticipation of the listing.

As disclosed in the 2017 DRR, the allocation and terms of the award remained subject to finalization. The allocations and terms of the President & CEO's award were substantially agreed prior to listing. Reservoir Capital finalized the implementation of his allocation on 27th December 2018.

Overview of the PIP

The award is in the form of partnership units in Contour Management Holdings LLC which is a partner in ContourGlobal L.P. (the limited partnership through which Reservoir Capital Group owns shares in the Company). The award comprised Class S units, Class C units and Class B units.

Under the terms of the PIP, these units entitle the award-holder to receive from Contour Management Holdings LLC cash or shares in the Company if certain financial performance conditions are achieved.

	Basis of awards
Class S Units	These units are similar in nature to a restricted stock award of 6,943,864 ContourGlobal plc shares, subject to an underpin share price.
Class C Units Class B Units	These units represent a value share between management and Reservoir Capital Group.

PIP interests awarded (audited information)

While the allocations and terms of the President & CEO's award were substantially agreed prior to listing, Reservoir Capital finalized the implementation of his allocation on 27th December 2018. Details of the award are as follows:

	Date of award		Form of award	Value of award at date of grant	Vesting date
Joseph C. Brandt	27th December 2018	Class S units	Up to 6,943,864 ContourGlobal plc shares	£12,228,145	Units vest in equal tranches over the three-year period from IPO. The date of full vesting was 27th December 2020
		Class C units	Value share between management and Reservoir Capital Group (see below)		Units vest in equal tranches over the three-year period from IPO. The date of full vesting was 27th December 2020
		Class B units			Fully vested

Additional information on Class S Unit Vesting

The Company was notified that the financial performance condition in respect of the Class S Units was tested on 27 December 2020 (based on closing share price of 207p on the 24th December) and consequently shares were transferred from Reservoir Capital Group's holding of shares in ContourGlobal plc (through ContourGlobal L.P.) to Contour Management Holdings LLC.

The Class S unit financial performance condition was a share price underpin of $2.23 (threshold) to $2.28 (maximum), assuming no dividends. The number of shares transferred relevant to Mr Brandt's Class S Unit award (including the impact of accrued dividends) was determined to be 7,403,453. ContourGlobal L.P also transferred cash to Contour Management Holdings LLC relating to the dividend payable on 29 December 2020 for these shares. The value of these shares and cash is included in the remuneration table on page 129. These shares are subject to a sale restriction until the one year anniversary of the date on which Reservoir Capital (through ContourGlobal L.P.) disposes of its interests in ContourGlobal plc, unless waived by ContourGlobal LP.

Additional information on Class C and B Unit Vesting

Class C units and Class B units are structured as a value share between management and Reservoir Capital Group, and deliver an award of ContourGlobal plc shares subject to certain thresholds after deducting the value arising from the Class S units. Distributions from Class C units and Class B units are subject to Reservoir Capital Group realizing value from its investment in ContourGlobal plc, and the scheme stays in effect until Reservoir Capital Group has disposed of all its ordinary shares in ContourGlobal plc. Class C and Class B units are fully vested and are not forfeitable.

Illustration of value receivable under the PIP for Joseph C Brandt

Following the testing of the financial performance condition on 27 December 2020 the Class S Units have now vested. The value of Class C and Class B Units will be dependent on the timing of the disposal of Reservoir Capital Group's holding in ContourGlobal plc, the share price at that time as well as any dividends received in the interim. The table below illustrates the value to Joseph C Brandt under various sale price scenarios, assuming Reservoir Capital Group will have disposed of its shareholdings within three years following Admission.

Average sale price	Shares related to Class C units and Class B units (m)[1]	Total value (£m)[2]
£3.00	Nil	Nil
£3.50	0.4	1.4
£4.00	3.2	12.8
£5.00	6.0	30.0
£5.50	12.77	70.2

1. Assumes USD/GBP rate of $1.275, no dividends on ContourGlobal plc shares and that ContourGlobal's shares sold or valued on 1st November 2020.
2. Total value has been calculated using the average sale price in each scenario.
3. The number of shares delivered under the Class C units and Class B units increases above 12.8m in higher sale price scenarios.

Carried interest in Brazilian assets (unaudited)

On 30th June 2008, Joseph C. Brandt was awarded a carried interest, funded by Aguila Ltd, a minority shareholder in Kani LP, which is an entity formed to develop and acquire hydroelectric and associated cogeneration assets in Brazil. The Company is not party to the carried interest and has no financial obligation in relation to the interest. Under the arrangement, funded by Aguila Ltd, management receive in aggregate 18% of the value created above an IRR hurdle of 9%. Payments would be made on the occurrence of a final liquidity event in respect of the assets.

The President & CEO's carried interest amounts to 46% of the 18% total carried interest. No service conditions apply.

These interests are not considered to relate to director 'qualifying services' in the period prior to IPO.

Payments from the carried interest are uncapped. The value to the President & CEO will depend on a number of factors, including the timing of any sale, the sale price achieved and the extent to which the IRR 9% hurdle has been met. The table below illustrates possible value to the President & CEO under this arrangement assuming various sale price scenarios of the Brazilian assets.

Illustrative sale price achieved in relation to the sale of the assets (shown as a multiple of 2020 EBITDA of the assets)	Illustrative value realised by Joseph C. Brandt ($m)
8.0x	0.30
9.0x	0.80
10.0x	1.30
11.0x	1.90
12.0x	2.40
13.0x	2.90

Statement of compliance

This report has been prepared in accordance with the provisions of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UK Listing Authority's Rules and the Disclosure and Transparency Rules and has been prepared considering the recommendations of the UK Corporate Governance Code and the voting guidelines of major UK institutional investor bodies.

Approval

This report was approved by the Board of Directors, on the recommendation of the Remuneration Committee, on 18th March 2021, and signed on its behalf by:

Daniel Camus
Chairman of the Remuneration Committee

18th March 2021

Directors' Report

In accordance with section 415 of the Companies Act 2006, the Directors of ContourGlobal plc present their report to shareholders on the audited consolidated financial statements for the year ended 31st December 2020.

Strategic report

As permitted by section 414C of the Companies Act 2006, certain information required to be included in the Directors' report has been included in the Strategic report, or as set out below.

Dividends

The Company announced in March 2020 that it expected to maintain its annual dividend increase by 10% per year, in line with the Company's operational scale. The total dividend paid for the year ended 2019 was $99 million.

With the 10% annual increase, the total dividend for the year ended 31st December 2020 was $107.4 million equating to four quarterly payments of $4.0591 cents per share, equivalent to $24.75 million per quarter. Quarterly dividends for 2020 were paid/shall be paid (as applicable) on 26th June 2020, 25th September 2020, 29th December 2020 and 19th April 2021.

The declaration and payment by the Company of any future dividends and the amounts of any such dividends depend on the Company's ability to maintain its credit rating, its investments, results, financial condition, future prospects, profits being available for distribution, consideration of certain covenants under the terms of outstanding indebtedness, and any other factors deemed by the Directors to be relevant at the time, subject always to the requirements of applicable laws.

Relations with other capital providers

The Board recognizes the contribution made by other providers of capital to the Group and welcomes the views of such providers in relation to the Group's approach to corporate governance.

Share capital and voting rights

Details of the Company's share capital are set out in Note 4.22 to the Consolidated Financial Statements, including details on the movements in the Company's issued share capital during the year.

As at 31st December 2020, the Company's issued share capital consisted of 670,712,920 ordinary shares of £0.01 each of which 12,374,731 shares are held in treasury. Therefore, the total number of voting rights in the Company is 658,338,189. The Company's issued ordinary share capital ranks equally in all respects and carries the right to receive all dividends and distributions declared, made or paid on or in respect of the ordinary shares.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands every shareholder present in person or by proxy (or being a corporation represented by a duly authorized representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

Other than the general provisions of the Articles of Association (and prevailing legislation), there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares.

The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

Authority to purchase own shares

Subject to authorization by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or canceled immediately upon completion of the purchase.

Authority was given at a General Meeting of the Company on 1st April 2020 for the Company to make market purchases (as defined in section 693(4) of the Companies Act 2006) of up to 20,000,000 shares. This authority will expire at the conclusion of the Company's AGM in 2021 (scheduled for 12th May 2021) or, if earlier, the close of business on 26th August 2021.

As part of its investment policy, in April 2020, the Board approved and announced the commencement of a share buyback program of up to £30 million in accordance with the terms of the general authority granted by shareholders at the 2019 General Meeting. The Board has subsequently approved two extensions to the share buyback program, in accordance with the terms of the general authority granted by shareholders at the 2020 General Meeting, with the first such extension being on 30th June 2020 and the second being on 22nd September 2020, with this extending the program to 31st December 2020.

Following the end of the reporting period, the Board announced on 11th January 2021 a further extension of the share buyback program until 31st March 2021.

As at 31st December 2020, the Company has repurchased 12,374,731 Shares under the share buyback program, at an average price of 188.44 pence and total cost of £23.4 million, with all such shares being held in treasury 658,338,189 Shares remained in issue.

Following year-end, as at 18th March 2021, the Company has repurchased a further 2,624,774 shares, at an average price of 208.39 pence and total cost of £5.47 million, with all such shares being held in treasury pending cancellation or re-issue. 655,713,415 shares remained in issue.

A renewal of the authority to make market purchases will be sought from shareholders at each AGM of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or canceled.

Articles of Association

The Company's Articles of Association were adopted pursuant to a resolution passed at a general meeting of the Company held on 8th November 2017. The Articles of Association may only be amended by special resolution at a general meeting of the shareholders. The Company's current articles are available on our website at www.contourglobal.com.

Directors' re-appointment and appointment

The Board has the power at any time to elect any person to be a Director.

Under the Relationship Agreement, ContourGlobal LP is entitled to appoint two Non-Executive Directors to the Board while it continues to control 25% or more of the Company's shares. Further details of the Relationship Agreement can be found on page 143. The appointees by Reservoir Capital are Craig A. Huff and Gregg M. Zeitlin.

In accordance with the Company's Articles of Association, the Directors are subject to annual re-appointment by shareholders and all the Directors will stand for re-appointment at the Annual General Meeting to be held on 12th May 2021.

Powers of Directors

Subject to the Company's Articles of Association, the Companies Act 2006 and to any authorities provided by special resolution, the business of the Company is managed by the Board, which may exercise all the powers of the Company.

Directors' interests

Information on share ownership by Directors can be found in the Remuneration Report on pages 134 and 135.

Directors' and officers' liability insurance

Directors and Officers of the Company and its subsidiaries have been and continue to be covered by director and officer liability insurance.

Research and development

ContourGlobal plc is constantly engaged in process and product innovation. For examples of the Company's R&D activities, please refer to the Business Review.

Stakeholder engagement

We set out further details of our stakeholder engagement activity over 2020, and the outcomes of such activity, on pages 23 to 27.

Sustainable development

The business review section of this report, on pages 34 to 53, focuses on the Company's health and safety, environmental compliance and employment performance and outlines the Company's core values and commitment to the principles of sustainable development and the development of community relations programs.

Financial instruments

Details of the Group's use of financial instruments can be found in Notes 4.13, 4.14 and 4.16 to the financial statements.

Political donations

It is the Company's policy not to make political donations. No political contributions were made in 2020 (2019: £nil).

Charitable donations

Please refer to pages 52 and 53.

Overseas branches

ContourGlobal plc does not have any branches. A full list of the Group's controlled subsidiaries is disclosed in Note 4.30. of the Consolidated Financial Statements.

Major shareholding

The table below shows the interests in ordinary shares notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as at 31st December 2020 and 18th March 2021.

Shareholder	Date of notification	No. of Ordinary Shares	% of voting Ordinary Share capital
RCGM LLC[1]	13th December 2017	478,932,408	71
FIL Limited	3rd July 2019	36,594,082	5.45

Note 1 - The Reservoir Funds own approximately 99.6% of ContourGlobal LP and are themselves ultimately managed and controlled by Reservoir Capital. The managing member of Reservoir Capital is RCGM, LLC.

Significant contractual arrangements

Relationship Agreement

In November 2017, the Company, ContourGlobal LP, the Reservoir Funds, Reservoir Capital and the Company President and Chief Executive Officer, Joseph C. Brandt entered into a Relationship Agreement. The principal purpose of the Relationship Agreement is to ensure that the Company can carry on an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from ContourGlobal LP (the 'Major Shareholder'), the Reservoir Funds and Reservoir Capital that: (i) transactions and agreements with it (and/or any of its controlled affiliates) will be conducted at arm's length and on normal commercial terms; (ii) neither it nor any of its controlled affiliates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (iii) neither it nor any of its controlled affiliates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules (the 'Independence Provisions'). Furthermore, Reservoir Capital has agreed to procure the compliance of its associates with the Independence Provisions. The Company's President and Chief Executive Officer, Joseph C. Brandt, has given similar undertakings.

The Relationship Agreement will continue for so long as: (i) the shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's Main Market for listed securities; and (ii) the Reservoir Funds and the Major Shareholder and their controlled affiliates hold an interest in 10% or more of the issued ordinary share capital of the Company (or which carries 10% or more of the aggregate voting rights in the Company from time to time). The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of Reservoir Capital, the Reservoir Funds and the Major Shareholder. The Company has complied with the undertakings of the Relationship Agreement throughout the period under review and, so far as it is aware, the major shareholder and its associates have also complied with the provisions including any procurement obligation.

Revolving Credit Facility and Euro Bonds

On 26th July 2018, CG Power Holdings issued the Euro Bonds in a private offering exempt from the registration requirements of the Securities Act 1933, as amended. The Euro Bonds had an aggregate principal amount of €750 million split between two tranches: €450 million of 3.375% Senior Secured Notes due 2023 and €300 million of 4.125% Senior Secured Notes due 2025. On 30th July 2019, CG Power Holdings completed an add-on offering of €100 million of 4.125% Senior Secured Notes due 2025.

On 17th December, 2020, a new EuroBond composed of two tranches was issued for €410 million aggregate principal amount of 2.75% Senior Secured Notes due in 2026 and €300 million aggregate principal amount of 3.125% Senior Secured Notes due in 2028. On 6th January, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% Senior Secured Notes due 2023.

As a result of the add-on offering, the Euro Bonds have an aggregate principal amount of €1,010 million split between three tranches: €400 million of 4.125% Senior Secured Notes due 2025, €410 million of 2.75% Senior Secured Notes due 2026 and €300 million of 3.125% Senior Secured Notes due in 2028.

The Euro Bond Indentures provide redemption conditions depending of the date of the redemption.

If ContourGlobal sells certain of its assets or experiences specific kinds of changes in control (as defined in the Euro Bond Indenture), ContourGlobal must offer to purchase the Euro Bonds at a purchase price equal to 100% and 101% respectively of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase.

On 12th December, 2020, the Group also entered into a €120 million revolving credit facility available for general corporate purposes, maturing in November 2023, and which remains undrawn as of 31st December, 2020.

Annual General Meeting (AGM)

The 2021 AGM will be held on 12th May 2021. At the AGM, shareholders will have the opportunity to ask questions of the Board, including the Chairmen of the Board Committees. Full details of the AGM, including explanatory notes, are contained in the Notice of the AGM. The Notice sets out the resolutions to be proposed at the AGM and an explanation of each resolution. All documents relating to the AGM are available on the Company's website at www.contourglobal.com.

Additional information incorporated by reference into this Directors' report, including information required in accordance with the Companies Act 2006, can be found as follows:

Disclosure	Location
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Notes 4.13, 4.14 and 4.16 to the consolidated financial statements
Future business developments	Strategic report pages 16, 21, 29, 32, 33, and 39
Going concern	Strategic report page 72
Greenhouse gas emissions	Strategic report page 50
Corporate Governance Code Compliance Statement	Corporate Governance Report page 81
Directors' responsibilities	page 145
Events since the reporting date	No event disclosed in the consolidated financial statements
Streamlined Energy and Carbon Reporting (SECR)	page 50
Diversity policy	Nomination Committee report

For the purposes of LR 9.8.4CR, the information required to be disclosed by LR 9.8.4R can be found in the following locations:

Disclosure	Location
Interests capitalized	Note 4.10 to the consolidated financial statements
Detail of long-term incentive schemes	Directors' Remuneration report on pages 120 and 132 and Note 4.27 to the consolidated financial statements
Contracts of significance with a controlling shareholder	Relationship Agreement on page 143
Agreements with controlling shareholder	Relationship Agreement on page 143
Need to foster business relationships and impact on principal decisions	Strategic report pages 23 to 27

Directors

The Directors of the Company who held office during the year and up to the date of this report, unless otherwise stated, are:

	Service in the year ended 31st December 2020
Craig A. Huff	Served throughout the year
Joseph C. Brandt	Served throughout the year
Daniel Camus	Served throughout the year
Mariana Gheorghe	Served throughout the year
Dr. Alan Gillespie	Served throughout the year
Alejandro Santo Domingo	Served throughout the year
Stefan Schellinger	Served throughout the year
Ronald Trächsel	Served throughout the year
Gregg M. Zeitlin	Served throughout the year

Biographies of the Directors are provided in the Governance section on pages 76 to 79.

The strategic report, comprising the inside front cover and pages 1 to 75, and the Directors' Report, comprising pages 76 to 144, which together form the management report as required under the Disclosure Guidance and Transparency Rules 4.1.8R, have been approved and are signed on its behalf by

Joseph C. Brandt

President, Chief Executive Officer and Executive Director
ContourGlobal plc

18th March 2021

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group;
- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities, financial position and profit of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

This responsibility statement has been approved and is signed on behalf of the Board by:

Joseph C. Brandt

Joseph C. Brandt
President, Chief Executive Officer and Executive Director
ContourGlobal plc

18th March 2021

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The accompanying notes are an integral part of these consolidated financial statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- ContourGlobal plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated statement of financial position and the company balance sheet as at 31 December 2020; the consolidated statement of income and other comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity and the company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 1 to the group financial statements, the group, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group.

Other than those disclosed in note 4.34 to the financial statements, we have provided no non-audit services to the group in the period under audit.

Our audit approach

Overview

Audit Scope

- We conducted our audit work over 11 components in 10 countries.
- 7 components were subject to an audit of their complete financial information due to their size.
- 4 components were subject to audit of specified financial statement line items reflecting either the financial significance of the balances or audit risk.
- Specific audit procedures were performed on certain material balances within cash and cash equivalents, and borrowings in out of scope components.
- In addition, centrally managed functions, including the group consolidation, were audited at the head office by the group engagement team.

Key audit matters

- Impairment of property, plant and equipment, intangible assets and financial and contract assets (group)
- Assessment of significant judgements relating to litigation and claims (group)
- Impact of Covid-19 (group)
- Impairment of investment in subsidiary company (parent)

Materiality

- Overall group materiality: US$18,000,000 (2019: US$16,250,000) based on approximately 2.5% of Adjusted EBITDA less cash gain on sale of minority interest in assets (where applicable).
- Overall company materiality: US$16,500,000 (2019: US$16,600,000) based on approximately 1% of total assets.
- Performance materiality: US$13,500,000 (group) and US$12,400,000 (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of health and safety regulations, environmental regulations and unethical and prohibited business practises, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and/or management exercising bias in accounting estimates that would result in the overstatement of Adjusted EBITDA. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Assessment of compliance with local laws and regulations by each component audit team.
- Review of board minutes, internal audit reports, compliance review reports and attendance at Audit and Risk Committee meetings where the heads of the compliance and internal audit functions present findings from their activities, which include any known or suspected instances of non-compliance with laws and regulations and fraud.
- Meeting with internal legal counsel and internal audit to confirm any known instances of non-compliance with laws and regulations.
- Identifying and testing journal entries that increased Adjusted EBITDA, in particular journal entries posted with unusual account combinations, or posted by members of senior management with a financial reporting oversight role.
- Challenging assumptions and judgements made by management in significant accounting estimates, including the disclosure of such matters in the financial statements.
- Incorporating elements of unpredictability into the audit procedures performed.
- Reviewing the presentation of Adjusted EBITDA in the Annual Report, including the disclosure of the reconciliation of Adjusted EBITDA to statutory profit, and ensuring that sufficient prominence was given to statutory profit measures in the Annual Report.
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements, and involving technical experts to help us assess compliance of the disclosures against relevant legislation, for example within the Directors' Remuneration Report and the Corporate Governance Report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our 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.

This is not a complete list of all risks identified by our audit.

The impact of Covid-19 on the group and the impairment of investment in subsidiary company within the company financial statements are new key audit matters this year. Accounting for business combinations and power purchase agreements (PPA) in the year of acquisition including valuation of assets acquired and liabilities assumed, which was a key audit matter last year, is no longer included as there were no business combination transactions closed during the period. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment, intangible assets and financial and contract assets (group) The group has $3.5 billion of property, plant and equipment, the majority of which relates to power plant assets, $0.3 billion of intangible assets, the majority of which relates to legado rights in Mexico and $0.4 billion of financial and contract assets, the majority of which relate to service concession arrangements. The group is required to assess whether or not there are any indicators of impairment over these assets. In the event that an impairment trigger is identified, the recoverable value of property, plant and equipment and intangible assets are assessed by a calculation of the higher of value in use (which is based on future discounted cash flow forecasts) and fair value less costs to sell, and financial and contract assets by assessing the expected credit losses. Impairment assessments of this nature require significant judgement and there is the risk that potential impairment triggers are not identified by management and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the asset is incorrect and therefore the value of the assets may be misstated. Forecasts and assumptions used in both value in use calculations and the estimation of fair value less costs to sell are inherently judgemental and therefore may give rise to increased risk of misstatement.	We evaluated the impairment triggers identified by management in their assessment by reviewing performance data by power plant, considering significant variances in performance against forecasts, and from meetings we held with divisional finance directors to discuss individual plant performance. We have also considered other information gathered during the course of our audits of components and assessed whether there are any other indicators of impairment, as well as considering other factors that could indicate increased impairment risk such as regulatory changes and potential impacts of climate change. In concluding on the audit risk that there could be further unidentified impairment triggers, we specifically evaluated the Mexico plants where the government in Mexico announced certain changes to the legado regime which would result in significant increases to wheeling charges. Management have filed a lawsuit and received an injunction suspending the application of these higher fees, and obtained legal advice from external legal counsel which supports their view that the changes are unconstitutional and therefore unlikely to be sustained. In evaluating this matter: • We reviewed the external legal opinion obtained by management which confirms management's view that the proposed changes are considered unconstitutional under Mexican laws; • We evaluated a recent ruling on the application of these increased wheeling charges in a case brought by another power generation company in Mexico which found in favour of the company, therefore further corroborating management's view that the proposed changes are unlikely to be sustained; and • We consulted with our own local energy sector specialists regarding their opinion on whether or not these changes in wheeling charges are likely to be sustained.

Key audit matter	How our audit addressed the key audit matter
Impairment indicators were identified in the current year for the Brazilian wind power plant, following lower than expected wind conditions. A calculation was therefore performed to estimate the recoverable amount of this asset which was based on a value in use calculation. In addition, whilst the expiry of relevant PPAs in 2021 and 2023 are not considered impairment triggers, management also performed an assessment of the future discounted cash flows for the Spain Arrubal and Bulgaria Maritsa plants given that the existing power purchase agreements for these plants are due to expire in mid-2021 and early-2024 respectively. These assessments took account of most likely scenarios at the end of the existing PPA arrangements. For each of the value in use calculations performed over the Brazilian wind power plants, Spain Arrubal and Bulgaria Maritsa, management performed sensitivity analysis on certain key variables in the calculations to understand the impact of changes in certain assumptions.	We therefore consider that management's conclusion that there is no impairment trigger to be reasonable. We also read the disclosures included in the financial statements in relation to this judgement and found these to be appropriate No impairment triggers other than the Brazilian wind power plants already noted by management were identified from our procedures. In relation to Brazilian wind power plants, we performed audit procedures over the value in use calculations prepared by management. We used PwC valuation specialists to assess the methodology applied in the valuation and the discount rate used. We benchmarked the discount rate to comparable assets and considered the underlying assumptions based on our knowledge of the group and its industry. We assessed the accuracy of management's forecasting by reference to the accuracy of historical forecasts compared to actual cash flows and tested the mathematical accuracy of the impairment model. A wind study which reflects more recent wind performance in the data, was performed by an external expert engaged by management. This forecasts the future expected wind performance which is a key assumption in the estimation of future cash flows from the operation of the plants in the value in use calculation. We evaluated the objectivity, independence and competence of the expert engaged by management. We validated the key assumptions related to future capacity by reference to resource forecast, board approved forecasts specific to wind assets, and comparability of expected wind conditions per the forecasts to actual conditions during the year.
No impairments in value were identified in the assets subject to impairment reviews. In relation to financial and contract assets, the majority of which relate to service concession arrangements, the group assesses the expected credit losses on a forward-looking basis and the impairment methodology applied depends on whether there has been a significant increase in credit risk	In respect of the Spain Arrubal plant and Bulgaria Maritsa plant, we used industry specialists to evaluate the market studies prepared by management's experts, which were used to determine likely future scenarios beyond the expiry of these PPAs and therefore the associated future cash inflows of these plants. We tested management's sensitivity analysis to ensure appropriate judgement has been applied. Based on our audit procedures performed we found the methodology and assumptions used in the calculation of value in use for the Brazilian wind, Spain Arrubal and Bulgaria Maritsa power plants and the conclusion that no impairment charges were required, were reasonable. We also assessed the disclosures in relation to the impairment assessments completed, the critical accounting judgements and estimates associated with impairment of property, plant equipment and intangible assets, and the associated sensitivity analyses and have found these to be appropriate. In concluding on the expected credit losses associated with service concession arrangements, mainly in Togo, Senegal and Rwanda, we performed an assessment of the financial results of these subsidiaries which did not indicate any specific impairment risk. We also reviewed the expected credit loss calculation which takes into account the risk of non-payment considering ageing, previous experience of collections, economic conditions, existing insurance policies and forward looking data. We found that management's conclusion that there is no material impairment loss to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Assessment of significant judgements relating to litigation and claims (group) In the ordinary course of business, the group is subject to actual or potential liabilities arising from litigations and claims, including contractual disputes brought by government bodies (including regulators and tax authorities), off-takers and suppliers. Power Purchase Agreements (PPAs) are held with state owned, regulated bodies and other off-takers. Where disputes arise in connection with such agreements, there is usually a process of dialogue between the counterparties which can take place over an extended period of time. Management review such litigation and claims on a case-by-case basis to determine the likely outcome and to estimate the possible magnitude and timing of any resultant payments from adverse outcomes. Matters of this nature are inherently uncertain and as such management apply significant judgement in determining the likely outcome of such matters as well as the potential effect on future operations and the financial statements.	We met with Executive Vice President - General Counsel and other members of senior management to discuss ongoing and potential litigation and claims. We evaluated the significant judgements associated with each of these matters on a case-by-case basis including the likelihood of economic outflow to settle the obligation and whether a reliable estimate can be determined based on the facts of the case. Audit procedures performed to support our conclusions have included review and assessment of contracts, review of correspondence with counterparties and internal and external legal counsel, assessment of the local political climate (where relevant to the specific matter), and obtaining representation from management's external legal counsel on matters of significant judgement to evaluate management's views against those of external legal counsel. In certain cases, we have also discussed matters directly with external legal counsel and involved our own internal litigation specialists in evaluating the likely outcome of the cases. We have considered the completeness of litigation and claims identified to us by management by reference to other audit information obtained during the course of work, and specific procedures performed to identify matters, including review of board minutes. We did not identify any further litigation or claims that had not already been disclosed to us. Based on the evidence obtained we have evaluated the accounting for litigation and claims, including the determination of whether a provision should be recorded, or a contingent liability should be disclosed. We found that all items had been accounted for appropriately. We also assessed the disclosure for litigation and claims against the requirements of the relevant accounting standards and concluded that the disclosures were appropriate. Where significant judgements have been applied by management, we also found that these judgements are appropriately disclosed with the financial statements.
Impact of Covid-19 (group) The Covid-19 pandemic has caused significant global disruption and economic uncertainty. Management has assessed the impact of Covid-19 on the group, including any potential financial reporting implications. The group has proved highly resilient throughout the pandemic with no significant adverse impact on its financial performance. Management implemented a series of temporary measures to respond to the fast evolving situation, including personnel working remotely where possible, measures to change shift patterns and protect the wellbeing of staff, and reducing international travel. The group has continued to deliver in line with its obligations to supply power, both under power purchase agreements and regulated arrangements, with all power plant assets remaining operational throughout the pandemic. The nature of the group's power purchase agreements have protected the group from any material adverse financial effect of any changes in demand for power.	We have independently assessed the impact of Covid-19 on the group through discussion with both group and local management, review of board minutes, discussion with our component audit teams, consideration of financial performance and evaluation of the overall findings of audits across the group. We have specifically focussed on the impact on financial performance of the group, financial reporting risk and the effective operation of controls and processes. We have evaluated the ongoing effective operation of controls and processes to address the risk that a failure in key controls could result in material misstatement, either due to fraud or error, both through our own assessment of the control environment, and through our review of the work of internal audit. We have not identified any material weakness in financial controls as a result of actions management has taken to respond to the Covid-19 pandemic. We have assessed the financial performance of the group as a whole and the performance of significant power plants within the group to respond to any heightened risk surrounding going concern of the group or impairment of assets as a result of the impact of Covid-19. Our procedures have included an assessment of both the performance during 2020, as well as management's forecasts of future performance in light of the financial performance of the group during 2020. We have found that management's forecasts appear reasonable and support management's conclusion that the going concern basis is appropriate, and that there is no indication of any material impairment in assets as a result of Covid-19.

Key audit matter	How our audit addressed the key audit matter
Prior to the pandemic the group had existing systems and processes in place to enable employees to work from multi-locations across the world. As a consequence management have not identified any material weakness in controls and processes as a consequence of the different working practices enforced by remote working. Management has assessed the ongoing impact of the pandemic on the future performance of the group, the continued effective operation of controls and processes, and any further potential financial reporting risk, and have not identified any material risks.	We have read the disclosures made in the Annual Report in respect of Covid-19 and we are satisfied that they are consistent with our understanding of the impact of the global pandemic on the group based on the evidence obtained through our audit.
Impairment of investment in subsidiary company (parent) The company has an investment of $1,642.1 million in subsidiaries. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investment in subsidiaries may not be recoverable. If such circumstances are identified an impairment review is undertaken to establish whether the carrying amount of the investment exceeds its recoverable amount, being the higher of net realisable value or value in use. Impairment assessments of this nature requires significant judgement and there is the risk that a potential impairment trigger may not be identified by management and, in the event that there is an impairment trigger, there is a risk that the calculation of the recoverable amount of the investment is incorrect and therefore the value of the investment may be misstated. No such indicators of impairment have been identified.	We have evaluated management's consideration of impairment triggers through performing our own independent assessment, which has included: • Assessing the overall financial performance of the group, as well as larger and financially more significant assets within the group, to identify any indicators of impairment as a result of poor financial performance; Considering other information gathered during the course of our audits of components and assessing whether there are any other indicators of impairment, as well as considering other factors that could indicate increased impairment risk such as regulatory changes and potential impacts of climate change on the group; Comparing the market capitalisation of the group at year end, adjusted for the other net assets of the company, and comparing this to the carrying value of investments; and Comparing the carrying value of investments to an estimate of fair value by reference to earnings of the group multiplied by relevant market multiples for acquisition transactions of similar companies or groups. We found that management's conclusion that there are no impairment triggers in the investment carrying value was reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of multiple reporting components, comprising the group's operating locations (including operating entities and their related financing entities) and other centralised functions.

The group's reporting components vary significantly in size and we identified seven components that, in our view, required an audit of their complete financial information due to specific risk criteria and/or their size and contribution to the group. A further three further reporting components were identified that required audit procedures over specified financial statement line items based on specific risks and/or the contribution of each to those financial statement line items. Specific audit procedures were also performed on certain material balances in out of scope components to ensure we have obtained sufficient coverage over all material financial statement line items.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work at those entities to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our

opinion on the group financial statements as a whole. The group engagement team performed virtual "site visits" for the seven full scope components. These virtual "site visits" involved conducting a series of video conference calls to discuss the audit approach and any issues arising from our work, as well as meeting local management. For all components, we received detailed reports on the findings of their audit work and held a number of calls with the component teams before, during and after the completion of their work. We also remotely reviewed certain working papers of all full scope component teams at the year end.

The group consolidation, including the consolidated financial statement disclosures and certain centrally managed functions and balances were audited at the head office by the group audit engagement team.

The company is principally a holding company and there are no branches or other locations to be considered when scoping the audit. There are no financial statement line items in scope for the group audit. The company is audited on a stand-alone basis, and hence, testing has been performed on all material financial statement line items.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	US$18,000,000 (2019: US$16,250,000).	US$16,500,000 (2019: US$16,600,000).
How we determined it	Approximately 2.5% of Adjusted EBITDA less cash gain on sale of minority interest in assets (where applicable)	Approximately 1% of total assets
Rationale for benchmark applied	We applied Adjusted EBITDA as the benchmark for materiality and we consider that this is the key profit-based measure used by management in both assessing the performance of the business, and in reporting performance of the business to stakeholders. Management use this measure as it allows the underlying profitability of the group's core business activities, including the contribution from associates, to be assessed year on year. It eliminates transactions related to the initial acquisition of assets (which are not directly related to ongoing performance of the assets) and certain other items which give rise to fluctuations in results which are not directly linked to the performance of the asset. Where applicable, as was the case in 2019, we have removed the cash gain on minority sale from our benchmark which we believe is appropriate as it eliminates volatility and maintains the link between audit materiality and underlying business performance.	We believe that total assets is an appropriate benchmark for the company as the entity is principally a holding company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $1 million and $14 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was approximately 75% of overall materiality, amounting to US$13,500,000 for the group financial statements and US$12,400,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above $1 million (group audit) (2019: $1 million) and $0.8 million (company audit) (2019: $1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's cash flow forecast performed at the group level, which sets out the expected distributions from subsidiaries to the holding companies, net of repayments of corporate debt and other cash outflows at the group level.
- Performing audit procedures over the group cash flow forecast, including inquiries with management over the preparation of the distribution forecast, agreeing cash flow distributions from subsidiaries to the underlying trading company cash flow forecasts for full scope components, agreeing existing cash balances in the holding companies to underlying financial records, assessing reasonableness of forecast cash outflows, testing the mathematical accuracy of the forecast model, assessing the adequacy of sensitivities applied based on expected significant outflows (e.g for acquisitions) and assessing whether the stress testing performed by management appropriately considers other risks such as covenant breaches and refinancing due within the next 12 months.
- Performing audit procedures at all full scope components to assess the ability of trading subsidiaries to make future distributions to the group in line with the group cash flow forecast.
- Evaluating the debt covenants including the assessment of any breaches or potential breaches and the impact this may have on management's cash flow forecast.
- Where debt finance is held at the component level, we have corroborated management's assessment of debt held as being "non recourse" to the parent entity to third party evidence, where applicable.
- Local component audit teams performing full scope audits have evaluated the going concern basis at the component level and where any risks have been identified these have been considered through sensitivities performed over the group cash flow forecast.
- We reviewed the board meeting minutes confirming that the going concern assumption was evaluated and confirmed as appropriate by the Board.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual Report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 directors are responsible for assessing the group's and 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 directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the directors on 13 December 2017 to audit the financial statements for the year ended 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 December 2017 to 31 December 2020.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 March 2021

Consolidated statement of income and other comprehensive income

In $ millions	Note	Years ended December 31	
		2020	2019
Revenue	4.2	**1,410.7**	**1,330.2**
Cost of sales	4.3	(1,033.5)	(973.4)
Gross profit		**377.2**	**356.8**
Selling, general and administrative expenses	*4.3*	(36.8)	(34.6)
Other operating income		7.4	7.3
Other operating expenses	*4.3*	(19.7)	(14.2)
Acquisition related items	*4.5*	(20.2)	(23.2)
Income from Operations		**307.9**	**292.1**
Share of profit in associates	*4.12*	12.3	11.1
Finance income	*4.6*	4.4	11.2
Finance costs	*4.6*	(262.9)	(244.9)
Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives	*4.6*	10.7	(10.1)
Profit before income tax		**72.3**	**59.4**
Income tax expenses	*4.7*	(43.7)	(36.3)
Net profit		**28.6**	**23.1**
Profit / (Loss) attributable to			
– Equity shareholders of the Company		16.0	27.7
– Non-controlling interests		12.6	(4.6)
Earnings per share (in $)			
– Basic		0.02	0.04
– Diluted		0.02	0.04

In $ millions	Years ended December 31	
	2020	2019
Net profit for the year	**28.6**	**23.1**
Changes in actuarial gains and losses on retirement benefit, before tax	0.2	(0.5)
Deferred taxes on changes in actuarial gains and losses on retirement benefit	–	–
Items that will not be reclassified subsequently to income statement	**0.2**	**(0.5)**
Loss on hedging transactions	(40.0)	(45.6)
Cost of hedging reserve	(1.5)	
Deferred taxes on loss on hedging transactions	27.9	(2.7)
Share of other comprehensive income of investments accounted for using the equity method	–	–
Currency translation differences	(97.1)	(9.3)
Items that may be reclassified subsequently to income statement	**(110.7)**	**(57.6)**
Other comprehensive loss for the year net of tax	**(110.5)**	**(58.1)**
Total comprehensive loss for the year	**(81.9)**	**(35.0)**
Attributable to		
– Equity shareholders of the Company	(74.8)	(29.2)
– Non-controlling interests	(7.1)	(5.8)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of financial position

In $ millions	Note	December 31, 2020	December 31, 2019
Non-current assets		**4,375.7**	**4,636.0**
Intangible assets and goodwill	4.9	319.7	352.6
Property, plant and equipment	4.10	3,517.1	3,772.3
Financial and contract assets	4.11	408.3	417.5
Investments in associates	4.12	29.5	26.6
Derivative financial instruments	4.14	1.1	–
Other non-current assets	4.17	42.5	22.1
Deferred tax assets	4.7	57.5	44.9
Current assets		**1,995.1**	**1,203.4**
Inventories	4.18	247.4	229.6
Financial and contract assets	4.11	30.0	33.4
Trade and other receivables	4.19	264.0	343.6
Current income tax assets		21.3	14.1
Derivative financial instruments	4.14	0.4	0.3
Other current assets	4.20	35.1	23.9
Cash and cash equivalents	4.21	1,396.9	558.5
Total assets		**6,370.8**	**5,839.4**

In $ millions		December 31, 2020	December 31, 2019
Total equity and non-controlling interests		**337.7**	**550.1**
Issued capital	4.22	8.9	8.9
Share premium	4.22	380.8	380.8
Treasury shares	4.22	(30.4)	–
Retained earnings and other reserves		(176.9)	(4.9)
Non-controlling interests	4.23	155.3	165.3
Non-current liabilities		**4,492.2**	**4,414.0**
Borrowings	4.24	3,895.5	3,787.6
Derivative financial instruments	4.14	151.0	84.7
Deferred tax liabilities	4.7	269.0	263.4
Provisions	4.26	51.8	48.4
Other non-current liabilities	4.25	124.9	229.9
Current liabilities		**1,540.9**	**875.3**
Trade and other payables	4.28	333.7	336.1
Borrowings	4.24	934.8	302.9
Derivative financial instruments	4.14	41.0	25.2
Current income tax liabilities	4.7	24.3	20.5
Provisions	4.26	12.3	12.6
Other current liabilities	4.29	194.8	178.0
Total liabilities		**6,033.1**	**5,289.3**
Total equity and non-controlling interests and liabilities		**6,370.8**	**5,839.4**

The financial statements on pages 157 to 221 were approved by the Board of Directors and authorized for issue on 18th March 2021 and signed on its behalf by

Joseph C. Brandt
President & CEO

December 31, 2019 figures were amended (see note 2.3)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

In $ millions	Share capital	Share premium	Treasury shares	Currency Translation reserve	Hedging reserve	Cost of hedging reserve	Actuarial reserve	Retained earnings and other reserves	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance as of January 1, 2019	**8.9**	**380.8**	**–**	**(92.3)**	**(34.0)**	**–**	**(1.8)**	**233.7**	**495.3**	**185.2**	**680.5**
Profit / (loss) for the year	–	–	–	–	–	–	–	27.7	**27.7**	(4.6)	**23.1**
Other comprehensive loss	–	–	–	(8.9)	(47.5)	–	(0.5)	–	**(56.9)**	(1.2)	**(58.1)**
Total comprehensive loss for the period	**–**	**–**	**–**	**(8.9)**	**(47.5)**	**–**	**(0.5)**	**27.7**	**(29.2)**	**(5.8)**	**(35.0)**
Transaction with non-controlling interests	–	–	–	–	–	–	–	–	**–**	(7.8)	**(7.8)**
Sale of non-controlling interest not resulting in a change of control	–	–	–	–	–	–	–	46.1	**46.1**	5.2	**51.3**
Employee share schemes	–	–	–	–	–	–	–	10.4	**10.4**	–	**10.4**
Dividends	–	–	–	–	–	–	–	(137.6)	**(137.6)**	(24.5)	**(162.1)**
Acquisition of and contribution received from non-controlling interest	–	–	–	–	–	–	–	–	**–**	12.9	**12.9**
Other	–	–	–	–	–	–	–	(0.2)	**(0.2)**	0.1	**(0.1)**
Balance as of December 31, 2019	**8.9**	**380.8**	**–**	**(101.2)**	**(81.5)**	**–**	**(2.3)**	**180.1**	**384.8**	**165.3**	**550.1**
Balance as of January 1, 2020	**8.9**	**380.8**	**–**	**(101.2)**	**(81.5)**	**–**	**(2.3)**	**180.1**	**384.8**	**165.3**	**550.1**
Profit for the year	–	–	–	–	–	–	–	16.0	**16.0**	12.6	**28.6**
Other comprehensive loss	–	–	–	(78.0)	(11.5)	(1.5)	0.2	–	**(90.8)**	(19.7)	**(110.5)**
Total comprehensive income / (loss) for the period	**–**	**–**	**–**	**(78.0)**	**(11.5)**	**(1.5)**	**0.2**	**16.0**	**(74.8)**	**(7.1)**	**(81.9)**
Purchase of treasury shares	–	–	(30.4)	–	–	–	–	–	**(30.4)**	–	**(30.4)**
Employee share schemes	–	–	–	–	–	–	–	8.5	**8.5**	–	**8.5**
Contribution received from non-controlling interest	–	–	–	–	–	–	–	–	**–**	3.4	**3.4**
Transaction with non-controlling interests	–	–	–	–	–	–	–	–	**–**	(1.0)	**(1.0)**
Dividends	–	–	–	–	–	–	–	(105.7)	**(105.7)**	(5.4)	**(111.1)**
Balance as of December 31, 2020	**8.9**	**380.8**	**(30.4)**	**(179.2)**	**(93.0)**	**(1.5)**	**(2.1)**	**98.9**	**182.4**	**155.3**	**337.7**

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of cash flows

In $ millions	Note	Years ended December 31 2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit		**28.6**	**23.1**
Adjustment for:			
Amortization, depreciation and impairment expense	*4.3*	311.6	282.3
Change in provisions		(2.7)	0.2
Share of profit in associates	*4.12*	(12.3)	(11.1)
Realized and unrealized foreign exchange gains and losses and change in fair value of derivatives	*4.6*	(10.7)	10.1
Interest expenses – net	*4.6*	190.6	177.6
Other financial items	*4.6*	68.0	56.2
Income tax expense	*4.7*	43.7	36.3
Mexico CHP fixed margin swap	*4.1*	15.6	–
Change in finance lease and financial concession assets	*4.1*	31.7	26.4
Acquisition related items	*4.5*	20.2	23.2
Other items		12.2	10.5
Change in working capital		52.8	5.0
Income tax paid		(37.5)	(34.8)
Contribution received from associates	*4.12*	7.8	11.3
Net cash generated from operating activities		**719.6**	**616.3**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(77.0)	(102.1)
Purchase of intangibles		(3.8)	(1.4)
Acquisition of subsidiaries, net of cash received		–	(820.5)
Other investing activities		(24.5)	(0.9)
Net cash used in investing activities		**(105.3)**	**(924.9)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(105.7)	(137.6)
Purchase of treasury shares	4.22	(30.4)	–
Proceeds from borrowings	4.24	938.9	947.5
Repayment of borrowings	4.24	(323.4)	(428.2)
Debt issuance costs - net		(13.1)	(29.3)
Interest paid		(175.8)	(189.2)
Cash distribution to non-controlling interests	4.23	(18.5)	(15.0)
Dividends paid to non-controlling interest holders	4.23	(5.4)	(23.4)
Transactions with non-controlling interest holders, cash received	4.23	3.4	174.4
Transactions with non-controlling interest holders, cash paid	4.23	(57.5)	(91.5)
Other financing activities		(9.6)	(52.2)
Net cash generated from financing activities		**202.9**	**155.5**
Exchange gains on cash and cash equivalents		**21.2**	**14.7**
Net change in cash and cash equivalents		**838.4**	**(138.4)**
Cash & cash equivalents at beginning of the year		**558.5**	**696.9**
Cash & cash equivalents at end of the year		**1,396.9**	**558.5**

The accompanying notes are an integral part of these consolidated financial statements

1. General information

ContourGlobal plc (the 'Company') is a public listed company, limited by shares, domiciled in the United Kingdom and incorporated in the United Kingdom. It is the holding company for the group whose principal activities during the period were the operation of wholesale power generation businesses with thermal and renewables assets in Europe, Latin America and Africa, and its registered office is:

7th Floor
Park House
116 Park Street
London
W1K 6SS

United Kingdom

Registered number: 10982736

ContourGlobal plc is listed on the London Stock Exchange.

Basis of preparation

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The consolidated financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The financial information is presented in millions of U.S. dollars, with one decimal. Thus numbers may not sum precisely due to rounding.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out in note 2.3. These policies have been consistently applied to the periods presented, unless otherwise stated.

The financial information presented is at and for the financial years ended 31 December 2020 and 31 December 2019. Financial year ends have been referred to as 31 December throughout the consolidated financial statements as this is the accounting reference date of ContourGlobal plc. Financial years are referred to as 2020 and 2019 in these consolidated financial statements.

The preparation of the IFRS financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates, as noted in the critical accounting estimates and judgements in note 2.4.

Impact of Covid-19

The Company has considered the impact of the new coronavirus ('COVID-19' or 'the virus') on the financial statements for the year ended 31 December 2020. This analysis included the potential accounting impacts under IFRS on non-financial assets, financial instruments, leases, revenue recognition, non-financial obligations, going concern and events after the reporting period.

During the year ended 31 December 2020, the Company experienced no material operational or financial impact as a result of COVID-19. Action was taken around the health of employees, critical spares and inventory to ensure continued reliability of operations. To date, the disruption in spares and supply chain has been insignificant.

The Company is not involved in the distribution of power and has limited exposure to merchant markets and energy pricing. The Company has received force majeure notices from some suppliers and commercial customers, but these have not been material and are not expected to impact future operations. In addition, the Company has not faced any significant delays in payments from off-takers as a result of the COVID-19.

The Company has also reviewed its forecasts and projections, taking into account possible changes in operating performance due to COVID-19 and possible impact on liquidity and concluded that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for a period of at least 12 months. For this reason, the Group continues to adopt the going concern basis in preparing the Group financial statements.

2. Summary of significant accounting policies

2.1 Application of new and revised International Financial Reporting Standards (IFRS)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2020:

Definition of a Business – Amendments to IFRS 3

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

There were no acquisitions during the year and therefore the amendment has no impact on these financial statements. Going forwards, it is expected that the amendment could likely result in more acquisitions being accounted for as asset acquisitions.

2.2 New standards and interpretations not yet mandatorily applicable

A number of additional new standards and amendments and revisions to existing standards have been published which will apply to the Group's future accounting periods. None of these are expected to have a significant impact on the consolidated results, financial position or cash flows of the Group when they are adopted.

The replacement of benchmark interest rates such as LIBOR and other interbank offered rates (IBORs) is a priority for global regulators and is expected to be largely completed in 2021. To prepare for this, the Group early adopted the Phase 1 amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' in 2019. These amendments provide relief from applying specific hedge accounting requirements to hedge relationships directly affected by IBOR reform and have the effect that the reform should generally not cause hedge accounting to terminate. There was no financial impact from the early adoption of these amendments. Further amendments (Phase 2) were issued on 27 August 2020 and the Group will apply these in 2021.

The Group has IFRS 9 designated hedge relationships that is impacted by IBOR reform including interest rate swap contracts and cross currency swap that qualifies as cash-flow hedge with a nominal value amounted to $1,213.4 million as of 31 December 2020, used to hedge a proportion of our external borrowings. These swaps reference six-month EURIBOR, three-month USD LIBOR and six-month USD LIBOR and uncertainty arising from the Group's exposure to IBOR reform will cease when these swaps matures by 2030, 2031 and 2034 respectively. The uncertainty arising from the Group's exposure to IBOR reform on the wider business will be assessed during 2021.

2.3 Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include both the assets and liabilities, and the results and cash flows, of the Group and its subsidiaries and the Group's share of the results and the Group's investments in associates.

Inter-company transactions and balances between Group companies are eliminated.

(a) Subsidiaries

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies, are accounted for as subsidiaries. Interests acquired in subsidiaries are consolidated from the date the Group acquires control.

(b) Associates

Where the Group has the ability to exercise significant influence over entities, generally from a shareholding of between 20% and 50% of the voting rights, they are accounted for as associates. The results and assets and liabilities of associates are incorporated into the consolidated financial statements using the equity method of accounting. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is objective evidence that the investment in the associate is impaired. If there is evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value and recognizes this amount as a reduction to the amount of 'Share of profit of associates' in the consolidated statement of income.

The accompanying notes are an integral part of these consolidated financial statements

Business combinations

The acquisition consideration is measured at fair value which is the aggregate of the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests issued in exchange for control. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statement of income. Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. Acquisition related costs are expensed as incurred and classified as "Acquisition related items" in the consolidated statement of income.

Goodwill is capitalized as a separate item in the case of subsidiaries and as part of the cost of investment in the case of associates. Goodwill is denominated in the functional currency of the operation acquired.

Changes in ownership interests in subsidiaries without change of control
In line with IFRS 10 "Consolidated financial statements", transactions with non-controlling interests that do not result in a gain or loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

In the case of an acquisition of non-controlling interest that does not result in a gain of control, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

In the case of a sale of non-controlling interests that do not result in a loss of control ("sell-down"), the net cash gain on sale of these assets are recorded as an increase in the equity attributable to owners of the parent and corresponds to the difference between the consideration received for the sale of shares and of the carrying amount of non-controlling interest sold. Consistent with this approach, subsequent true-ups to earn-outs in the context of sell-down transactions are also recorded in equity. The net cash gain or loss on sell-down is presented in Adjusted EBITDA, as disclosed in the note 4.1.

Functional and presentation currency and currency translation

The assets and liabilities of foreign undertakings are translated into US dollars, the Group's presentation currency, at the year-end exchange rates. The results of foreign undertakings are translated into US dollars at the relevant average rates of exchange for the year. Foreign exchange differences arising on retranslation of opening net assets, and the difference between average exchange rates and year end exchange rates on the result for the year are recognized directly in the currency translation reserve.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized at period end exchange rates in the consolidated statement of income line which most appropriately reflects the nature of the item or transaction.

The following table summarizes the main exchange rates used for the preparation of the consolidated financial statements of ContourGlobal:

	CLOSING RATES		AVERAGE RATES	
	Year ended 31st December		Year ended 31st December	
Currency	**2020**	**2019**	**2020**	**2019**
EUR / USD	1.2216	1.1213	1.1413	1.1195
BRL / USD	0.1925	0.2481	0.1960	0.2540
BGN / USD	0.6246	0.5733	0.5835	0.5725
MXN / USD	0.0501	0.0531	0.0469	0.0520

Operating and reportable segments

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM"). The Group's organizational structure reflects the different electricity generation methods, being Thermal and Renewables. A third category, Corporate & Other, primarily reflects costs for certain centralized functions including executive oversight, corporate treasury and accounting, legal, compliance, human resources, IT and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The principal profit measure used by the CODM is "Adjusted EBITDA" as defined in note 4.1. A segmented analysis of "Adjusted EBITDA" is accordingly provided in the notes to the consolidated financial statements (see note 4.1).

Revenue recognition

The Group revenue is mainly generated from the following:

(i) revenue from power sales;
(ii) revenue from operating leases;
(iii) revenue from financial assets (concession and finance lease assets); and
(iv) other revenue such as environmental, operational and maintenance services rendered to offtakers.

Revenue from operating leases is recognized under IFRS 16, Revenue from financial assets is recognized under IFRS 16 and IFRIC 12, and Revenue from power sales and other revenue are recognized under IFRS 15.

IFRS 15, Revenues from contracts with customers, revenue recognition is based on the transfer of control, i.e. notion of control is used to determine when a good or service is transferred to the customer. In accordance with this, the Group has adopted a single comprehensive model for the accounting for revenues from contracts with customers, using a five-step approach for revenue recognition: (1) identifying the contract; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the Group satisfies a performance obligation.

Based on this recognition model, sales are recognized when goods are delivered to the customer and have been accepted by the customer, even if they have not been invoiced, or when services are rendered, and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue for the year includes the estimate of the energy supplied that has not yet been invoiced.

When determining the transaction price, the Group consider the effects of the variable consideration, the constraining estimates of variable consideration, the existence of a significant financing component in the contract, the non-cash consideration and consideration payable to a customer.

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

Certain of the Group power plants sell their output under Power Purchase Agreements ("PPAs") and other long-term arrangements. Under such arrangements it is usual for the Group to receive payment for the provision of electrical capacity or availability whether or not the offtaker requests the electrical output (capacity payments) and for the variable costs of production (energy payments). In such situations, revenue is recognized in respect of capacity payments as:

(a) Service income in accordance with the contractual terms, to the extent that the capacity has been made available to the contracted offtaker during the period and / or energy produced and delivered in the period. This income is recognized as part of revenue from power sales;

(b) Financial return on the operating financial asset where the PPA is considered to be or to contain a finance lease or where the contract is considered to be a financial asset under interpretation IFRIC 12: "Service Concession Arrangements".

(c) Service income related to environmental, operational and maintenance services rendered to offtakers are presented as part of Other revenue.

Under finance lease arrangements, those payments which are not included within minimum lease payments are accounted for as service income (outlined in (a) above).

Energy payments under PPAs are recognized in revenue in all cases as the contracted output is delivered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Concession arrangements

The interpretation IFRIC 12 governs accounting for concession arrangements. An arrangement within the scope of IFRIC 12 is one which involves a private sector entity (known as "an operator") constructing infrastructure used to provide a public service, or upgrading it (for example, by increasing its capacity) and operating and maintaining that infrastructure for a specified period of time.

IFRIC 12 applies to public-to-private service concession arrangements if:

(a) The “grantor” (i.e. the public sector entity – the offtaker) controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and

(b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement. Infrastructure used in a public-to-private service concession arrangement for its entire useful life (a whole of life asset) is within the scope of IFRIC 12 if the conditions in a) are met.

Under concession arrangements within the scope of IFRIC 12, which comply with the “financial asset” model requirements, the operator recognizes a contract asset, attracting revenue in consideration for the services it provides (design, construction, etc.), to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the Group ensuring that the infrastructure meets specified quality or efficiency requirements. This model is based on input assumptions such as budgets and cash flow forecasts. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in reducing the value of the asset. Such contract assets are recognized in the consolidated statement of financial position in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortized cost less impairment losses. The receivable is settled by means of the grantor’s payments being received. The financial income calculated on the basis of the effective interest rate, equivalent to the project’s internal rate of return, is reflected within the “Revenue from concession and finance lease assets” line in the note 4.2 “Revenue” to the consolidated financial statements. Cash outflows relating to the acquisition of contract assets under concession agreements are presented as part of cash flow from investing activities. Net cash inflows generated by the contract assets' operations are presented as part of cash flow from operating activities.

Under arrangements within the scope of IFRIC 12 which complies with the “intangible asset” model requirements, the operator recognizes an intangible asset in accordance with IAS 38 to the extent that it has a right to charge users of the public service. Such intangible asset is recognized in the consolidated statement of financial position at cost on first recognition and subsequently measured over its useful economic life at cost less accumulated amortization and impairment losses. Net cash inflows generated by the intangible asset’s operations are presented as part of Cash Flow from operating activities.

For purchase power arrangements, revenue for service income is generally recognized as billed after excluding the portion of the payment that is allocated to cover the return on financial assets arising from service concession arrangements as described above. We have therefore not disclosed the transaction price allocated to unsatisfied contracts based as permitted by paragraph 121 of IFRS 15.

Share-based compensation plans

The share-based payment charge arises from the Long Term Incentive Plan (LTIP) and the Private Incentive Plan (PIP). The PIP scheme is applicable to senior executives whilst the LTIP scheme is applicable to senior executives and senior and middle management. Shares issued under the schemes vest subject to continued employment within the Group and satisfaction of the non-market performance conditions. Employees leaving prior to the vesting date will normally forfeit their rights to unvested share awards. The fair value of the awards is measured using the market value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis together with a corresponding increase in equity over the vesting period, based on the Group’s estimate of the number of awards that will vest, and adjusted for the effect of non-market-based vesting conditions.

Acquisition related items

Acquisition related items include pre-acquisition costs such as various professional fees and due diligence costs, earn-outs and other related incremental costs incurred as part of completed or contemplated acquisitions.

Finance income and finance costs

Finance income primarily consists of interest income on funds invested. Finance costs primarily comprise interest expense on borrowings, unwinding of the discount/step up on financial and contract assets and provisions, interests and penalties that arise from late payments of suppliers or taxes, swap margin calls, bank charges, changes in fair value of the debt payable to non-controlling interests in our Bulgarian power plant, changes in the fair value of derivatives not qualifying for hedge accounting and unrealized & realized foreign exchange gains and losses.

Intangible assets and goodwill

Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. A CGU is determined as a group of assets at a country level using shared technology which is typically the case for Solar and Wind assets.

The reporting units (which generally correspond to power plants) or group of reporting units have been identified as its cash-generating units.

Goodwill impairment reviews are undertaken at least annually.

Intangible assets

Intangible assets include licenses, permits and project development rights when specific rights and contracts are acquired. Intangible assets separately acquired in the normal course of business are recorded at historical cost, and intangible assets acquired in a business combination are recognized at fair value at the acquisition date. When the power plant achieves its commercial operations date, the related intangible assets are amortized using the straight-line method generally over the life of the PPA or over the duration of the permits and licenses granted, generally over 15 to 20 years (excluding software). Software is amortized over 1 to 3 years.

Property, plant and equipment

Initial recognition and subsequent measurement

Property, plant and equipment are stated at historical cost, less depreciation and impairment, or at fair value if acquired in the context of a business combination. Historical cost includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to do so. In the context of a business combination the fair value valuation is usually based on an income-approach based method.

Property, plant and equipment recognized as right-of-use assets under IFRS 16 are measured at cost less depreciation, impairment and adjustments to certain remeasurements of the lease liability.

Costs relating to major inspections and overhauls are capitalized and any remaining carrying amount of the cost of the previous overhaul is derecognized when new expenditure is capitalized. Minor replacements, repairs and maintenance, including planned outages to our power plants that do not improve the efficiency or extend the life of the respective asset, are expensed as incurred.

The Group capitalizes certain direct pre-construction costs associated with its power plant project development activities when it has been determined that it is more likely than not that the opportunity will result in an operating asset. Factors considered in this determination include (i) the availability of adequate funding, (ii) the likelihood that the Group will be awarded with the project or the barriers are not likely to prohibit closing the project, and (iii) there is an available market and the regulatory, environmental and infrastructure requirements are likely to be met. Capitalized pre-construction costs include initial engineering, environmental and technical feasibility studies, legal costs, permitting and licensing and direct internal staff salary and travel costs, among others. Pre-construction costs are charged to expense if a project is abandoned or if the conditions stated above are not met. Construction work in progress ("CWIP") assets are transferred out of CWIP when construction is substantially completed and the power plant achieves its commercial operations date ("COD"), at which point depreciation commences.

Borrowing costs directly attributable to construction of a qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Depreciation

Property, plant and equipment are depreciated down to their estimated residual using the straight-line method over the following estimated useful lives:

	Useful lives as of December 31, 2019 and 2020
Generating plants and equipment	
Lignite, coal, gas, oil, biomass power plants	12 to 30 years
Hydro plants and equipment	25 to 40 years
Wind farms	16 to 25 years
Tri and quad-generation combined heat power plants	15 to 20 years
Solar plants	14 to 20 years
Other property, plant and equipment	3 to 10 years

Useful economic lives have been updated to reflect the lives of plants from the date of acquisition by the Group.

'Generation plants and equipment' and 'Other property, plant and equipment' categories are presented respectively under 'Power plant assets' and 'Other' in note 4.10 Property, plant and equipment.

See below for depreciation policy on right-of-use assets.

The range of useful lives is due to the diversity of the assets in each category, which is partly due to acquired assets and from assets groupings.

The residual values and useful lives are reviewed at least annually taking into account a number of factors such as operational and technical risks, and risks linked to climate change (for example from emerging government policies) and if expectations differ from previous estimates, the remaining useful lives are reassessed and adjustments are made. The remaining useful lives are assessed when acquisitions are made by performing technical due diligence procedures. The remaining useful economic life of the Group's largest asset, the Maritsa East 3 power plant in Bulgaria, is approximately 9 years.

Leases

The Group applies IFRS 16 "Leases" and leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Accounting for a lease as a lessee – Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group is exposed to potential future increases in variable lease payments which are linked to gross revenues or based on an index or rate. No right of use assets or corresponding lease liability is recognized in respect of variable consideration leases which are linked to gross revenues. Variable lease payments that depend on gross revenues are recognized in the statement of income in the period in which the related revenue is generated.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income.

Accounting for arrangements that contain a lease as lessor – Power purchase arrangements ("PPA") and other long-term contracts may contain, or may be considered to contain, leases where the fulfilment of the arrangement is dependent on the use of a specific asset such as a power plant and the arrangement conveys to the customer the right to use that asset. Such contracts may be identified as either operating leases or finance leases.

(i) Accounting for finance leases as lessor

Where the Group determines that the contractual provisions of a long-term PPA contain, or are, a lease and result in the offtaker assuming the principal risks and rewards of ownership of the power plant, the arrangement is a finance lease. Accordingly the assets are not reflected as PP&E and the net investment in the lease, represented by the present value of the amounts due from the lessee is recorded within financial assets as a finance lease receivable.

The capacity payments as part of the leasing arrangement are apportioned between minimum lease payments (comprising capital repayments relating to the plant and finance income) and service income. The finance income element is recognized as revenue, using a rate of return specific to the plant to give a constant rate of return on the net investment in each period. Finance income and service income are recognized in each accounting period at the fair value of the Group's performance under the contract.

(ii) Accounting for operating leases as lessor

Where the Group determines that the contractual provisions of the long-term PPA contain, or are, a lease, and result in the Group retaining the principal risks and rewards of ownership of the power plant, the arrangement is an operating lease. For operating leases, the power plant is, or continues to be, capitalized as property, plant and equipment and depreciated over its useful economic life. Rental income from operating leases is recognized on a straight-line basis over the term of the arrangement.

Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal (market value) and value in use determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

Financial assets

Classification of financial assets

The Group classifies its financial assets in the following categories: at fair value through statement of income and at amortized costs.

(a) Financial assets at fair value through statement of income

Financial assets have been acquired principally for the purpose of selling, or being settled, in the short term. Financial assets at fair value through statement of income are "Cash and cash equivalents" which includes restricted cash and derivatives held for trading unless they are designated as hedges.

(b) Financial assets at amortized costs

Financial assets at amortized costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those that mature greater than 12 months after the end of the reporting period, which are classified in non-current assets. The Group's Financial assets and amortized costs comprise "Trade and other receivables" and "Financial and contract assets" in the consolidated statement of financial position.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and measurement

Purchases and sales of financial assets are recognized on trade date (that is, the date on which the Group commits to purchase or sell the asset).

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through income are expensed in the consolidated statement of income and other comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(a) Financial assets at fair value through statement of income

Gains or losses on financial assets at fair value through statement of income are recognized in the consolidated statement income and other comprehensive income. These are presented within finance income and finance costs respectively.

(b) Loans and receivable

These financial assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, and are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognized is recognized directly in profit or loss and presented in finance income or finance costs.

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Allowances for expected credit losses are made based on the risk of non-payment taking into account ageing, previous experience, economic conditions, existing insurance policies and forward looking data. Political risk insurance (PRI) policies are factored into this assessment due to being closely related insurance policies for which cash flows have been factored into the expected credit loss calculations (including risk of default on insurance provider) and presented on a net basis. Such allowances are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

While the financial assets of the Company are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The group has three types of financial assets that are subject to the expected credit loss model:

(1) Trade and other receivables

(2) Financial and contract assets

(3) Loans

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss has been identified.

Derivative financial instruments and hedging activities

Derivative instruments are measured at fair value upon initial recognition in the consolidated statement of financial position and subsequently are re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivative instruments are presented according to their maturity date, regardless of whether they qualify for hedge accounting under IFRS 9 (hedging instruments versus trading instruments). Derivatives are classified as a separate line item in the consolidated statement of financial position.

As part of its overall foreign exchange and interest rate risk management policy, the Group enters into various hedging transactions involving derivative instruments.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

In connection with the Group's hedging policy, the Group uses forward exchange contracts for currency risk management as well as foreign exchange options.

The Group also hedges particular risks associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges). Notably, the Group uses interest rate swap contracts for interest rate risk management in order to hedge certain forecasted transactions and to manage its anticipated cash payments under its variable rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap agreements, and a cross currency swap contract for both currency and interest rate risk management.

The Group can also hedge specific risks identified such as exposure to energy spot price for example in the case of the CHP Mexico fixed margin swap which protects certain power purchase agreements against variations in the CFE tariffs.

Items qualifying as hedges
The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions and the method used to assess hedge effectiveness. Hedging transactions are expected to be highly effective in achieving offsetting changes in cash flows and are regularly assessed to determine that they actually have been highly effective throughout the financial reporting periods for which they are implemented.

When derivative instruments qualify as hedges for accounting purposes, as defined in IFRS 9 "Financial instruments", they are accounted for as follows:

(a) Cash flow hedges that qualify for hedge accounting

- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity and through the consolidated statement of other comprehensive income ("OCI"). The gain or loss relating to the ineffective portion is recognized immediately within the consolidated statement of income. Amounts recognized directly in OCI are reclassified to the consolidated statement of income when the hedged transaction affects the consolidated statement of income.
- If a forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in OCI are reclassified to the consolidated statement of income as finance income or finance costs.

If a hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in OCI remain in accumulated OCI until the forecast transaction or firm commitment occurs, at which point they are reclassified to the consolidated statement of income.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in realized and unrealized foreign exchange (losses) and gains and change in fair value of derivatives.

In connection with the Group's hedging policy, the Group uses forward exchange contracts for currency risk management as well as foreign exchange options, interest rate swap contracts for interest rate risk management in order to hedge certain forecasted transactions and to manage its anticipated cash payments under its variable rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap agreements, and a cross currency swap contract for both currency and interest rate risk management.

Inventories

Inventories consist primarily of power generating plant fuel, non-critical spare parts that are held by the Group for its own use and Emission quotas (see below). Inventories are stated at the lower of cost, using a first-in, first-out method, and net realizable value, which is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Emission quotas

Some companies of the Group emit CO_2 and have as a result obligations to buy emission quotas on the basis of local legislation. The emissions made by the companies emitting CO_2 which are in excess of any allocated quotas are purchased at free market price and shown as inventories before their effective use. If emissions are higher than allocated quotas, the companies recognizes an expense and respective liability for those emissions at prevailing market value. At the end of each reporting period, CO_2 quotas that remain available to the companies are revalued at the lower of costs or prevailing market value.

The Group presents the quotas in Inventory which reflects the fact that the cost to purchase the quotas is part of the production cost and linked to the production output rather than the plant itself. The quotas directly contribute to revenue as the cost of quotas is billed on to the customer as a pass-through cost. The Group expects to realize the asset within twelve months after the year end.

Trade receivables

Trade receivables are recognized initially at fair value, which is usually the invoiced amount, and subsequently carried at amortized cost using the effective interest method, less provision for impairment. Details about the Group's impairment policies on financial assets and the calculation of the provision for impairment are provided on note 4.10.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions and short-term investments, all of which are readily convertible to cash and are subject to insignificant risk of changes in value and have an original maturity of three months or less. Bank overdrafts are included within current borrowings. Cash and cash equivalents also includes cash deposited on accounts to cover for short-term debt service of certain project financings and which can be drawn for short term related needs. Money market funds comprise investment in funds that are subject to an insignificant risk of changes in fair value.

Maintenance reserves held for the purpose of covering long-term major maintenance and long-term deposits kept as collateral to cover decommissioning obligations are excluded from cash and cash equivalents and included in non-current assets.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The premium received on the issue of shares in excess of the nominal value of shares is credited to the share premium account and included within shareholders' equity.

Treasury shares

At year end, the Group's treasury shares are included under "Treasury shares" in the consolidated statement of financial position and are measured at acquisition cost.

The gains and losses obtained on disposal of treasury shares are recognized in "Other reserves" in the consolidated statement of financial position. There has been no disposal of treasury shares during the years ended 31 December 2020 and 2019.

The Group buys and sells treasury shares in accordance with the prevailing law and the resolutions of the General Shareholders' Meeting. Such transactions include sale and purchase of company shares.

Financial liabilities

(a) Borrowings

Borrowings are recognized initially at fair value of amounts received, net of transaction costs. Borrowings are subsequently measured at amortized cost using the effective interest method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(b) Trade and other payables

Financial liabilities within trade and other payables are initially recognized at fair value, which is usually the invoiced amount, and subsequently carried at amortized cost using the effective interest method.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Unless otherwise stated, carrying value approximates to fair value for all financial liabilities.

Provisions

Provisions principally relate to decommissioning, maintenance, environmental, tax and legal obligations and which are recognized when there is a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are re-measured at each statement of financial position date and adjusted to reflect the current best estimate. Any change in present value of the estimated expenditure attributable to changes in the estimates of the cash flow or the current estimate of the discount rate used are reflected as an adjustment to the provision. The increase in the provisions due to passage of time are recognized as finance costs in the consolidated statement of income.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not recognized if it 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Restatements

The prior year comparatives have been restated in the consolidated statement of financial position and the relevant notes as follows:

(a) Trade and other receivables have been further disaggregated into trade and other receivables and current income tax assets. The total current assets remain unchanged.

(b) Financial and contract assets have been disaggregated into financial and contract assets non-current and financial and contract assets current. The financial and contract assets current was $22.0 million as at 1 January 2019.

(c) In accordance with IFRS 3 Business Combinations, the measurement period adjustments identified prior to November 25, 2020 and resulting in changes to the fair value of assets and liabilities acquired in Mexico, have also been reflected in the prior year balance sheet. Total equity and non-controlling interests has not changed as a result of this restatement. See note 3.2 for further details.

(d) The fair value of the CHP Mexico fixed margin swap was presented in Other non-current liabilities as of December 31, 2019 for a total amount of $82.8 million. In 2020, the Group has re-reviewed the terms of the instruments and determined that they should be classified as derivatives and not as other liabilities. The fair value of the CHP Mexico fixed margin swap was reclassified in December 31, 2019 from "other financial liabilities at amortized cost" to "liabilities at fair value through profit and loss".

(e) Debt to Maritsa non-controlling interests presented in other non-current liabilities was reclassified in December 31, 2019 from "liabilities at fair value through profit and loss" to "other financial liabilities at amortized cost" reflecting the correct and applied accounting treatment for the instrument.

2.4 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in line with the Group's accounting policies set out in note 2.3 involves the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience, and are regularly reviewed and revised as necessary. Actual results may differ from the amounts included in the consolidated financial statements. The estimates and judgments that have the most significant effect on the carrying amounts of assets and liabilities are presented below.

Critical accounting judgments

Accounting for long-term power purchase agreements and related revenue recognition

When power plants sell their output under long-term power purchase agreements ("PPA"), it is usual for the operator of the power plant to receive payment (known as a capacity payment) for the provision of electrical capacity whether or not the offtaker requests electrical output. In assessing the accounting for the PPA, there may be a degree of judgement as to whether a long-term contract to sell electrical capacity constitutes a service concession arrangement, a form of lease, or a service contract. This determination is made at the inception of the PPA, and is not required to be revisited in subsequent periods under IFRS, unless the agreement is renegotiated.

Given that the fulfilment of the PPAs is dependent on the use of a specified asset, the key judgement in determining if the PPA contains a lease is the assessment of whether the PPA conveys a right for the offtaker to obtain substantially all the power output from the asset and whether the offtaker has the right to direct the use of the asset throughout the period of use.

In assessing whether the PPA contains a service concession, the Group considers whether the arrangement (i) bears a public service obligation; (ii) has prices that are regulated by the offtaker; and (iii) the residual interest is transferred to the offtaker at an agreed value.

All other PPAs are determined to be service contracts.

Concession arrangements – For those agreements which are determined to be a concession arrangement, there are judgements as to whether the infrastructure should be accounted for as an intangible asset or a financial asset depending on the nature of the payment entitlements established in the agreement.

Concession arrangements determined to be a financial asset – The Group recognizes a financial asset when demand risk is assumed by the grantor, to the extent that the contracted concession holder has an unconditional right to receive payments for the asset. The asset is recognized at the fair value of the construction services provided. The fair value is based on input assumptions such as budgets and cash flow forecasts, future costs include maintenance costs which impact the overall calculation of the estimated margin of the project. The inputs include in particular the budget for fixed and variable costs. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in reducing the value of the asset. The financial asset is subsequently recorded at amortized cost calculated according to the effective interest rate method. Revenue for operating and managing the asset is recorded as revenue in each period.

Leases – For those arrangements determined to be or to contain leases, further judgement is required to determine whether the arrangement is finance or operating lease. This assessment requires an evaluation of where the substantial risks and rewards of ownership reside, for example due to the existence of a bargain purchase option that would allow the offtaker to buy the asset at the end of the arrangement for a minimal price. Judgement has been applied based on the significance of the life of the asset remaining and the remaining net book value of the asset at the end of the lease term.

Assessing property, plant and equipment and intangible assets for impairment triggers

The Group's property, plant and equipment and intangible assets are reviewed for indications of impairment (an impairment "trigger"). Judgement is applied in determining whether an impairment trigger has occurred, based on both internal and external sources. External sources may include: market value declines, negative changes in technology, markets, economy, impact of climate changes or laws. Internal sources may include: obsolescence or physical damage, or worse economic performance than expected, including from adverse weather conditions for renewable plants.

The Group considers the end date of the power purchase agreements as part of the analysis and assesses if the market conditions are significantly adverse such that the expiry of the power purchase agreement indicates an impairment trigger. The Group has notably considered the ending date of the PPAs in Arrubal and Maritsa ending in July 2021 and February 2024 respectively and concluded that they do not constitute an impairment indicator considering the current economic conditions in their respective market.

In the current year, impairment triggers were noted for Brazilian wind power plants (see note 4.10).

Provisions for claims

The Group receives legal or contractual claims against it from time to time, in the normal course of business. The Group considers external and internal legal counsel opinions in order to assess the likelihood of loss and to define the defense strategy. Judgements are made as to the potential likelihood of any claim succeeding when making a provision or disclosing a contingent liability. The timeframe for resolving legal or contractual claims may be judgmental, as is the amount of possible outflow of economic benefits.

The main judgments are related to the litigations disclosed in the Note 4.32 Contingent liability, such as the Kivuwatt arbitration, and those disclosed below related to Mexico and Kosovo.

Functional currency of the assets

The Group operates in different countries and performs an analysis of the functional currency of each operating asset considering the IAS21 standard requirements. In some countries, the functional currency of the operating asset may differ from the local currency when the primary indicators (such as sales and cash inflows and expenses and cash outflows) are influenced by a currency which is not the local currency. For example, this is the case of the Peru, Rwanda and the CHP Mexico assets that have a USD functional currency despite being located in such countries due to USD being the currency that influences prices in the local market.

Cash generating units ("CGUs")

A cash generating unit ("CGU") is defined as the asset or smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In the case of Solar and Wind assets, typically a group of assets at a country level using shared technology is identified as a CGU.

Judgments are made in allocating each reporting unit (which generally correspond to power plants) or group of reporting units to CGUs. The Group notably consider that the assessment of the independence of cash flows involves consideration of the business transactions or financing relationship between the reporting units, or how management makes decisions about continuing or disposing of the entity's assets and operations.

The definition of the CGU is critical for the purpose of assessing impairment indicators and performing impairment testing.

Regulatory changes in Mexico

Change in wheeling charges

During June 2020 the government in Mexico announced certain changes to the legado regime which would result in significant increases to wheeling fees. The Company filed an Amparo lawsuit against these changes, claiming the increases to be unconstitutional, and received an injunction suspending the application of these higher wheeling fees until final judgement (expected in 2021). Under the majority of the current PPAs in place, these increased charges would be passed through to offtakers, however, if the final judgement approves these changes to legado rights, such increases in charges would impact the cash flows generated in Mexico at the time these PPAs are renewed. The Company analyzed these potential changes to the legado rights, and, based on an external legal opinion that confirmed the changes as unconstitutional and therefore unlikely to be sustained, concluded that those changes do not constitute an indication of impairment (impairment "trigger") as per IAS 36 as of December 31, 2020. The Group will continue to monitor future changes in regulation in Mexico and the potential impact on its operations.

Amendment to permit modification

On October 2020, CRE (Energy Regulatory Commission) issued a new resolution amending the general administrative rules to modify and transfer the "Legado" Permits. This amendment included additional restrictions on including new Offtakers in the "Legado" Permits. The Resolution 1094 is expected to be used by CRE to reject the permit modifications required for expanding the Off-takers and the load points in the "Legado Permits". The Company filed an Amparo against these changes, claiming them to be unconstitutional. This new resolution could generate a delay in the interconnections expected in 2021 which would adversely impact revenue and profits. Management's judgement is that these interconnections will be completed by mid-2021.

Kosovo e Re project arbitration

On 24 May 2020, ContourGlobal Kosovo LLC ("CG Kosovo"), a wholly-owned subsidiary within the ContourGlobal Group, sent a notice of termination to the government of Kosovo (represented by the Ministry of Economy and Environment of the government of Kosovo) (the "GoK") and other publicly owned entities, namely Kosovo Energy Corporation, J.S.C., New Kosovo Electric Company J.S.C., HPE Ibër-Lepenc, J.S.C. and Operator Sistemi, Transmission Dhe Tregu – KOSTT, SH.A., under various project documents entered into with each of those entities in respect of a project whereby CG was to build a coal-fired power plant in Kosovo. The notice of termination was sent as a result of the failure of the above-mentioned entities to meet certain obligations and conditions precedent under such project documents, which prevented the project from meeting certain required milestones by its scheduled closing date and therefore meant the project could not go forward.

On 25 September 2020, CG Kosovo sent a formal written notice of dispute under the project documents seeking recovery of recovery of costs incurred to date, as anticipated and set out in the project contract document and capped a €19.7 million ($22.1 million) plus interest for late payment, to which CG Kosovo is entitled where the termination of the project is attributable to failures by GoK and/or the relevant publicly owned entities. On 19 November 2020, CG Kosovo filed a request for arbitration with ICSID. The arbitration proceedings are not expected to conclude before the end of 2021.

As of 31 December 2019, the €19.7 million ($24.0 million) in recoverable development costs were presented as Property, plant and equipment. No additional costs have been capitalized during the year ended 31 December 2020. During 2020, given the termination of the project agreements, the €19.7 million ($24 million) recoverable development costs have been derecognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement in line with IFRS 15, which is presented in Other non-current assets. The derecognition of PPE and subsequent recognition of revenue from the contract asset is disclosed net within the consolidated statement of income.

The recovery of this asset is likely to depend on the outcome of the arbitration proceedings and so is subject to some degree of judgement. The Group believes it will be able to demonstrate that the project failed to close for reasons attributable to the GoK and/or the relevant publicly owned companies, which is the key judgement that supports the recognition of the asset.

Critical accounting estimates

Estimation of useful lives of property, plant and equipment

Property, plant and equipment represents a significant proportion of the asset base of the Group, primarily due to power plants owned, being 55.3% (2019: 64.3%) of the Group's total assets. Estimates and assumptions made to determine their carrying value and related depreciation are significant to the Group's financial position and performance. The annual depreciation charge is determined after estimating an asset's expected useful life and its residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The Group derives useful economic lives based on experience of similar assets, including use of third party experts at the time of acquisition of assets, and these lives may exceed the period covered by contracted power purchase agreements. Emerging governmental policies relating to climate change are also considered when reviewing the appropriateness of useful economic lives. A decrease in the average useful life by one year in power plant assets would result in a decrease in the net book value by $13.8 million (2019: $10.8 million).

Recoverable amount of property, plant and equipment and intangible assets

Where an impairment trigger has been identified (see critical accounting judgements section), the Group makes significant estimates in its impairment evaluations of property, plant and equipment and intangible assets. The determination of the recoverable amount is typically the most judgmental part of an impairment evaluation. The recoverable amount is the higher of (i) an asset's fair value less costs of disposal (market value), and (ii) value in use determined using estimates of discounted future net cash flows ("DCF") of the asset or group of assets to which it belongs.

Management applies considerable judgment in selecting several input assumptions in its DCF models, including discount rates and capacity / availability factors. These assumptions are consistent with the Group's internal budgets and forecasts for such valuations. Examples of the input assumptions that budgets and cash-flow forecasts are sensitive to include macroeconomic factors such as growth rates, inflation, exchange rates, and, in the case of renewables plants, environmental factors such as wind, solar and water resource forecast. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairing the tested assets. See note 4.10 for further information on the impairment tests performed, and relevant sensitivity analysis.

Fair value of assets acquired and liabilities assumed in a business combination

Business combinations are recorded in accordance with IFRS 3 using the acquisition method. The Group estimates the excess purchase price in accordance with IFRS3 as the difference of the consideration paid for the acquisition (including potential contingent consideration) and the net asset of the target company at the acquisition date.

Under this method, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date.

Therefore, through a number of different approaches and with the assistance of external independent valuation experts for acquisitions as considered appropriate by management, the Group identifies what it believes is the fair value of the assets acquired and liabilities assumed at the acquisition date. These valuations involve the use of judgement and include a number of estimates. Judgement is exercised in identifying the most appropriate valuation approach which is then used to determine the allocation of fair value. The group typically uses one of the cost approach, the income approach and the market approach.

Judgement is as well exercised in identifying intangible assets, separately from the power purchase agreements and property plant and equipment.

Each of these valuation approaches involve the use of estimates in a number of areas, including the determination of cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions. While the Group believes that the estimates and assumptions underlying the valuation methodologies are reasonable, different assumptions could result in different fair values.

Fixed margin swap

Certain estimates are made in relation to the valuation of the fixed margin swap agreements held by CHP Mexico which protect certain power purchase agreements against variations in the CFE tariffs. The valuation of this derivative is based on a number of datapoints, which includes both factual inputs and estimates. Refer to note 4.15 for sensitivity analysis of this instrument.

3 Significant changes in the reporting period
3.1 2020 transactions

Corporate bond

See note 4.24 Borrowings for a description of the two new Corporate bond issued on December 17, 2020.

Acquisition in the United States of America and Trinidad and Tobago

On December 7th, 2020, the Group entered into an agreement to acquire a 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The consideration for the Acquired Assets is $837.0 million on a debt free, cash free basis. The Group will assume approximately $207.3 million of existing project net debt with the Acquired Assets. The closing of the transaction was on February 18, 2021. Preliminary determination of fair value of assets acquired and liabilities assumed as at acquisition date is underway and will be disclosed in the first half of 2021 as disclosure is impracticable at this time due to the limited amount of time between closing the acquisition and the financial statements being finalized.

3.2 2019 transactions

Sale of non-controlling interest which did not result in a change of control

Spanish CSP portfolio

In December 2018, the Group signed an agreement to sell 49% minority interest of the Spanish CSP portfolio with Credit Suisse Energy Infrastructure Partners for an amount of €134.2 million ($150.5 million). The sale closed on 20 May 2019 and the cash received amounted to €128.4 million or $144.0 million (net of €5.8 million or $6.5 million pre-closing distribution), €51.0 million ($57.1 million) was for the sale of shares and €77.4 million ($86.9 million) was for the sale of existing shareholder loans.

In line with IFRS 10 “Consolidated financial statements”, this transaction is considered as an equity transaction as it does not result in a loss of control. Therefore, the net cash gain on sale of these assets, which represented an amount of €46.3 million or $51.9 million, was recorded as an increase in the equity attributable to owners of the parent, and reflected in Adjusted EBITDA as a gain in the year ended December 31, 2019. It corresponds to the difference between the consideration received for the sale of shares (€51.0 million or $57.1 million) and of the carrying amount of non-controlling interest sold (€4.7 million or $5.2 million).

Solar portfolio acquisition – Italy

In February 2019, the Group entered into an agreement for the acquisition of Interporto, a 12.4 MW Solar Photovoltaic portfolio in northern Italy.

This transaction closed on June 11, 2019. The total consideration amounted to €28.3 million ($32.0 million) including €21.1 million ($23.9 million) for the acquisition of 100% of the shares and €7.2 million (or $8.1 million) for the repayment of shareholders loans.

The Group and Credit Suisse Energy Infrastructure Partners have a 51% and a 49% interest in the shares of the acquired entity respectively, and have paid their share of the consideration.

On a consolidated basis, had these acquisitions taken place as of 1st January 2019, the Group would have recognized 2019 consolidated revenue of $1,331.1 million and consolidated net profit of $25.5 million.

Determination of fair value of assets acquired and liabilities assumed as at acquisition date is as follows. This was finalized in the prior year and has not been subject to any adjustment.

In $ millions	Solar portfolio
Intangible assets	–
Property, plant and equipment	53.7
Other assets	4.6
Cash and cash equivalents	4.9
Total assets	**63.2**
Borrowings	22.1
Other liabilities	17.3
Total liabilities	**39.4**
Total net identifiable assets	**23.9**
Net purchase consideration	**23.9**
Goodwill	–

From the acquisition date to 31st December 2019, this acquisition contributed to consolidated revenue and net result of $3.5 million and $0.2 million respectively.

Acquisition of two CHP plants in Mexico

On 6th January 2019, the Group signed an agreement to acquire two natural gas-fired combined heat and power ('CHP') plants, together with development rights and permits for a third plant, in Mexico from Alpek. The CHP plants have a gross installed capacity of 518 MW. The transaction closed on 25 November 2019.

The total consideration amounted to $814.5 million, including $232.0 million for the shares and $582.5 million for the plants net assets.

Since December 31, 2019 the final working capital adjustment has been reduced by $1.5 million impacting the total consideration by the same amount and the preliminary determination of the fair value of assets has been updated accordingly.

On a consolidated basis, had these acquisitions taken place as of 1st January 2019, the Group would have recognized 2019 consolidated revenue of $1,568.9 million and consolidated net profit of $52.4 million.

Updated determination of fair value of assets acquired and liabilities assumed at acquisition date are:

	Mexican CHP		
In $ millions	**Preliminary**	**Update**	**Final**
Intangible assets	247.2	–	247.2
Property, plant and equipment	661.4	(37.5)	623.9
Other assets	134.7	–	134.7
Cash and cash equivalents	16.5	–	16.5
Total assets	**1,059.8**	**(37.5)**	**1,022.3**
Deferred tax liabilities	136.4	(36.0)	100.4
Accounts payables	582.5	–	582.5
Other liabilities	107.5	–	107.5
Total liabilities	**826.4**	**(36.0)**	**790.4**
Total net identifiable assets	**233.4**	**(1.5)**	**231.9**
Net purchase consideration	**233.4**	**(1.5)**	**231.9**
Goodwill	–	–	–

Since December 31, 2019, the Group has completed the purchase price allocation and updated the fair value of the assets acquired and liabilities assumed leading to the following adjustments:

- Deferred tax liabilities have been reduced by $24.8 million due to the recognition of future tax benefits in respect of the $82.8 million fixed margin liabilities following the conclusion of work undertaken by the group's tax advisors that has confirmed that this liability is deductible under Mexican tax rules.
- The book value of the PP&E was reduced by $37.5 million and the corresponding deferred tax liability by $11.2 million, following a final external valuation of the fair value of assets and liabilities acquired. The resulting impact on depreciation was immaterial.

Due to these measurement period adjustments, in line with IFRS 3 Business Combinations it has been necessary to present a restated 2019 balance sheet and related notes to the accounts for those balances affected.

After consideration of those measurement period adjustments, the updated fair value of assets acquired and liabilities assumed at acquisition date as of December 31, 2020 notably includes the following adjustments that have been recognized following an external independent valuation:

- An intangible asset of $232.5 million representing the fair value of the Legado rights based on an income approach based method.
- An increase to the book value of the PP&E of $157.2 million to reflect the fair value of these assets at acquisition based on an income approach method.

In finalizing the purchase price allocation, management applied certain estimates in calculating the fair value of net assets acquired, including the rate used to discount future cash flows in calculating the value of intangible assets and PP&E. A 1% increase in the discount rate used in the valuation of the Legado rights would result in a $22.6 million decrease in the fair value of the intangible asset and a 1% increase in the discount rate used in the valuation of the property, plant and equipment would result in a $41.1 million decrease in property, plant and equipment.

From the acquisition date to 31 December 2019, this acquisition contributed to consolidated revenue and net loss of $23.4 million and $11.3 million respectively.

4. Notes to the consolidated financial statements

4.1 Segment reporting

The Group's reportable segments are the operating segments overseen by distinct segment managers responsible for their performance with no aggregation of operating segments.

Thermal Energy for power generating plants operating from coal, lignite, natural gas, fuel oil and diesel. Thermal plants include Maritsa, Arrubal, Togo, Cap des Biches, KivuWatt, Energies Antilles, Energies Saint-Martin, Bonaire, Mexican CHP and our equity investees (primarily Termoemcali and Sochagota). Our thermal segment also includes plants which provide electricity and certain other services to beverage bottling companies and other industries.

Renewable Energy for power generating plants operating from renewable resources such as wind, solar and hydro in Europe and Latin America. Renewables plants include Asa Branca, Chapada I, II, III, Inka, Vorotan, Austria Portfolio 1 & 2, Spanish Concentrated Solar Power and our other European and Brazilian plants.

The Corporate & Other category primarily reflects costs for certain centralized functions including executive oversight, corporate treasury and accounting, legal, compliance, human resources, IT and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The Group's reporting segments reflect the operating segments which are based on the organizational structure and financial information provided to the Chief Executive Officer, who represents the chief operating decision-maker ("CODM").

The CODM assesses the performance of the operating segments based on Adjusted EBITDA which is defined as profit for the year from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition related expenses, plus net cash gain or loss on sell down transactions (in addition to the entire full year profit from continuing operations for the business the sell down transaction relates to) and specific items which have been identified and material items where the accounting diverges from the cash flow and therefore does not reflect the ability of the assets to generate stable and predictable cash flows in a given period, less the Group's share of profit from non-consolidated entities accounted for on the equity method, plus the Group's prorata portion of Adjusted EBITDA for such entities. In determining whether an event or transaction is adjusted, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

The Group as well presents the Proportionate Adjusted EBITDA which is the Adjusted EBITDA calculated on a proportionally consolidated basis based on applicable ownership percentage. The Proportionate Adjusted EBITDA as well includes the net cash gain or loss on sell down transactions as well as the underlying profit from continuing operations for the business in which the minority interest sale relates to reflecting applicable ownership percentage going forward from the date of completion of the sale of a minority interest.

The Group considers that the presentation of Adjusted EBITDA and Proportionate Adjusted EBITDA enhances the understanding of ContourGlobal's financial performance, in regards to understanding its ability to generate stable and predictable cash flows from operations. The cash gain on sell down is also included to demonstrate the ability of the Group to sell down assets at a significant premium, which is a distinct activity from operational performance of the power plants. The Group also believes Adjusted EBITDA is useful to investors because it is frequently used by security analysts, investors, ratings agencies and other interested parties to evaluate other companies in our industry and to measure the ability of companies to service their debt.

The Chief Operating Decision-Maker does not review nor is presented a segment measure of total assets and total liabilities.

All revenue is derived from external customers.

Geographical information

The Group also presents revenue in each of the geographical areas in which it operates as follows:

- Europe (including our operations in Austria, Armenia, Northern Ireland, Italy, Romania, Poland, Bulgaria, Slovakia, Spain and Ukraine)
- Latin America which includes South America (including Brazil, Peru, Colombia), Mexico and Caribbean Islands (including Dutch Antilles and French Territory)
- Africa (including Nigeria, Togo, Senegal and Rwanda)

	Years ended December 31	
In $ millions	**2020**	**2019**
Revenue		
Thermal Energy	963.3	859.7
Renewable Energy	447.4	470.6
Total revenue	**1,410.7**	**1,330.2**
Adjusted EBITDA		
Thermal Energy	420.9	335.9
Renewable Energy	332.0	397.0
Corporate & Other [(1)]	(30.9)	(30.2)
Total adjusted EBITDA	**722.0**	**702.7**
Proportionate adjusted EBITDA	**568.7**	**561.6**
Non-controlling interests (note 4.23)	153.3	141.1
Total adjusted EBITDA	**722.0**	**702.7**
Reconciliation to profit before income tax		
Depreciation, amortization and impairment (note 4.3)	(311.6)	(282.3)
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives (note 4.6)	(247.8)	(243.8)
Share of adjusted EBITDA in associates [(2)]	(19.9)	(21.7)
Share of profit in associates (note 4.12)	12.3	11.1
Acquisition related items (note 4.5)	(20.2)	(23.2)
Cash gain on sale of minority interest in assets [(3)]	–	(46.1)
Restructuring costs (note 4.27) [(4)]	(5.2)	–
Private incentive plan [(5)]	(6.6)	(9.1)
Mexico CHP fixed margin swap [(6)]	(15.6)	–
Change in finance lease and financial concession assets [(7)]	(31.7)	(26.4)
Other	(3.4)	(1.7)
Profit before income tax	**72.3**	**59.4**

(1) Corporate costs correspond to selling, general and administrative expenses before depreciation and amortization of $5.3 million (December 31, 2019: $4.6 million).

(2) Corresponds to our share of Adjusted EBITDA of plants accounted for under the equity method (Sochagota and Termoemcali) which are reviewed by our CODM as part of our Thermal Energy segment.

(3) Represents in 2019 the cash gain on the divestment of 49% stake of our CSP Portfolio in Spain and the adjustment to the earnout calculation on the divestment of 49% stake of our Italian and Slovakian solar portfolio.

(4) Represents redundancy and staff-related restructuring costs.

(5) Represents the private incentive plan as described in note 4.27 share-based compensation plan of the annual accounts.

(6) Reflects an adjustment to align the recognized earnings with the cash flows generated under the CHP Mexico fixed margin swap during the year ($15.6 million) as presented in the consolidated statement of cash flow as “Change in CHP Mexico fixed margin swap”.

(7) Reflects an adjustment to align the recognized earnings with the cash flows generated under finance lease and financial concession arrangements ($31.7 million in December 31, 2020 and $26.4 million in December 31, 2019) which is presented in the consolidated statement of cash flow as “Change in finance lease and financial concession assets”. This was previously presented within Other.

Cash outflows on capital expenditure

In $ millions	Years ended December 31 2020	2019
Thermal Energy	27.2	48.9
Renewable Energy	47.4	49.6
Corporate & Other	2.4	3.6
Total capital expenditure	**77.0**	102.1

Geographical information

The geographical analysis of revenue, based on the country of origin in which the Group's operations are located, and Adjusted EBITDA is as follows:

In $ millions	Years ended December 31 2020	2019
Europe [1]	840.9	899.6
Latin America [2]	444.5	290.1
Africa	125.3	140.5
Total revenue	**1,410.7**	1,330.2

(1) Revenue generated in 2020 in Bulgaria and Spain amounted to $406.3 million and $296.9 million respectively (December 31, 2019: $403.0 million and $351.5 million respectively).

(2) Revenue generated in 2020 in Brazil and Mexico amounted to $142.0 million and $211.5 million respectively (December 31, 2019: $164.3 million and $23.4 million respectively).

In $ millions	Years ended December 31 2020	2019
Europe [1]	402.5	454.6
Latin America [2]	273.2	199.4
Africa	77.2	78.9
Corporate & Other	(30.9)	(30.2)
Total adjusted EBITDA	**722.0**	**702.7**

(1) Adjusted EBITDA generated in 2020 in Bulgaria and Spain amounted to $121.6 million and $189.0 million respectively (December 31, 2019: $120.4 million and $193.9 million respectively). Adjusted EBITDA generated from Spain CSP sell down transaction in 2019 of $51.9 million is recorded within an intermediate holding company in Luxembourg.

(2) Adjusted EBITDA generated in 2020 in Brazil and Mexico amounted to $94.7 million and $104.9 million respectively (December 31, 2019: $118.4 million and $10.2 million respectively).

The geographic analysis of non-current assets, excluding derivative financial instruments and deferred tax assets, based on the location of the assets, which are not presented to the CODM, is as follows:

In $ millions	Years ended December 31 2020	2019
Europe	2,151.1	2,148.9
Latin America	1,761.6	2,028.0
Africa	405.4	414.1
Total non-current assets	**4,318.1**	**4,591.0**

4.2 Revenue

In $ millions	Years ended 31st December 2020	2019
Revenue from power sales	1,191.4	1,078.8
Revenue from operating leases [1]	85.6	108.5
Revenue from concession and finance lease assets [2]	34.6	38.0
Other revenue [3]	99.1	104.9
Total revenue	**1,410.7**	1,330.2

Revenue from power sales and other revenue are recognized under IFRS 15 and total $1,290.5 million in December 31, 2020 (December 31, 2019: $1,183.7 million). Revenue from operating leases and revenue from concession and finance lease assets are recognized under IFRS 16 and IFRIC 12 respectively.

(1) Revenue from operating leases mainly includes $43.2 million relating to our Solutions plants, $25.9 million relating to our Bonaire plant and $16.6 million relating to our Energie Antilles plant in December 31, 2020 (December 31, 2019: $50.9 million, $26.1 million and $31.5 million respectively)

(2) Some of our main plants are operating under specific arrangements for which certain other accounting principles are applied as follows:

- Our Togo, Rwanda (Kivuwatt) and Senegal (Cap des Biches) plants are operating pursuant to concession agreements that are under the scope of IFRIC 12.
- Our Energies Saint Martin plant is operating pursuant to power purchase agreements that are considered to contain a finance lease

(3) Other revenue primarily relates to environmental, operational and maintenance services rendered to offtakers in our Bulgaria, Togo, Rwanda and Senegal power plants and CO2 quota recharges to customers.

The Group has two customers contributing more than 10% of Group's revenue (2019: two customers).

	Years ended December 31 2020	2019
Customer A	28.8%	30.3%
Customer B	9.8%	10.7%

4.3 Expenses by nature

In $ millions	Years ended 31st December 2020	2019
Fuel costs	270.2	227.0
Depreciation, amortization and impairment	311.6	282.3
Operation and maintenance costs	77.7	74.7
Employee costs	88.7	83.8
Emission allowance utilized [1]	153.7	151.2
Professional fees	19.1	19.7
Purchased power	29.6	52.5
Transmission charges	33.2	27.5
Operating consumables and supplies	24.4	22.4
Insurance costs	23.7	20.3
Other expenses [2]	38.4	46.6
Total cost of sales and selling, general and administrative expenses	**1,070.3**	1,008.0

(1) Emission allowances utilized corresponds mainly to the costs of CO2 quotas in Maritsa which are passed through to its offtaker, and includes any write-downs to net realizable value.

(2) Other expenses include facility costs of $12.7 million in December 31, 2020 (December 31, 2019: $13.2 million). In the current year, other expenses have been further disaggregated into transmission charges and operating consumables and supplies.

Variable lease payments amounts to $0.8 million in December 31, 2020 ($0.2 million in December 31, 2019). The future cash outflows due to variable lease payments to which the group is potentially exposed are estimated at $12 million over the next fifteen years, and are mainly related to our Brazilian wind farms.

	Years ended 31st December	
In $ millions	**2020**	**2019**
Private Incentive Plan [(1)]	6.6	9.1
Restructuring costs [(2)]	5.2	0.1
Other	7.9	5.1
Total other operating expenses	**19.7**	**14.3**

(1) Represents the private incentive plan as described in note 4.27 share-based compensation plan of the annual accounts.

(2) Represents redundancy and staff-related restructuring costs.

4.4 Employee costs and numbers

	Years ended December 31	
In $ millions	**2020**	**2019**
Wages and salaries	(67.8)	(63.0)
Social security costs	(14.1)	(13.5)
Share-based payments [(1)]	(1.9)	(1.3)
Pension and other post-retirement benefit costs	(0.9)	(0.7)
Other	(4.0)	(5.2)
Total employee costs before private incentive plan	**(88.7)**	**(83.8)**
Private incentive plan [(1)]	(6.6)	(9.1)
Total employee costs	**(95.3)**	**(92.9)**
Monthly average number of full-time equivalent employees	1,435	1,431
– Thermal	822	824
– Renewable	425	411
– Corporate	**188**	**196**

(1) See note 4.27 Share-based compensation plans for a description of the private incentive plan and long term incentive plan.

4.5 Acquisition related items

	Years ended December 31,	
In $ millions	**2020**	**2019**
Acquisition costs [(1)]	(20.2)	(20.9)
Earn-out [(2)]	–	(2.3)
Acquisition related items	**(20.2)**	**(23.2)**

(1) Acquisition costs include notably pre-acquisition costs such as due diligence costs and professional fees and other related incremental costs incurred as part of completed acquisitions or contemplated acquisitions. In 2020, costs incurred primarily related to a contemplated acquisition in the United States (subsequently completed on February 18). In 2019, costs incurred primarily related to completed acquisition of CHP assets in Mexico.

(2) Earn-out related to adjustments to previously estimated earn-outs.

4.6 Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives

In $ millions	Years ended December 31, 2020	2019
Finance income	**4.4**	**11.2**
Net change in fair value of fixed margin derivative [(1)]	56.1	–
Net change in fair value of other derivatives [(2)]	14.4	(13.4)
Net realized foreign exchange differences [(3)]	(33.3)	7.0
Net unrealized foreign exchange differences [(3)]	(26.5)	(3.6)
Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives	**10.7**	**(10.1)**
Interest expenses on borrowings	(195.0)	(188.8)
Amortization of deferred financing costs	(13.2)	(12.5)
Unwinding of discounting [(4)]	(15.9)	(15.9)
Other [(5)]	(38.8)	(27.8)
Finance costs	**(262.9)**	**(244.9)**
Net finance costs, foreign exchange gains and losses, and changes in fair value of derivatives	**(247.8)**	**(243.8)**

(1) Net change in fair value of derivative related to the CHP Mexico fixed margin liability.

(2) The Group recognized a profit of $5.6 million in the twelve months ended December 31, 2020 in relation to its interest rate, cross currency, financial swaps, options, foreign exchange options and forward contracts (December 31, 2019: loss of $0.4 million) and a profit of $8.8 million in the twelve months ended December 31, 2020 in relation with settled positions (December 31, 2019: loss of $13.0 million). Change in fair value of derivatives relates primarily to interest rate swaps, options and forward contracts.

(3) Net realized foreign exchange differences include realized foreign exchange gains and losses related to conversion of foreign currency denominated cash balances recorded as fair value through profit or loss. Unrealized foreign exchange differences primarily relate to subsidiaries and loans in subsidiaries that have a functional currency different to the currency in which the loans are denominated.

(4) Unwinding of discounting mainly effects related to Maritsa debt to non-controlling interests and other long-term liabilities in the twelve months ended December 31, 2020 and 2019.

(5) Other mainly includes costs associated with other financing, finance costs of leases, as well as income and expenses related to interests and penalties for late payments.

4.7 Income tax expense and deferred income tax

Income tax expense

In $ millions	Years ended December 31, 2020	2019
Current tax		
– *current tax expense of the year*	(33.7)	(32.2)
– *prior year adjustment*	*0.9*	(1.7)
Total current tax expense	**(32.8)**	**(33.9)**
Deferred tax		
– *deferred tax expense of the year*	(17.9)	(8.0)
– *prior year adjustment*	7.0	5.6
Total Deferred tax expense	**(10.9)**	**(2.4)**
Income tax expense	**(43.7)**	**(36.3)**

The main jurisdictions contributing to the income tax expense for the year ending December 31, 2020 are i) Mexico, ii) Brazil and iii) Bulgaria.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise from applying the statutory tax rate of the parent company (2020: 19%, 2019: 19%) to the results of the consolidated entities as follows:

Effective tax rate reconciliation

In $ millions	Years ended December 31, 2020	2019
Profit before income tax	**72.3**	**59.4**
Profit before income tax at statutory tax rate	**(13.7)**	**(11.3)**
Tax effects of:		
Differences between statutory tax rate and foreign statutory tax rates [1]	(0.4)	9.6
Changes in unrecognized deferred tax assets [2]	(19.5)	(23.2)
Reduced rate and specific taxation regime [3]	6.2	6.9
Foreign exchange movement[4]	(3.7)	1.6
Prior year adjustment - current tax	0.9	(1.7)
Prior year adjustment - deferred tax	7.0	5.6
Permanent differences and other items [5]	(20.4)	(23.8)
Income tax expense	**(43.7)**	**(36.3)**
Effective rate of income tax	**60.4%**	**61.1%**

(1) Includes the effect of recognizing net income of investments in associates in the profit before income tax.

(2) Mainly relates to tax losses in Luxembourg and Brazil where deferred tax assets are not recognized.

(3) Relates to specific tax regimes and some of the Brazilian entities being taxed by reference to revenue rather than accounting profits.

(4) Mainly driven by difference between functional currency of statutory entities and currency used for local tax reporting and non-deductibility of foreign exchange movements in certain jurisdictions.

(5) This category includes a number of individually immaterial items such as non-deductible group costs, withholding taxes or inflation adjustments.

Net deferred tax movement

The gross movements of net deferred income tax assets (liabilities) were as follows:

In $ millions	December 31, 2020	2019
Net deferred tax assets (liabilities) as of January, 1	**(218.5)**	**(112.2)**
Statement of income	(10.9)	(2.4)
Deferred tax recognized directly in other comprehensive income	27.9	(2.7)
Acquisitions	–	(139.7)
Currency translation differences and other	(9.9)	2.5
Net deferred tax assets (liabilities) as of December, 31	**(211.4)**	**(254.5)**
Restatement for finalization of fair values on acquisition		**36.0**
Net deferred tax assets (liabilities) as of December, 31 (restated)	**(211.4)**	**(218.5)**
Including net deferred tax assets balance of:	*57.5*	*44.9*
Deferred tax liabilities balance of:	*(268.9)*	*(263.4)*

Analysis of the net deferred tax position recognized in the consolidated statement of financial position

The net deferred tax positions and their movement can be broken down as follows:

In $ millions	Tax losses	Tangible assets [1]	Intangible assets [2]	Derivative financial instruments [3]	Other [4]	Total
As of January 1, 2019	**16.6**	**(149.6)**	**5.2**	**12.3**	**3.3**	**(112.2)**
Statement of income	(2.3)	(19.3)	3.5	(2.1)	17.8	(2.4)
Other comprehensive income	–	–	–	(2.7)	–	(2.7)
Acquisitions	14.0	(52.2)	(108.0)	0.5	6.0	(139.7)
Currency translations and other	(0.2)	3.4	–	(0.3)	(0.4)	2.5
As of December 31, 2019	**28.1**	**(217.7)**	**(99.4)**	**7.7**	**26.7**	**(254.5)**
Restatement for finalization of fair values on acquisition	–	(23.1)	39.5	–	19.6	36.0
As of January 1, 2020 (restated)	**28.1**	**(240.8)**	**(59.9)**	**7.7**	**46.3**	**(218.5)**
Statement of income	88.7	(95.1)	9.6	(1.4)	(12.6)	(10.9)
Other comprehensive income	–	–	(0.1)	28.0	–	27.9
Acquisitions	–	–	–	–	–	–
Currency translations and other	0.8	(13.5)	0.8	0.8	1.1	(10.0)
As of December 31, 2020	**117.6**	**(349.4)**	**(49.5)**	**35.1**	**34.7**	**(211.4)**

(1) 2019 figures are represented to show property, plant and equipment separately.

(2) 2019 figures are represented to show acquired intangible assets separately.

(3) $25.8 million of the current year movement through other comprehensive income represents the recognition of deferred tax assets on hedging expenses in Mexico incurred in both 2020 and 2019, following the conclusion that such derivative costs should be deductible under Mexican tax rules.

(4) This category is made up of various items, the main material items are in respect of deferred financing costs of $28.1 million (2019: $19.5 million), finance lease capitalization of -$16.0 million (2019: -$16.8 million) and Mexico fixed margin swap provision of $13.0 million (2019 restated: $24.8 million).

Analysis of the deferred tax position unrecognized in the consolidated statement of financial position

Unrecognized deferred tax assets amount to $268.2 million as of December 31, 2020 (December 31, 2019: $242.3 million) and can be broken down as follows:

In $ millions	December 31, 2020	2019
Unrecognized deferred tax assets on tax losses [1]	245.9	231.8
Unrecognized deferred tax assets on deductible temporary differences	22.3	10.5
Total unrecognized deferred tax assets	**268.2**	**242.3**

The total amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognized amounts to $1,067.0 million (2019: $946.9 million) and is broken down as follows:

	December 31, 2020	2019
Tax losses – no deferred tax asset recognized	969.7	896.4
Deductible temporary differences – no deferred tax asset recognized	97.3	50.5
Total	**1,067.0**	**946.9**

Deferred tax assets that have not been recognized mainly relate to amounts in Luxembourg and Brazil where it is not probable that future taxable profit will be available against which the temporary differences can be utilized. The amounts unrecognized for deferred tax purposes generally do not expire with the exception of in Luxembourg.

With respect to Luxembourg, tax losses of $331.6m arising prior to 31 December 2016 can be carried forward without time limit. As from January 1, 2017, new tax losses expire after 17 years and therefore tax losses of $55.2 million, $103.5 million, $159.2 million and $87.9 million expire on December 31, 2034, 2035, 2036 and 2037, respectively.

The group accrues deferred tax liabilities for the withholding tax that will arise on the future repatriation of undistributed earnings. There are no undistributed earnings with material unrecognized temporary differences.

4.8 Earnings per share

	Years ended December 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Profit attributable to CG plc shareholders (in $ millions)	16.0	16.0	27.7	27.7
Number of shares (in millions)				
Weighted average number of shares outstanding	666.6	666.6	670.7	670.7
Potential dilutive effects related to share-based compensation		2.3		1.7
Adjusted weighted average number of shares		**668.9**		**672.4**
Profit attributable to CG plc shareholders per share (in $)	**0.02**	**0.02**	**0.04**	**0.04**

There is no dilutive impact from the Private Incentive Plan (PIP) on the earnings per share as the shares are settled in full by existing shares held by Reservoir Capital Group.

4.9 Intangible assets and goodwill

In $ millions	Goodwill	Work in progress	Legado rights	Permits, licenses and other project development rights	Software and Other	Total
Cost	0.5	–	–	149.0	18.7	168.2
Accumulated amortization and impairment	–	–	–	(37.8)	(13.0)	(50.8)
Carrying amount as of December 31, 2018	**0.5**	**–**	**–**	**111.2**	**5.7**	**117.4**
Additions	–	–	–	2.0	0.5	2.5
Disposals	–	–	–	–	(0.2)	(0.2)
Acquired through business combination	–	–	233.3	–	13.9	247.2
Currency translation differences	–	–	–	(3.3)	–	(3.3)
Reclassification	–	–	–	(0.2)	0.1	(0.1)
Amortization charge	–	–	(1.1)	(8.2)	(1.6)	(10.9)
Closing net book amount	**0.5**	**–**	**232.2**	**101.5**	**18.4**	**352.6**
Cost	0.5	–	233.3	145.8	34.6	414.2
Accumulated amortization and impairment	–	–	(1.1)	(44.3)	(16.1)	(61.6)
Carrying amount as of December 31, 2019	**0.5**	**–**	**232.2**	**101.5**	**18.4**	**352.6**
Additions	–	–	–	2.2	3.5	5.7
Disposals	–	–	–	–	–	–
Currency translation differences	0.1	–	–	(16.6)	–	(16.5)
Reclassification	–	1.5	–	(1.1)	3.8	4.2
Amortization charge	–	–	(13.7)	(6.4)	(6.0)	(26.2)
Closing net book amount	**0.6**	**1.5**	**218.4**	**79.4**	**19.7**	**319.7**
Cost	0.6	1.5	233.3	122.8	40.9	399.1
Accumulated amortization and impairment	–	–	(14.9)	(43.4)	(21.1)	(79.4)
Carrying amount as of December 31, 2020	**0.6**	**1.5**	**218.4**	**79.4**	**19.7**	**319.7**

Legado rights relates to Mexico CHP fair value of the Legado rights.

Permits, licenses and other project development rights relate to the fair value of licenses acquired from the initial developers for our wind parks in Peru and Brazil.

Assets acquired through business combination in 2019 relate to the Mexican CHP acquisition, detailed in note 3.2.

Amortization included in 'cost of sales' in the consolidated statement of income amounted to $24.2 million in the period ended December 31, 2020 (December 31, 2019: $9.9 million) and amortization included in 'selling, general and administrative expenses' amount to $2.o million in the period ended December 31, 2020 (December 31, 2019: $1.0 million).

For the years ended December 31, 2019, and 2020, certain impairment triggering events were identified in the Brazilian wind power plants, and the related intangible assets (principally project development rights) were tested for impairment. These impairment tests did not result in any impairment (refer to note 4.10).

4.10 Property, plant and equipment

The power plant assets predominantly relate to wind farms, natural gas plants, fuel oil or diesel plants, coal plants, hydro plants, solar plants and other buildings.

Other assets mainly include IT equipment, furniture and fixtures, facility equipment, asset retirement obligations and vehicles, and project development costs.

Assets acquired through business combinations are explained in Note 3 Significant changes in the reporting period.

Assets held for use in operating leases as a lessor are included in note 4.32 Financial commitments and contingent liabilities.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	68.6	5,187.1	61.5	43.7	325.8	5,686.7
Accumulated depreciation and impairment	(0.5)	(1,736.7)	–	(8.3)	(131.4)	(1,876.9)
Carrying amount as of January 1, 2020	**68.1**	**3,450.5**	**61.5**	**35.4**	**194.4**	**3,809.8**
Restatement for finalization of fair values on acquisition (1)	–	(37.5)	–	–	–	(37.5)
Carrying amount as of January 1, 2020 (restated)	**68.1**	**3,413.0**	**61.5**	**35.4**	**194.4**	**3,772.3**
Additions	–	17.4	59.3	4.2	9.8	90.6
Disposals	–	(5.8)	(4.6)	(1.1)	–	(11.5)
Reclassification (2) (3)	–	42.7	(36.9)	–	(30.7)	(24.9)
Currency translation differences	3.6	(20.1)	(2.4)	2.0	(7.2)	(24.1)
Depreciation charge	(0.1)	(263.1)	–	(6.0)	(16.1)	(285.3)
Closing net book amount	**71.6**	**3,184.1**	**76.8**	**34.5**	**150.2**	**3,517.1**
Cost	72.2	5,172.5	76.8	47.6	285.2	5,654.4
Accumulated depreciation and impairment	(0.6)	(1,988.5)	–	(13.1)	(135.0)	(2,137.3)
Carrying amount as of December 31, 2020	**71.6**	**3,184.0**	**76.8**	**34.5**	**150.2**	**3,517.1**

(1) IFRS 3 remeasurement adjustment on assets acquired through business combination relate to our Mexican CHP portfolio, detailed in note 3.2.

(2) Mainly relates to project development costs in Kosovo of €19.7 million ($22.5 million). Given the termination of the Kosovo project agreements in May 2020, the recoverable costs have been derecognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement presented in line with IFRS 15 in Other non-current assets.

(3) Reclassification includes previous year's non-material reallocations between assets categories to reflect current positions.

Construction work in progress as of December 31, 2020 predominantly related to our Vorotan refurbishment project, our Austria Wind project repowering, our Mexico CHP and our Maritsa plants.

As of December 31, 2020, the Other category mainly related to $62.1 million of instruments and tools, $48.7 million of facility equipment, $29.7 million of assets retirement obligations.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $282.0 million in the period ended December 31, 2020 (December 31, 2019: $255.1 million) and depreciation included in 'selling, general and administrative expenses' amount to $3.3 million in the period ended December 31, 2020 (December 31, 2019: $3.6 million).

In the period ended December 31, 2020, the Group capitalized $1.1 million of borrowing costs in relation to project financing.

Audited In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	68.2	4,440.8	60.6	–	333.5	4,903.1
Accumulated depreciation and impairment	(0.5)	(1,532.5)	–	–	(116.9)	(1,649.9)
Carrying amount as of January 1, 2019	**67.7**	**2,908.3**	**60.6**	**–**	**216.6**	**3,253.1**
Effect of change in accounting standard (1)	–	–	–	31.0	–	31.0
Carrying amount as of January 1, 2019 (restated)	**67.7**	**2,908.3**	**60.6**	**31.0**	**216.6**	**3,284.1**
Additions	0.1	58.5	45.0	13.2	14.6	131.4
Disposals	–	(7.9)	(4.3)	–	(2.0)	(14.2)
Reclassification	–	38.5	(40.9)	–	2.4	–
Acquired through business combination (2)	2.0	711.2	1.9	–	0.1	715.2
Effect of change in classification of contract (3)	–	42.1	–	–	–	42.1
Currency translation differences	(1.7)	(69.7)	(0.9)	(0.5)	(4.9)	(77.7)
Depreciation charge	–	(230.4)	–	(8.3)	(20.0)	(258.7)
Impairment charge (4)	–	–	–		(12.4)	(12.4)
Closing net book amount	68.1	3,450.5	61.5	35.4	194.4	3,809.8
Cost	68.6	5,187.1	61.5	43.7	325.8	5,686.7
Accumulated depreciation and impairment	(0.5)	(1,736.7)	–	(8.3)	(131.4)	(1,876.9)
Carrying amount as of December 31, 2019	**68.1**	**3,450.5**	**61.5**	**35.4**	**194.4**	**3,809.8**

(1) With the implementation of IFRS 16 on 1 January 2019, right of use assets amounting to $31.0 million were recognized. The right of use assets mainly relates to office space and land.

(2) Assets acquired through business combination relate to an additional solar portfolio and the Mexican CHP acquisitions, detailed in note 3.2.

(3) The effect of change in classification of contract corresponds to the change in the Bonaire power purchase agreement, which resulted in the recognition of property, plant and equipment and the derecognition of a financial asset of the same value under IFRS 16.

(4) Given the uncertainty regarding the future of this project created by the local political climate in Kosovo, an impairment trigger was identified and a charge of $12.1m was recorded as of 31 December 2019. The terms of the agreement with the Government of Kosovo ("GoK") requires, among other things, the GoK to reimburse development costs up to the value of €19.7 million ($22.1 million) in the event of certain defaults by the GoK. In 2020, this amount was subsequently derecognized from Property, plant and equipment and instead recognized as a contract asset as described in note 4.17. Development costs in excess of the reimbursement cap were impaired; other property plant and equipment were also impaired resulting in a charge of $0.3 million.

Construction work in progress as of December 31, 2019 predominantly related to our Vorotan refurbishment project, our Austria Wind project repowering, Bonaire and Maritsa plants.

Other as of December 31, 2019 mainly relate to $61.4 of facility equipment, $60.9 million of instruments and tools, $33.6 million of project development costs, $18.0 million of assets retirement obligations. Project development costs mainly relate to the Kosovo project and are not depreciated.

Depreciation included in 'cost of sales' in the consolidated statement of income amounted to $255.1 million in the period ended December 31, 2019 (December 31, 2018: $229.4 million) and depreciation included in 'selling, general and administrative expenses' amount to $3.6 million in the period ended December 31, 2019 (December 31, 2018: $0.2 million).

In period ended December 31, 2019, the Group capitalized $0.5 million borrowing costs in relation to project financing.

Impairment tests on tangible and intangible assets

For the years ended December 31, 2020 and 2019 certain triggering events were identified related to the Brazilian wind power plants primarily driven by lower performance of the assets and environmental factors impacting resource level, requiring an impairment test of the relevant assets.

The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method or "DCF", determined by using cash flow projections consistent with the following year budget and the most recent forecasts prepared by management and approved by the Board) and the fair value (less costs to sell), determined on the basis of market data (comparison with the value attributed to similar assets or companies in recent transactions).

Impairment tests were performed for the year ended December 31, 2020 using the following assumptions and related sensitivity analysis:

In $ million	Net book value	Valuation approach	Discount rate	Generation	Sensitivity analysis
Brazilian wind power plants	458.2	DCF	11.46%	2,178 Gwh average	Discount rate increased by 1% 4% decrease in generation

The sensitivity calculations show that an increase by 1% of the discount rate and a 4% decrease in generation for Brazilian wind power plants assets would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements as of December 31, 2020.

There are no reasonably possible changes to the key impairment test assumptions that would result in an impairment charge.

Impairment tests were performed for the year ended December 31, 2019 over the same assets using the following assumptions and related sensitivity analysis.

In $ million	Net book value	Valuation approach	Discount rate	Generation	Sensitivity analysis
Brazilian wind power plants	607.2	DCF	10%	2,186 Gwh average	Discount rate increased by 1% 5% decrease in generation

The sensitivity calculations show that an increase by 1% of the discount rate and a 5% decrease in generation for Brazilian wind power plants assets would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements as of December 31, 2019.

There are no reasonably possible changes to the key impairment test assumptions that would result in an impairment charge.

4.11 Financial and contract assets

In $ millions	December 31 2020	2019
Contract assets – Concession arrangements (1)	416.5	425.6
Finance lease receivables (2)	15.2	18.9
Other	6.6	6.4
Total financial and contract assets	**438.3**	**450.9**
Total financial and contract assets non-current portion	408.3	417.5
Total financial and contract assets current portion	30.0	33.4

(1) The Group operates plants in Togo, Rwanda and Senegal which are in the scope of the financial model of IFRIC 12 'Service Concession Arrangements'.

Our Togo power plant was commissioned in 2010 and is operated under a power purchase agreement with a unique offtaker, Compagnie Energie Electrique du Togo ("CEET") which has an average remaining contract life of approximately 14.8 years as of December 31, 2020 (December 31, 2019: 15.8 years). At expiration, the Togo plant, along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Togo. This arrangement is accounted for as a concession arrangement and the value of the asset is recorded as a financial asset. The all-in base capacity tariff under the Togo power purchase agreement is adjusted annually for a combination of US$, Euro and local consumer price index related to the cost structure.

Our Rwanda power plant consists of the development, construction and operation of Gas Extraction Facilities ("GEF") and an associated power plant. The GEF is used to extract methane and biogas from the depths of Lake Kivu in Rwanda and deliver the gas via submerged gas transport pipelines to shore-based power production facilities totaling 26 MW of gross capacity. The PPA runs for 25 years starting on the commercial operation date and ending in 2040, date when the GEF along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Rwanda.

Our Cap des Biches power plant in Senegal consists of the development, construction and operation of five engines with a flexi-cycle system technology based on waste heat recovery totaling about 86MW. A PPA integrating all the Cap des Biches requirements and agreements on price was signed for 20 years starting on the commercial operation date of the project and ending in 2036, the date when the power plant along with all equipment necessary for the operation of the plant, will be transferred to the Republic of Senegal.

(2) Relates to finance leases where the Group acts as a lessor, and includes our Saint Martin plant in the French Territory. Saint Martin has an average remaining contract life of approximately 2.3 years as of December 31, 2020 (December 31, 2019: 3.3 years).

No losses from impairment of contracted concessional assets and finance lease receivables in the above projects were recorded during the years ended December 31, 2020 and 2019.

Net cash inflows generated by the financial assets under concession agreements amounted to $70.6 million as of December 31, 2020 (December 31, 2019: $74.7 million).

4.12 Investments in associates

Set out below are the associates of the Group as of December 31, 2020:

Operational plant		Country of incorporation	Ownership interests 2020	2019	Date of acquisition
Sochagota	Associate	Colombia	49.0%	49.0%	2006 and 2010
Termoemcali	Associate	Colombia	37.4%	37.4%	2010
Productora de Energia de Boyaca	Associate	Colombia	–	50.0%	2016
Evacuacion Villanueva del Rey, S.L.	Associate	Spain	39.9%	39.9%	2018

Set out below is the summarized financial information for the investments which are accounted for using the equity method (presented at 100%):

In $ millions	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Net income
Year ended December 31, 2019						
Sochagota	51.8	13.5	9.1	0.8	99.4	18.7
Termoemcali	20.5	49.1	12.6	46.6	28.2	6.5
Productora de Energia de Boyaca	0.2	–	0.1	–	–	(1.1)
Evacuacion Villanueva del Rey, S.L.	0.1	2.9	0.2	2.8	–	–
Year ended December 31, 2020						
Sochagota	79.1	33.8	22.9	35.8	93.7	16.4
Termoemcali	24.4	48.4	17.0	35.9	27.8	11.5
Productora de Energia de Boyaca	–	–	–	–	–	–
Evacuacion Villanueva del Rey, S.L.	0.1	3.0	0.2	2.9	0.3	–

The reconciliation of the investments in associates for each year is as follows:

In $ millions	Years ended 31st December 2020	2019
Balance as of January 1,	**26.6**	**26.6**
Share of profit	12.3	11.1
Dividends	(7.8)	(11.3)
Other	(1.6)	0.2
Balance as of December 31,	**29.5**	**26.6**

4.13 Management of financial risk

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Interest Rate Risk

Interest rate risk arises primarily from our long-term borrowings. Interest cash flow risk arises from borrowings issued at variable rates, partially offset by cash held at variable rates. Typically for any new investments, the Group hedges variable interest risk on newly issued debt in a range of 75% to 100% of the nominal debt value. Interest rate risk is managed on an asset by asset basis through entering into interest rate swap agreements, entered into with commercial banks and other institutions. The interest rate swaps qualify as cash flow hedges. Their duration usually matches the duration of the debt instruments. Approximately 11.5% of the Group's existing external debt obligations carry variable interest rates in 2020 (2019: 19.8%) (taking into account the effect of interest rate swaps).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. To hedge interest rate exposures, the group enters into interest rate swaps and cross currency swaps that have similar critical terms to the hedged items, such as the notional amounts, payment dates, reference rate and maturities. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of outstanding loans up to the notional amount of the swaps. As all critical terms matched, there is an economic relationship and the hedge ratio is established as 1:1. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

The main sources of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap and cross currency swap contracts, which are not reflected in the fair value of the hedged item attributable to changes in underlying rates, and the risk of over-hedging where the hedge relationship requires re-balancing. No other material sources of ineffectiveness emerged from these hedging relationships. Any hedge ineffectiveness is recognized immediately in the income statement in the period that it occurs.

The following table presents a reconciliation by risk category of the cash-flow hedge reserve and analysis of other comprehensive income in relation to hedge accounting:

In $ millions	Years ended December 31 2020	2019
Brought forward cash-flow hedge reserve	(86.0)	(41.3)
Interest rate and cross currency swap contracts:		
Net fair value gain/(loss) on effective hedges	(40.8)	(52.9)
Amounts reclassified to Net finance cost	(0.7)	8.2
Carried forward cash-flow hedge reserve [(1)]	**(127.5)**	**(86.0)**

(1) Above table show pre-tax cash flow hedge positions, including non-controlling interest. The amounts on balance sheet include $31.4 million deferred tax (2019: $3.5 million).

The debit value adjustment on the interest rate swaps and cross currency swaps in the interest rate hedge amounts to $3.7m (2019: $4.7 million). These amounts are recognized on the financial statements against the fair value of derivative (note 4.16). Aside from the IFRS 13 credit/debit risk adjustment, cash-flow hedges generated immaterial ineffectiveness in FY2020 which was recognized in the income statement through finance costs.

The following tables set out information regarding the change in value of the hedged item used in calculating hedge ineffectiveness as well as the impacts on the cash-flow hedge reserve:

In $ millions

Hedged item	Hedged exposure	Hedging instrument	Change in value of hedged item for calculating ineffectiveness	Change in value of hedging instrument for calculating ineffectiveness
As of December 31, 2019				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(182.4)	182.6
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(7.5)	7.5
As of December 31, 2020				
Cash flows payable on a proportion of borrowings	Interest rate risk	Interest rate swaps	(185.8)	185.9
Cash flows payable on a proportion of borrowings	Interest rate risk and foreign currency risk	Cross currency swaps	(7.6)	7.6

Hedged cash flows are contractual such that the maturity dates on the IRS are aligned to the hedged item, except for hedged cash flows on $509m principal, with swap maturing in 2031, in relation to CHP assets in Mexico that are subject to refinancing after 2026. Refinancing for an additional five years to match the term of the swap is considered highly probable since the Group will continue to maintain significant levels of US$ debt in relation to the CHP assets in Mexico through to 2031.

These agreements involve the receipt of variable payments in exchange for fixed payments over the term of the agreements without the exchange of the underlying principal amounts. The main interest rate exposure for the Group relates to the floating rates with the TJLP, EURIBOR and LIBOR (refer to note 4.24). A change of 0.5% of those floating rates would result in an increase in interest expenses by $2.8 million in the year ended December 31, 2020 (2019: $3.7 million).

Foreign Currency Risk

Foreign exchange risk arises from various currency exposures, primarily with respect to the Euro, Brazilian Real and Bulgarian Lev. Currency risk comprises (i) transaction risk arising in the ordinary course of business, including certain financial debt denominated in a currency other than the currency of the operations; (ii) transaction risk linked to investments or mergers and acquisition; and (iii) translation risk arising on the consolidation in US dollars of the consolidated financial statements of subsidiaries with a functional currency other than the US dollar.

To mitigate foreign exchange risk, (i) most revenues and operating costs incurred in the countries where the Group operates are denominated in the functional currency of the project company, (ii) the external financial debt is mostly denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk, and (iii) the Group enters into various foreign currency sale / forward and / or option transactions at a corporate level to hedge against the risk of lower distribution. Typically, the Group hedges its future distributions in Brazil through a

combination of forwards and options for any new investment in the country. The analysis of financial debt by currency is presented in note 4.24.

Potential sensitivity on the post-tax profit result for the year linked to financial instruments is as follows:

- if the US dollar had weakened/strengthened by 10% against the Euro, post-tax profit for the year ended December 31, 2020 would have been $4.7 million higher/lower (2019: $4.2 million higher/lower).
- if the US dollar had weakened/strengthened by 10% against the Brazilian Real, post-tax profit for the year ended December 31, 2020 would have been $0.5 million higher/lower (2019: $0.8 million higher/lower).

The exposure to the Bulgarian Lev is considered remote due to the pegging mechanism of the Lev on the Euro. The exposure to the Mexican peso is limited to the Fixed margin swap derivative sensitivity as disclosed in Note 4.15. The Group hedge policy states that the exposure between US dollar and Euros will not be hedged, both currencies being considered as more stable currencies.

Commodity and electricity pricing risk

The Group's current and future cash flows are generally not impacted by changes in the prices of electricity, gas, oil and other fuel prices as most of the Group's non-renewable plants operate under long-term power purchase agreements and fuel purchase agreements and other commercial agreements such as the fixed margin swap arrangement. These agreements generally mitigate against significant fluctuations in cash flows as a result in changes in commodity prices by passing through changes in fuel prices to the offtaker.

In the particular case of the Brazilian hydro power plants, the Group hedges most of its exposure against the change in local electricity price in case of low generation. In such a case, Brazilian hydro power plants may be required to buy electricity on the market.

Credit risk

Credit risk relates to risk arising from customers, suppliers, partners, intermediaries and banks on its operating and financing activities, when such parties are unable to honor their contractual obligations. Credit risk results from a combination of payment risk, delivery risk (failure to deliver services or products) and the risk of replacing contracts in default (known as mark to market exposure – i.e. the cost of replacing the contract in conditions other than those initially agreed). The Group analyzes the credit risk for each new client prior to entering into an agreement. In addition, in order to minimize risk, the Group contracts Political Risk Insurance policies from multilateral organizations or commercial insurers which usually provide insurance against government defaults. Such policies cover project companies in Armenia, Bulgaria, Colombia, Nigeria, Rwanda, Togo, Senegal and Kosovo.

Where possible, the Group restricts exposure to any one counterparty by setting credit limits based on the credit quality as defined by Moody's and S&P and by defining the types of financial instruments which may be entered into. The minimum credit ratings the Group generally accepts from banks or financial institutions are BBB- (S&P) and Baa3 (Moody's). For offtakers, where credit ratings are CCC+ or below, the Group generally hedges its counterparty risk by contracting Political Risk Insurance.

If there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

For trade receivables, financial and contract assets, the group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 or 1 January 2020 respectively and the corresponding historical credit losses experienced within this period. In this context, the Group has taken into account available information on past events (such as customer payment behavior), current conditions and forward-looking factors that might impact the credit risk of the Group's debtors.

Trade receivables can be due from a single customer or a few customers who will purchase all or a significant portion of a power plant's output under long-term power purchase agreements. This customer concentration may impact the Group's overall exposure to credit risk, either positively or negatively, in that the customers may be affected by changes in economic, industry or other conditions.

Ageing of trade receivables – net are analyzed below:

In $ millions	December 31 2020	2019
Trade receivables not overdue	68.9	89.5
Past due up to 90 days	17.3	11.4
Past due between 90 – 180 days	2.1	1.3
Past due over 180 days	19.7	16.4
Total trade receivables	**108.0**	**118.6**

As of December 31, 2020, $31.1 million (December 31, 2019: $47.4 million) of trade receivables were outstanding in connection with our Bulgarian power plant, Maritsa East 3. The trade receivables include around €14.6 million ($17.8 million) as of December 31, 2020 that are subject to an ad hoc arbitration under the arbitration rules of the United Nation Commission on International Trade Law (UNCITRAL) between Maritsa and its off-taker NEK in relation to environmental capex reimbursement that the Group considers recoverable under the terms of the PPA and signed contract amendments.

The trade receivables include an expected credit loss of $3.1 million (December 31, 2019: $2.7 million) on the Past due over 180 days category with an increase in allowance recognized in profit and loss of $0.4 million in 2020, $0.0 million in 2019.

There were immaterial credit losses and no overdue balances identified on financial and contract assets. The Group deems the associated credit risk of the trade receivables not overdue to be suitably low.

Liquidity risk

Liquidity risk arises from the Group not being able to meet its obligations. The Group mainly relies on long-term debt obligations to fund its acquisitions and construction activities with Corporate bond issued in the corporate Luxembourg holdcos and project financing arrangement at the assets level. All significant long-term financing arrangements are supported locally and covered by the cash flows expected from the power plants when operational. The Group has, to the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire its electric power plants and related assets.

On December 12, 2020, the Group also entered into a €120 million revolving credit facility available for general corporate purposes, maturing in November 2023, and which remains undrawn as of December 31, 2020.

A rolling cash flow forecast of the Group's liquidity requirements is prepared to confirm sufficient cash is available to meet operational needs and to comply with borrowing limits or covenants. Such forecasting takes into consideration the future debt financing strategy, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, cash restrictions.

The subsidiaries are separate and distinct legal entities and, unless they have expressly guaranteed any of the holding company indebtedness, have no obligation, contingent or otherwise, to pay any amounts due pursuant to such debt or to make any funds available whether by dividends, fees, loans or other payments.

Some of the Group's subsidiaries have given guarantees on the credit facilities and outstanding debt securities of certain holding companies in the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date:

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Year ended December 31, 2019	**810.2**	**1,755.6**	**2,425.3**	**4,991.1**
Borrowings [1]	269.4	1,521.3	2,345.0	4,135.7
Trade and other payables	336.1	–	–	336.1
Derivative financial instruments	25.2	54.0	30.7	109.9
IFRS 16 lease liabilities	5.3	21.2	6.8	33.3
Other current liabilities	174.2	–	–	174.2
Other non-current liabilities	–	159.1	42.8	201.9
Year ended December 31, 2020	**1,469.2**	**1,580.0**	**2,668.0**	**5,717.2**
Borrowings [1]	899.7	1,379.6	2,592.5	4,871.8
Trade and other payables	333.7	–	–	333.7
Derivative financial instruments	41.0	106.2	44.8	192.0
IFRS 16 lease liabilities	4.3	17.2	11.4	32.9
Other current liabilities [2]	190.5	–	–	190.5
Other non-current liabilities [2]	–	77.0	19.3	96.3

(1) Borrowings represent the outstanding nominal amount (note 4.24). Short-term debt of $899.7 million as of December 31, 2020 relates to the short-term portion of long-term financing that matures within the next twelve months, that we expect to repay using cash on hand and cash received from operations.

(2) Other current liabilities and Other non-current liabilities as presented in notes 4.29 and 4.25 respectively, excluding IFRS16 lease liabilities.

The table below analyses the Group's forecasted interest to be paid into relevant maturity groupings based on the interest's maturity date:

Year ended December 31, 2019

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	**209.3**	**643.2**	**502.9**	**1,355.4**

Year ended December 31, 2020

In $ millions	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Forecast interest expense to be paid	**196.0**	**634.3**	**444.6**	**1,274.9**

The Group's forecasts and projections, taking into account reasonably possible changes in operating performance, indicate that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Group has reasonable expectation to be well placed to manage its business risks and to continue in operational existence for the foreseeable future (at least for the twelve month period from the approval date of these financial statements). Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Capital risk management

The Company considers its capital and reserves attributable to equity shareholders to be the Company's capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while providing adequate returns for shareholders and benefits for other stakeholders and to maintain a capital structure to optimize 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 capital to shareholders, issue new shares, sell assets to reduce debt or implement a share buyback programme (note 4.22). It may also increase debt provided that the funded venture provides adequate returns so that the overall capital structure remains supportable.

4.14 Derivative financial instruments

The Group uses interest rate swaps to manage its exposure to interest rate movements on borrowings, foreign exchange forward contracts and option contracts to mitigate currency risk, a financial swap in our Mexican CHP business to protect power purchase agreements and cross currency swap contracts in Cap des Biches project in Senegal to manage both currency and interest rate risks. The fair value of derivative financial instruments are as follows:

	December 31, 2020		December 31, 2019	
In $ millions	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps – Cash flow hedge (1)	–	120.9	–	86.0
Cross currency swaps – Cash flow hedge (2)	–	26.2	0.3	14.1
Foreign exchange forward contracts – Trading (3)	–	0.6	–	4.3
Option contracts – not in hedge relationships (4)	1.5	1.6	–	5.3
Financial swap on commodity (5)	–	0.1	–	0.2
Fixed margin swap(6)	–	42.6	–	–
Total	**1.5**	**192.0**	**0.3**	**109.9**
Less non-current portion:				
Interest rate swaps – Cash flow hedge	–	92.7	–	65.9
Cross currency swaps – Cash flow hedge	–	24.2	–	14.1
Foreign exchange forward contracts – Trading	–	0.1	–	1.8
Option contracts – not in hedge relationships	1.1	–	–	2.9
Financial swap on commodity	–	0.1	–	–
Fixed margin swap	–	33.9	–	–
Total non-current portion	**1.1**	**151.0**	**–**	**84.7**
Current portion	**0.4**	**41.0**	**0.3**	**25.2**

(1) Interest Rate swaps are used to hedge floating rate borrowings such that in effect the Group will be paying interest at a fixed rate. The decrease in LIBOR floating rates over the period to December 31, 2020 has contributed to an increase in the fair value liability of these instruments. The fair value of the interest rate swaps mostly relate to contracts in Mexico for $83.4 million (December 31, 2019: $50.7 million) maturing in November 2031, Armenia for $16.8 million (December 31, 2019: $10.2 million) maturing in November 2034 and Spain for $14.5 million (December 31, 2019: $18.7 million) maturing in June 2023. Hedge accounting is applied related to the interest rate hedged therefore recognized in the consolidated statement of income.

(2) In 2015, the Group entered into cross currency swaps in our Cap des Biches project in Senegal. The fair value of the instruments as of December 31, 2020 amounts to $27.4 million (December 31, 2019: $14.8 million) maturing in July 2033. Credit value adjustment amounts to $1.2 million as of December 31, 2020 and $1.0 million as of December 31, 2019. Hedge accounting is applied related to the interest rate hedged and currency swap therefore recognized in the consolidated statement of income.

(3) The Group has executed a series of offsets to protect the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio, the MXN-denominated expected distributions from the Mexican portfolio, and of the COP-denominated distributions from the Colombian portfolio. The BRL-denominated 2022 distributions have been hedged using a forward exchange contract with a fair value of liability $0.1 million and maturity in December 2022 (2019: $1.8 million). The MXN-denominated distributions had been economically hedged using forward contracts that have been closed during the period ended December 31, 2020 (2019: $2.5 million). The COP-denominated distributions have been economically hedged using a forward with a fair value of liability $0.5 million maturing in January 2021. Hedge accounting is not applied to BRL/USD, MXN/USD and COP/USD foreign exchange forward contracts, change in fair value is therefore recognized in the consolidated statement of income.

(4) The Group has executed a series of offsets to protect the value, in USD terms, of the BRL-denominated expected distributions from the Brazilian portfolio and the MXN-denominated expected distributions from the Mexican portfolio. The distributions expected in 2020 were protected against material depreciation of the BRL using option contracts which have been closed in the period ended December 31, 2020, distributions expected in 2021 have been protected against material depreciation of the BRL using option contracts with fair values of liability $1.6 million maturing in December 2021 (2019: $2.4 million and $2.9 million maturing in December 2020 and 2021 respectively). The MXN-denominated distributions were protected against material depreciation of the MXN using a new option contract in place with a fair value of asset $0.4 million maturing in November 2021. The Group entered into an option allowing the possibility to enter into an underlying swap with the objective to protect the Group against changes on the interest rates over our financing projects with a fair value of asset $1.1 million and available until May 2031.

(5) The Group entered into a financial swap related to our Mexican CHP business to protect one purchase power agreement against the variations of the natural gas price maturing in April 2024.

(6) CHP Mexico entered into fixed margin swap agreements with the Seller's affiliates in order to protect certain power purchase agreements against variations in the CFE tariffs (electricity prices). The cash flows hedged amount to around $45 million of annual revenue over the next 9 years. The fair value of the liability from those instruments was presented in Other non-current liabilities as of December 31, 2019 for a total amount of $82.8 million. During 2020, the Group has re-reviewed the terms of the instruments and determined that they should be classified as derivatives and not as other liabilities. However, the comparative as of December 31, 2019 has not been restated as the Group considers the change in classification to be immaterial to the users of the financial statements, in the context of the size of total non-current liabilities.

The notional principal amount of:

- the outstanding interest rate swap contracts and cross currency swap qualified as cash-flow hedge amounted to $1,213.4 million as of December 31, 2020 (December 31, 2019: $1,231.1 million).
- the outstanding foreign exchange forward and option contracts amounted to $161.8 million as of December 31, 2020 (December 31, 2019: $251.4 million). The new outstanding option giving the Group the possibility to enter into an underlying swap on our financing projects amounted to $200.0 million as of December 31, 2020 (December 31, 2019: nil).
- the swap on commodity related to our Mexican CHP amounted to $3.0 million as of December 31, 2020 (December 31, 2019: $4.0 million).

The Group recognized in Finance costs net a profit in respect of changes in fair value of derivatives listed above of $61.7 million in the twelve months ended December 31, 2020 (December 31, 2019: loss $0.4 million) and a profit of $8.8 million in the twelve months period ended December 31, 2020 in relation to settled positions (December 31, 2019: loss of $13.0 million).

4.15 Fair value measurements

Fair value measurements of financial instruments are presented through the use of a three-level fair value hierarchy that prioritizes the valuation techniques used in fair value calculations. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

The levels in the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between fair value measurement levels between December 31, 2019 and December 31, 2020.

When measuring our interest rate, cross currency swaps and foreign exchange forward and option contracts at fair value on a recurring basis at both December 31, 2020 and December 31, 2019, we have measured these at level 2 in the fair value hierarchy with the exception of the fixed margin swap which are level 3. The fair value of those financial instruments is determined by using valuation techniques. These valuations techniques maximize the use of observable data where it is available and rely as little as possible on entity specific estimates.

The Group uses a market approach as part of their available valuation techniques to determine the fair value of derivatives. The market approach uses prices and other relevant information generated from market transactions.

The Group's finance department performs valuation of financial assets and liabilities required for financial reporting purposes as categorized at levels 2 and 3. The Group's only derivatives are interest rate swaps, foreign exchange forward contracts, option contracts, commodity swap contract, fixed margin swap in our Mexican CHP business and cross currency swap contracts in our Cap des Biches project in Senegal.

The change in the fair value of the fixed margin swap since December 31, 2020 of $56.1 million is driven by the movement of market inputs, in particular the USD/MXN spot exchange rate, accounting for $48.4 million of the total.

The sensitivity calculations on the CHP Mexico fixed margin swap liability show that (i) for an increase/decrease of 5% in the USD/MXN exchange rate, the fixed margin swap liability will increase/decrease by $10.9 million, (ii) for an increase/decrease of 5% in the Natural Gas cost, the fixed margin swap liability will decrease/increase by $5.7 million (iii) and for an increase/decrease of 25% in discount rates, the fixed margin swap liability will decrease/increase by $1.3 million, (iv) for an increase/decrease of 5% in the CFE tariff, the fixed margin swap liability will increase/decrease by $13.7 million.

Money market funds comprise investment in funds that are subject to an insignificant risk of changes in fair value. The fair value of money market funds is calculated by multiplying the net asset value per share by the investment held at the balance sheet date, we have measured these at level 2 in the fair value hierarchy.

4.16 Financial instruments by category

In $ millions As at December 31, 2019	Financial asset category			
	Financial assets at amortized costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
Derivative financial instruments	–	–	0.3	0.3
Financial and contract assets	450.9	–	–	450.9
Trade and other receivables	226.3	–	–	226.3
Other non-current assets [(1)]	18.6	–	–	18.6
Cash and cash equivalents [(2)]	–	558.5	–	558.5
Total	**695.8**	**558.5**	**0.3**	**1,254.6**

In $ millions As at December 31, 2020	Financial asset category			
	Financial assets at amortized costs	Assets at fair value through profit and loss	Derivative used for hedging	Total net book value per balance sheet
Derivative financial instruments	–	1.5	–	1.5
Financial and contract assets	438.3	–	–	438.3
Trade and other receivables	228.0	–	–	228.0
Other non-current assets [(1)]	41.1	–	–	41.1
Cash and cash equivalents [(2)]	–	1,396.9	–	1,396.9
Total	**707.4**	**1,398.4**	**–**	**2,105.8**

In $ millions As at December 31, 2019	Financial liability category			
	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	–	4,090.5	–	4,090.5
Derivative financial instruments	9.8	–	100.1	109.9
Trade and other payables	–	336.1	–	336.1
Other current liabilities [(1)]	–	144.5	–	144.5
Other non-current liabilities [(3)]	82.8	147.1	–	229.9
Total	**92.6**	**4,718.2**	**100.1**	**4,910.9**

In $ millions As at December 31, 2020	Financial liability category			
	Liabilities at fair value through profit and loss	Other financial liabilities at amortized cost	Derivative used for hedging	Total net book value per balance sheet
Borrowings	–	4,830.3	–	4,830.3
Derivative financial instruments	44.8	–	147.2	192.0
Trade and other payables	–	333.7	–	333.7
Other current liabilities [(1)]	–	154.6	–	154.6
Other non-current liabilities	–	124.9	–	124.9
Total	**44.8**	**5,443.5**	**147.2**	**5,635.5**

(1) These balances exclude receivables and payables balances in relation to taxes and deferred revenue balance of $5.6 million. Other current liabilities were amended by $1.5 million in December 31, 2019 following a restatement for finalization of fair values on acquisition, refer to note 3.2 2019 transactions.

(2) These balances include money market funds, which comprise investment in funds that are subject to an insignificant risk of changes in fair value.

(3) Mexico CHP fixed margin liability, presented in other non-current liabilities, for $82.8 million was reclassified in December 31, 2019 from “other financial liabilities at amortized costs” to “liabilities at fair value through profit and loss” after the terms of the instrument were re-reviewed during the measurement period. Debt to Maritsa non-controlling interest was reclassified in December 31, 2019 from “liabilities to fair value through profit and loss” to “other financial liabilities at amortized cost” reflecting the correct and applied accounting treatment for the instrument.

4.17 Other non-current assets

In $ millions	December 31 2020	2019
Kosovo receivables [1]	24.1	–
Advance to supplier [2]	1.4	3.5
Other	17.0	18.6
Total other non-current assets	**42.5**	**22.1**

(1) Mainly relates to project development costs in Kosovo, which were presented in Property, Plant and Equipment in December 31, 2019. Given the termination of the project agreements in May 2020, the recoverable development costs have been derecognized from Property, plant and equipment and recognized as a contract asset arising from a revenue arrangement in line with IFRS 15, which is presented in Other non-current assets. The recoverability of the contract asset has been assessed under IFRS 9 and in the context of the arbitration disclosed in Note 2.4.

(2) Advance payment to supplier relates to Vorotan EPC (engineering, procurement and construction) contract as part of the refurbishment program.

4.18 Inventories

In $ millions	December 31 2020	2019
Emission allowance	165.8	161.1
Spare parts	54.6	46.9
Fuel	14.8	12.9
Other	17.0	13.1
Total	**252.2**	**234.0**
Provision	(4.8)	(4.4)
Total inventories	**247.4**	**229.6**

4.19 Trade and other receivables

In $ millions	December 31 2020	2019
Trade receivables – gross	111.0	121.3
Accrued revenue (unbilled)	113.1	91.9
Provision for impairment of trade receivables	(3.1)	(2.7)
Trade receivables – Net	**221.0**	**210.5**
Other taxes receivables	36.0	122.4
Other receivables	7.0	10.7
Trade and other receivables	**264.0**	**343.6**

All trade and other receivables are short term and the net carrying value of trade receivables is considered a reasonable approximation of the fair value. The ageing of trade receivables – net is presented in note 4.13.

All trade and other receivables are pledged as security in relation with the Group's project financings.

The increase in accrued revenue (unbilled) is primarily related to CO_2 quotas in connection with our Maritsa plant which are passed through to the offtaker and a decrease in our Arrubal plant.

The decrease in other taxes receivable is primarily related to the Mexican VAT receivable which was refunded in 2020. Other taxes receivable correspond to indirect tax receivables, mainly in our power plants in Senegal, Brazil, Italy and our Luxemburg holdcos.

4.20 Other current assets

In $ millions	December 31 2020	2019
Prepaid expenses	17.4	11.7
Advances to suppliers	7.9	6.3
Other	9.8	5.9
Other current assets	**35.1**	**23.9**

4.21 Cash and cash equivalents

Certain restrictions on our cash and cash equivalents have been primarily imposed by financing agreements or long term obligations. They mainly include short-term security deposits kept as collateral and debt service reserves that cover short-term repayments and which meet the definition of cash and cash equivalents. Money market funds comprise investments in funds that are subject to an insignificant risk of changes in fair value. 22.0% of our cash and cash equivalents as of December 31, 2020 is pledged as security in relation with the Group's project financings (December 31, 2019: 67.4%); cash and cash equivalents includes $117.3 million as of December 31, 2020 (December 31, 2019: $154.6 million) of cash balances relating to debt service reserves required by project finance agreements and $1,011.9 million in money market funds (December 31, 2019: $80.3 million). Additional cash held as a result of the refinancing detailed in note 4.24 Borrowings was used on January 6, 2021 to redeem the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023.

4.22 Issued capital

Issued capital

Issued capital of the Company amounted to $8.9 million as at 31 December 2020, with no changes in the years ended 31 December 2019.

Allotted, authorized, called up and fully paid	Number	Nominal value	£ million	$ million
As at 31 December 2019	670,712,920	0.01	6.7	8.9
As at 31 December 2020	**670,712,920**	**0.01**	**6.7**	**8.9**

During the year the Company paid dividends of $105.7 million (2019: $137.6 million).

	Years ended December 31	
In $ millions	2020	2019
Declared during the financial year:		
Final dividend for the year ended 31 December 2018: 9.4000 US cents per share		63.3
Three interim dividends for the year ended 31 December 2019: 11.0703 US cents per share in total		74.3
Final dividend for the year ended 31 December 2019: 3.6901 US cents per share	24.8	
Interim dividends for the year ended 31 December 2020: 12.1773 US cents per share	80.9	
Total dividends provided for or paid	**105.7**	**137.6**

Share repurchases

On 1 April 2020 ContourGlobal announced a buyback programme of up to £30 million of ContourGlobal plc ordinary shares of £0.01 each ("Shares"), to initially run from 1 April 2020 to 30 June 2020, subsequently extended to 30 September 2020 and then further extended to December 31, 2020.

During the year ended December 31, 2020, the Company repurchased 12,374,731 treasury shares at an average price of 188.4 pence per share for an aggregate amount of GBP23.4 million ($30.4 million), representing 1.85% of its share capital.

On January 11, 2021 the Company announced the continuation of the buyback programme from 11 January 2021 to 31 March 2021 for a maximum number of shares of 2,700,000, based on closing share price of 215 pence on 8 January 2021, but in any event not to exceed a cumulative amount of £30 million including the share buy backs competed in 2020.

4.23 Non-controlling interests

The tables below provide summarized financial information for each subsidiary that has non-controlling interests that are material to the group. These new disclosures were added following FRC review.

The amounts disclosed for each subsidiary are before inter-company eliminations.

In $ millions		Year ended December 31, 2019					
Non-controlling interest	CG assets	Acc. NCI	(Loss)/Profit allocated to NCI	Dividends paid to NCI	Distribution paid to NCI	Contribution received from NCI	Proportionate adjusted EBITDA NCI[1]
Electrobras (49%)	Chapadas I (Wind Brazil)	26.7	(4.9)	–	–	6.7	9.9
Electrobras (49%)	Chapadas II (Wind Brazil)	49.5	(1.9)	–	–	6.2	11.5
NEK (27%)	Maritsa (Bulgaria)	53.0	–	–	15.0[2]	–	32.5
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	17.4	4.1	3.6	–	–	13.4
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	(1.5)	(7.1)	–	31.9	16.0	14.0
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	7.5	1.1	–	48.0	144.0	44.7
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	6.8	0.2	–	–	–	1.7
Other		5.9	3.9	19.8	11.6	1.5	13.3
Total		**165.3**	**(4.6)**	**23.4**	**106.5**	**174.4**	**141.1**

(1) Represents the non-controlling interest portion included in the Adjusted EBITDA, ie, the difference between the Adjusted EBITDA and Proportionate adjusted EBITDA.

(2) Only reflects the payments of the Debt to NCI in our Maritsa asset disclosed in the Note 4.25 Other non-current liabilities.

In $ millions		Year ended December 31, 2020					
Non-controlling interest	CG assets	Acc. NCI	(Loss)/Profit allocated to NCI	Dividends paid to NCI	Distribution paid to NCI	Contribution received from NCI	Proportionate adjusted EBITDA NCI[1]
Electrobras (49%)	Chapadas I (Wind Brazil)	21.5	(2.7)	–	–	3.4	6.6
Electrobras (49%)	Chapadas II (Wind Brazil)	37.3	(1.1)	–	–	–	8.7
NEK (27%)	Maritsa (Bulgaria)	53.3	–	–	18.5[2]	–	32.8
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	13.7	4.5	–	2.6	–	11.5
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	(4.5)	2.6	–	8.4	–	17.0
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	20.0	4.1	–	46.2	–	61.9
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	6.8	0.1	0.2	0.3	–	1.5
Other		7.2	5.1	5.2	–	–	13.1
Total		**155.3**	**12.6**	**5.4**	**76.0**	**3.4**	**153.3**

(1) Represents the non-controlling interest portion included in the Adjusted EBITDA, ie, the difference between the Adjusted EBITDA and Proportionate adjusted EBITDA.

(2) Only reflects the payments of the Debt to NCI in our Maritsa asset disclosed in the Note 4.25 Other non-current liabilities.

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

In $ millions		Year ended December 31, 2019					
Non-controlling interest	CG assets	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit or (Loss)
Electrobras (49%)	Chapadas I (Wind Brazil)	198.9	27.6	127.5	45.9	26.7	(10.1)
Electrobras (49%)	Chapadas II (Wind Brazil)	219.9	29.1	110.6	37.1	29.2	(3.8)
NEK (27%)	Maritsa (Bulgaria)	341.7	336.1	125.2	268.2	403.0	59.6
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	274.5	39.1	171.0	70.4	76.4	15.6
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	226.3	43.3	238.7	29.0	34.6	(12.4)
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	1,085.7	72.7	1,072.8	66.0	167.3	6.2
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	25.0	3.5	21.8	3.3	5.1	0.7

In $ millions		Year ended December 31, 2020					
Non-controlling interest	CG assets	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit or (Loss)
Electrobras (49%)	Chapadas I (Wind Brazil)	151.6	25.8	97.4	37.5	20.1	(5.6)
Electrobras (49%)	Chapadas II (Wind Brazil)	165.1	22.3	80.5	30.4	27.0	(2.3)
NEK (27%)	Maritsa (Bulgaria)	333.1	330.8	99.6	264.4	406.3	58.5
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	212.9	27.7	126.7	55.1	64.2	18.1
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	225.6	39.4	237.8	30.5	40.7	5.5
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	1,120.5	77.6	1,087.1	65.9	161.8	8.4
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	24.8	3.2	21.1	3.5	4.6	0.3

In $ millions		Year ended December 31, 2019		
Non-controlling interest	CG assets	Net cash generated by operating activities	Net cash generated by investing activities	Net cash generated by financing activities
Electrobras (49%)	Chapadas I (Wind Brazil)	21.1	(1.4)	(8.6)
Electrobras (49%)	Chapadas II (Wind Brazil)	24.2	(1.1)	(9.7)
NEK (27%)	Maritsa (Bulgaria)	103.4	(12.7)	(75.1)
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	38.9	(6.6)	(40.4)
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	25.5	3.7	(26.8)
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	128.0	(6.1)	(180.2)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	4.3	–	(5.4)

In $ millions		Year ended December 31, 2020		
Non-controlling interest	CG assets	Net cash generated by operating activities	Net cash generated by investing activities	Net cash generated by financing activities
Electrobras (49%)	Chapadas I (Wind Brazil)	16.5	(3.6)	(9.5)
Electrobras (49%)	Chapadas II (Wind Brazil)	17.6	(1.9)	(16.1)
NEK (27%)	Maritsa (Bulgaria)	80.2	(11.3)	(79.4)
CG Aguila Holdings (20%)	Brazil Hydro and Brazil Solution	43.6	(4.5)	(38.3)
Credit Suisse Energy Infrastructure Partners (49%)	Italy Solar	30.2	(0.4)	(39.7)
Credit Suisse Energy Infrastructure Partners (49%)	Spain CSP	115.4	(6.9)	(113.6)
Energie Burgenland and DH Energie (38%)	Deutsch Haslau (Austria Wind)	3.9	–	(4.2)

Considering the different natures of cash transactions with Non controlling interests ("NCI"), different categories are presented in the Consolidated statement of cash flows:

- Cash distribution to non-controlling interests: only reflects the payments done as payment of the Debt to NCI in our Maritsa asset disclosed in the Note 4.25 Other non-current liabilities.
- Dividends paid to NCI: reflects the payments to NCI in the form of dividends payments.

- Transactions with NCI (cash received): reflects the cash received from NCI usually in the form of capital contributions and proceeds from sell down transactions.
- Transactions with NCI (cash paid): reflects the payments/distributions to NCI in a form other than dividends (principally as capital reduction or shareholders' loans principal and interests repayments).
- Transactions with NCI are presented as financing activities in accordance with IAS 7.

4.24 Borrowings

Certain power plants have financed their electric power generating projects by entering into external financing arrangements which require the pledging of collateral and may include financial covenants as described below. The financing arrangements are generally non-recourse (subject to certain guarantees) and the legal obligation for repayment is limited to the borrowing entity.

The Group's principal borrowings with a nominal outstanding amount of $4,871.8 million in total as of December 31, 2020 (December 31, 2019: $4,135.7 million) primarily relate to the following:

Type of borrowing	Currency	Project Financing	Issue	Maturity	Outstanding nominal amount December 31, 2020 ($ million)	Outstanding nominal amount December 31, 2019 ($ million)	Rate
Corporate bond [1]	EUR	Corporate Indenture	2018	2023 2025	1,038.4	953.1	3.375%, 4.125%
Corporate bond [1]	EUR	Corporate Indenture	2020	2026 2028	867.3	–	2.75%, 3.125%
Loan Agreement [2]	USD	Mexican CHP	2019	2026	508.5	535.0	LIBOR + 2.5%
Loan Agreement	EUR	Spanish CSP	2018	2026 2038	392.5	387.7	Fixed 5.8% and 6.7%
Loan Agreement	EUR	Spanish CSP	2018	2036	348.4	339.3	3.438%
Loan agreement [3]	EUR	Solar Italy	2019	2030	215.5	214.8	EURIBOR 6M + 1.7%
Project bond	USD	Inka	2014	2034	173.2	179.5	6.0%
Loan Agreement	EUR	Spanish CSP	2009	2029	152.2	153.1	EURIBOR 6M + Variable
Loan Agreement	USD	Vorotan	2016	2034	121.5	128.4	LIBOR + 4.625%
Loan Agreement / Debentures [6]	BRL	Chapada I	2015	2032 2029	115.5	155.2	TJLP + 2.18% / IPCA + 8%
Loan Agreement	EUR	Maritsa	2006	2023	109.1	130.6	EURIBOR + 0.125%
Loan Agreement [5]	EUR	Austria Wind	2013 2020	2027 2033	105.2	71.7	EURIBOR 6M + 2.45% and 4.305% / EURIBOR 3M+1.95% and 4.0% / EURIBOR 6M +1.55%
Loan Agreement	EUR	Arrubal	2011	2021	98.9	128.6	4.9%
Loan Agreement	USD	Cap des Biches	2015	2033	96.3	101.1	USD-LIBOR BBA (ICE)+3.20%
Loan Agreement [4]	BRL	Chapada II	2016	2032	84.8	118.8	TJLP + 2.18%
Loan Agreement	USD	Togo	2008	2028	80.8	88.7	7.16% (Weighted average)
Loan Agreement [4]	BRL	Asa Branca	2011	2030	58.5	83.6	TJLP+ 1.92%
Loan Agreement	USD	KivuWatt	2011	2026	57.2	66.0	LIBOR plus 5.50% and mix of fixed rates
Debentures	BRL	Hydro Brazil Portfolio II	2018	2026	49.9	69.8	CDI +3%, 4.2%
Loan Agreement [6]	EUR	Solar Slovakia	2019	2025	44.4	49.4	Mix of fix and variable rates
Other Credit facilities (individually < $50 million)	Various	Various	2012–2013	2021–2034	153.7	181.3	Mix of fix and variable rates
Total					4,871.8	4,135.7	

(1) Corporate bond issued by ContourGlobal Power Holdings S.A. in July 2018 for €750 million dual-tranche, it includes €450 million bearing a fixed interest rate of 3.375% maturing in 2023 and €300 million bearing a fixed interest rate of 4.125% maturing in 2025. In July 2019, a new €100 million corporate bond tab was added to the €300 million tranche bearing the same fixed interest rate of 4.125% maturing also in 2025. On December 17, 2020 two new Corporate bond were issued by ContourGlobal Power Holdings S.A. for €410 million aggregate principal amount of 2.75% senior secured notes due in 2026 and €300 million aggregate principal amount of 3.125% senior secured notes due in 2028. On January 6, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023.

(2) On 25th November 2019, the Group acquired a Thermal portfolio in Mexico representing a total of 518 MW, new debt was issued at acquisition due in 2026 with an outstanding nominal of $508.5 million at 31st December 2020. The loan bears an interest rate of LIBOR +2.5% maturing in 2026.

(3) On June 20, 2019, ContourGlobal Mediterraneo S.r.l. entered into a €196.0 million facilities agreement with Banco BPM S.p.A., Bayerische Landesbank Anstalt des öffentlichen Rechts, BNP Paribas, Italian Branch, Crédit Agricole Corporate and Investment Bank, Société Générale, Milan Branch and UBI Banca S.p.A. (the "Mediterraneo Facility"), refinancing all the existing Italian Solar Plants facilities. The Facility bears interest at EURIBOR 6-month plus 1.70% per year and matures on December 31, 2030.

(4) Taxa de Juros de Longo Prazo ("TJLP") represents the Brazil Long Term Interest Rate, which was approximately 4.55% at December 31, 2020 (December 31, 2019: 5.57%).

(5) On February 18, 2020, the group signed a loan agreement to refinance our Austria Wind portfolio. The new loan agreement was issued for €35.9 million bearing a rate of 6M EURIBOR + 1.55% maturing in 2033.

(6) On January 26, 2019, the group signed a loan agreement to refinance our Solar Slovak portfolio. The new loan agreement was issued for €51.1 million bearing a mix of fix rate of 0.161% + 1.4% with a variable part bearing a rate of EURIBOR 6M +1.4% maturing in 2025.

With the exception of our corporate bond and revolving credit facility, all external borrowings relate to project financing. Such project financing are generally non-recourse (subject to certain guarantees).

The carrying amounts of the Group's borrowings are denominated in the following currencies:

In $ millions	Years ended December 31	
	2020	2019
US Dollars	1,056.1	1,099.5
Euros [1]	3,382.2	2,442.5
Brazilian Reals	392.0	548.5
Total	**4,830.3**	**4,090.5**
Non-current borrowings	3,895.5	3,787.6
Current borrowings	934.8	302.9
Total	**4,830.3**	**4,090.5**

(1) €450 million corporate bond maturing in 2023 ($549.7 million) shown as current as a result of the refinancing in December 2020 which resulted in a commitment to repay these bonds in January 2021.

The carrying amounts and fair value of the current and non-current borrowings are as follows:

In $ millions	Carrying amount		Fair Value	
	Years ended December 31,		Years ended December 31,	
	2020	2019	2020	2019
Credit facilities	2,720.2	2,909.1	2,817.9	3,005.3
Bonds	2,110.1	1,181.4	2,191.3	1,274.4
Total	**4,830.3**	**4,090.5**	**5,009.2**	**4,279.7**

Net debt as of December 31, 2020 and 2019 is as follows:

In $ millions	Years ended December 31	
	2020	2019
Cash and cash equivalents	1,396.9	558.5
Borrowings - repayable within one year	(899.7)	(269.4)
Borrowings - repayable after one year	(3,972.1)	(3,866.3)
Interests payable, deferred financing costs and other	41.5	45.2
IFRS 16 liabilities	(32.9)	(33.3)
Net debt	**(3,466.3)**	**(3,565.3)**
Cash and cash equivalents	1,396.9	558.5
Borrowings - fixed interest rates [1]	(4,306.6)	(3,386.3)
Borrowings - variable interest rates	(565.2)	(749.4)
Interests payable, deferred financing costs and other	41.5	45.2
IFRS 16 liabilities	(32.9)	(33.3)
Net debt	**(3,466.3)**	**(3,565.3)**

(1) Borrowings with fixed interest rates taking into account the effect of interest rate swaps.

IFRS 16 lease liabilities were previously not included within the above reconciliation and has been restated accordingly.

In $ millions	Cash and cash equivalents	Borrowings	IFRS 16 liabilities	Total net debt
As of January 1, 2019	**697.0**	**(3,560.1)**	**(27.5)**	**(2,890.6)**
Cash-flows	(174.6)	–	–	(174.6)
Acquisitions / disposals	21.4	(22.0)	–	(0.6)
Proceeds of borrowings	–	(947.5)	–	(947.5)
Repayments of borrowings	–	428.2	–	428.2
Currency translations differences and other [1]	14.7	10.9	–	25.6
IFRS 16 liabilities net movement [3]	–	–	(5.8)	(5.8)
As of December 31, 2019	**558.5**	**(4,090.5)**	**(33.3)**	**(3,565.3)**
Cash-flows	810.6	–	–	810.6
Acquisitions / disposals	–	–	–	–
Proceeds of borrowings	–	(938.9)	–	(938.9)
Repayments of borrowings	–	323.4	–	323.4
Repayments of borrowings and interests to NCI[2]	-	49.5	-	49.5
Currency translations differences and other	27.8	(173.8)	–	(146.0)
IFRS 16 liabilities net movement [3]	–	–	0.4	0.4
As of December 31, 2020	**1,396.9**	**(4,830.3)**	**(32.9)**	**(3,466.3)**

(1) Includes $48 million repayment of shareholders loans principal and interests with NCI presented in the consolidated statement of cash flows on the line "Transactions with non-controlling interest holders, cash paid" related to CSP Spain (note 4.23).

(2) Refers to repayment of shareholders loans principal and interests with NCI included in the consolidated statement of cash flows on the line "Transactions with non-controlling interest holders, cash paid" related to CSP Spain (note 4.23).

(3) IFRS 16 liabilities net movement includes -$3.6 million lease additions (2019: -$13.1 million), $6.8 million lease payments (2019: $7.8 million) and -$2.8 million currency translation adjustment (2019: -$0.5 million). IFRS 16 lease liabilities were previously not included within the above reconciliation and has been restated accordingly.

Debt Covenants and restrictions

The group's borrowing facilities are subject to a variety of financial and non financial covenants. The most significant financial covenants include Debt service coverage ratio; Leverage ratio; Debt to equity ratio; Equity to assets ratio; Loan life coverage ratio and decreasing senior debt to total debt ratio.

Non-financial covenants include the requirement to maintain proper insurance coverage, enter into hedging agreements, maintain certain cash reserves, restrictions on dispositions, scope of the business, and mergers and acquisitions.

These covenants are monitored appropriately to ensure that the contractual conditions are met.

A technical breach in a minor condition regarding the number of authorized offshore bank accounts has been identified in relation to the financing of our Cap des Biches asset. The Company has performed a technical analysis and concluded that it has an unconditional right to defer payment for at least 12 months and hence $96.3 million of debt is presented as non current in line with the contracted repayment schedule.

Securities given

Corporate bond and Revolving Credit Facility at CG Power Holdings level are secured by pledges of shares of certain subsidiaries (ContourGlobal LLC, ContourGlobal Spain Holding Sàrl, ContourGlobal Bulgaria Holding Sàrl, ContourGlobal Latam Holding Sàrl, ContourGlobal Hummingbird UK Holdco I Limited, ContourGlobal Hummingbird US Holdco Inc., ContourGlobal Terra Holdings Sàrl and ContourGlobal Worldwide Holdings Sàrl), and guarantees from ContourGlobal plc, and the above subsidiaries.

Project financing	Facility	Maturity	Security / Guarantee given
CSP Spain (excluding Alvarado)	Long Term Facility	2036	First ranking security interest in the shares of all the entities in the borrower group plus pledge of receivables and project accounts. Assignment of insurances.
CSP Spain Alvarado	Long Term Facility	2029	First ranking security interest in the shares of the borrower group plus pledge of project accounts. Assignment of rights under project contracts.
Inka	Senior secured notes	2034	Pledge of shares of Energia Eolica SA, EESA assets, accounts, assignment of receivables of the project contracts and insurances.
Inka	Letter of Credit Agreement	2021	$8.5m ContourGlobal Plc guarantee to Credit Suisse.
Chapada I	Long Term Facility	2032	Pledge of shares of Chapada I SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances.
Arrubal	Arrubal Term Loan	2021	Pledge of (i) the shares of CG La Rioja, (ii) project accounts, (iii) insurance policies, (iv) receivables on project documents (PPA, Operations & Maintenance, Gas Supply Agreement…), (v) mortgage over the power station and industrial items.
Maritsa	Credit Facility	2023	Pledge of the shares, any dividends on the pledged shares and the entire commercial enterprise of ME-3, including the receivables from the ME-3 PPA.
Vorotan	Long Term Facility	2034	Pledge of shares of ContourGlobal HydroCascade CSJC assets and project accounts, assignment of receivables arising from the project contracts and insurances.
Chapada II	Long Term Facility	2032	Pledge of shares of Chapada II SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances.
Cap des Biches	Credit Facility	2033	Pledge over CG Senegal and CG Cap des Biches Sénégal shares, pledge over the project accounts, charge over the assets of CG Cap des Biches Sénégal, assignment of receivables of CG Cap des Biches Sénégal and the insurance policies, direct agreement on the project contracts.
Togo	Loan agreement	2028	ContourGlobal Plc guarantee on cash shortfall for Debt service, and (i) a pledge of CG Togo LLC and CG Togo SA capital stock, (ii) a charge on equipment, material and assets of CG Togo SA, (iii) the assignment of receivables of CG Togo SA, (iv) the assignment of insurance policies, and (v) a pledge on the project accounts.
Asa Branca	Credit facility	2030	Pledge of shares of Asa Branca Holding SA, pledge of the receivables under the Asa Branca PPA, pledge on certain project accounts, mortgage of assets of the Asa Branca Windfarm Complex, assignment of credit rights under project contracts (EPC, land leases, O&M…).
Energie Europe Wind & Solar	Credit Facilities	2025-30	Pledge of the shares, assets, cash accounts and receivables.
Kivuwatt	Financing Arrangement	2026	– Secured by, among others, (i) KivuWatt Holdings' pledge of all of the shares of KivuWatt held by KivuWatt Holdings, (ii) certain of KivuWatt's bank accounts and (iii) KivuWatt's movable and immovable assets. – ContourGlobal Plc $1.2 million guarantee for the benefit of KivuWatt under the PPA and Gas – Concession to the Government of Rwanda and to Electrogaz (outside of the loan guarantee). – $8.5million UK Plc guarantee to cover DSRA as of December 31,2019.
Hydro Brazil Portfolio II and Solutions Brazil	Debentures	2026	First ranking security interest in the shares of all the entities in the borrower group (ex-minorities) plus pledge of receivables. ContourGlobal plc BRL 60 million guarantee to cover Brasil hydro injunctions risk on ContourGlobal do Brasil Participaçoes SA
Sunburn	Letter of Credit Agreement	2021	On December 22, 2010, a €1.2 million letter of credit facility was entered into to fund obligations under the debt service reserve account (in accordance with the Saint Martin loan agreement). This letter of credit expires in June 2021. No amounts have been recognized in relation to letter of credit in either period.
Chapada III	Long Term Facility	2032	Pledge of shares of Chapada III SPVs and Holding, SPVs assets, accounts, assignment of receivables of the project contracts and insurances. Corporate guarantee from ContourGlobal do Brazil Holding Ltda until Financial Completion.
Mexican CHP	Long Term Facility	2026	Pledge of the CGA I and CELCSA shares, assets and accounts, assignment of receivables and insurance policies.

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4.25 Other non-current liabilities

In $ millions	December 31 2020	2019
Debt to non-controlling interest [1]	28.6	58.1
Deferred payments on acquisitions [2]	33.5	38.0
Fixed margin liability [3]	–	82.8
IFRS 16 lease liabilities	28.6	28.0
Other [4]	34.2	23.0
Total other non-current liabilities	**124.9**	**229.9**

(1) Debt to non-controlling interests: in 2011, the Group purchased a 73% interest in the Maritsa power plant. NEK owns the remaining 27% of the Maritsa power plant. The shareholders' agreement states that all distributable results available should be distributed to their shareholders, with no unconditional right to avoid dividends. Consequently and in accordance with IAS 32 'Financial Instruments: presentation', shares held by NEK do not qualify as equity instruments and are recorded as a liability to non-controlling interests in the Group's consolidated statement of financial position. The debt to non-controlling interests was recorded at fair value at the date of acquisition (in accordance with IFRS 3) using a discounted cash flow method based on management's best estimate at that date of the future distributable profits to the minority shareholder NEK over the period of the PPA. This debt is discounted using a European risk free rate adjusted for the credit default swap (CDS) spread for Bulgaria. The debt is subsequently held at amortized cost.

The change in the debt to Maritsa non-controlling interest is presented below:

In $ millions	December 31 2020	2019
Beginning of the year	58.1	69.2
Dividends	(18.9)	(15.0)
Unwinding of discount	3.1	5.4
Reclassification in current liabilities	(17.7)	–
Currency translation adjustments	4.0	(1.5)
End of the year	**28.6**	**58.1**

(1) (2) As of December 31, 2020, deferred payments and earn-outs on acquired entities relate to deferred payments to be made to initial developers of certain Wind Brazil assets ($15.2 millions) and Spain CSP previous owner ($18.3 million). For the Brazil wind assets, the liability is reviewed at each reporting date and is based on a percentage of the projected revenue generated under the current power purchase agreements and for CSP Spain the liability is based on a pre-defined amount.

(2) (3) As of December 31, 2019 a liability was recognized by CHP Mexico representing the estimated net present value of the amounts due to Seller's affiliates in relation to the CFE fixed margin mechanism on certain power purchase agreements. As of December 31, 2020 this liability is recorded in derivative financial instruments.

(3) (4) Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $15.4 million in December 31, 2020 (December 31, 2019: $10.1 million).

4.26 Provisions

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
As of January 1, 2019	**42.7**	**15.9**	**58.6**
Acquired through business combination	0.2	–	0.2
Additions	3.0	5.5	8.5
Unused amounts reversed	(3.3)	(2.8)	(6.1)
Amounts used during the period	(0.1)	(0.3)	(0.4)
Currency translation differences and other	1.4	(1.2)	0.2
As of December 31, 2019	**43.9**	**17.1**	**61.0**
Additions	2.1	3.7	5.8
Unused amounts reversed	(3.1)	(1.4)	(4.5)
Amounts used during the period	–	(1.3)	(1.3)
Currency translation differences and other	2.9	0.2	3.1
As of December 31, 2020	**45.8**	**18.3**	**64.1**

Provisions have been analyzed between current and non-current as follows:

In $ millions	Decommissioning / Environmental / Maintenance provision	Legal and other	Total
Current liabilities	4.6	8.0	12.6
Non-current liabilities	39.3	9.1	48.4
As of December 31, 2019	**43.9**	**17.1**	**61.0**
Current liabilities	1.9	10.4	12.3
Non-current liabilities	43.9	7.9	51.8
As of December 31, 2020	**45.8**	**18.3**	**64.1**

Site decommissioning provisions are recognized based on assessment of future decommissioning costs which would need to be incurred in accordance with existing legislation to restore the sites and expected to occur between 1 and 20 years.

Legal and other provisions include amounts arising from claims, litigation and regulatory risks which will be utilized as the obligations are settled and includes sales tax and interest or penalties associated with taxes.

Legal and other provisions have some uncertainty over the timing of cash outflows.

4.27 Share-based compensation plans

ContourGlobal long-term incentive plan

On 11 August 2020, a third grant of performance shares was made under the long term incentive plan ("LTIP") with awards over a total of 2,137,665 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 11 August 2023 subject to the participant's continued service and to the extent to which further performance conditions set out below for the awards are satisfied over the period of three years commencing on 1 January 2020 and, ordinarily, ending on 31 December 2022 (the "Performance Period"):

(i) EBITDA condition: 50.0 % of award to the compounded annual growth rate of the Company's EBITDA over the Performance Period.
(ii) IRR condition: 12.5 % of award to the internal rate of return on qualifying Company projects over the Performance Period.
(iii) LTIR condition: 25.0 % of award to the lost time incident rate of the Company over the Performance Period.
(iv) Project milestones condition: 12.5 % of award to the number of corporate milestones completed on qualifying projects conditions over the Performance Period.

The long term incentive plans are considered as equity-settled share-based incentives, with the related share based payment expense presented within selling, general and administrative expenses in the consolidated statement of income.

These LTIP awards have been valued using the Monte Carlo model and the resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date (36 months). The fair value of the award at the grant date was estimated to be $0.94 per share.

Key assumptions valuing these awards were:

Vesting period	3 years
Expecting vesting	75%
Expected volatility	2020: 23.1%
Risk-free interest rate	2020: (0.05)%

Dividend yield of 0% has been assumed since grantees are compensated for dividends under clause 6.3 of the Long-Term Incentive Plan.

Expected volatility is a measure of the amount by which the Group's shares are expected to fluctuate during the life of an option.

Including in this grant, restricted shares were granted under the long term incentive plan ("LTIP") with awards over a total of 41,496 ordinary shares of 1 pence in ContourGlobal plc granted to eligible employees (the "participants"). These shares will vest on 11 August 2023 subject to the participant's continued service.

The Group's total charge for equity-settled share-based incentives for the year of $1.9 million (2019: $1.3 million) has been included within selling, general and administrative expenses in the consolidated statement of income.

The movements on awards made under the LTIP are as follows:

	Number of shares
Outstanding as of December 31, 2018	**1,553,753**
Granted during the year	**2,486,318**
Forfeited	**(415,619)**
Vested	**–**
Outstanding as of December 31, 2019	**3,624,452**
Granted during the year	2,137,665
Forfeited	(334,551)
Vested	–
Outstanding as of December 31, 2020	**5,427,566**

Deferred bonus

Certain employees of the group are eligible to receipt of deferred bonus awards as determined by the Remuneration Committee representing 20% of the individual's total bonus based on performance in the previous year. These awards have a normal vesting period of two to three years with the recipient required to remain with the company over the vesting period otherwise leading to forfeiture of the award in the event of termination of employment. On 11 August 2020, a total of 120,628 deferred bonus shares were awarded to employees with a vesting date of 9 March 2022.

Private Incentive Plan

The President & CEO ("CEO"), along with certain members of the ContourGlobal management team, have interests in a 'Private Incentive Plan' (PIP). This is a legacy equity arrangement established by Reservoir Capital (the major shareholder in the Company) and no new allocations will be made under this plan. The Company is not a party to the PIP and has no financial obligation, or obligation to issue shares, in connection with it, although it is required to recognize the plan as an expense in accordance with IFRS 2. All shares that might be delivered under the award will be funded by Reservoir Capital.

While the allocations and terms of the President & CEO's award were substantially agreed prior to IPO, Reservoir Capital finalized the implementation of the CEO award on 27 December 2018 and of other managers awards in January 2019. The charge is recognized in the consolidated statement of income within the line item "Other operating income/expense – net" and is excluded from the Adjusted EBITDA calculation as it does not constitute a present or future liability nor a cash out for the Company and will be fully funded or settled through existing Reservoir Capital shareholdings in the Company.

The award is in the form of partnership units in Contour Management Holdings LLC which is a partner in ContourGlobal L.P. (the limited partnership through which Reservoir Capital owns shares in the Company). The award comprises Class S units, Class C units and Class B units. All units deliver an award of shares in ContourGlobal plc.

Under the terms of the PIP, those units entitle the award-holders to have shares in the Company delivered to them if certain financial performance conditions are achieved.

The CEO's and other beneficiaries' holding of units in ContourGlobal L.P. is as follows:

Basis of awards	
Class S Units	Up to 10,475,657 ContourGlobal plc shares (excluding the impact of any accrued dividends)
Class C Units Class B Units	Value share between management and Reservoir Capital Group

The terms of the value share between management and Reservoir Capital are based on a “waterfall” which operates broadly as follows:

(i) Class S Units are similar in nature to a restricted stock award, subject to an underpin share price. At final allocation, Reservoir Capital Group set the underpin share price for the Class S units at $2.23 (£1.74), rather than the £2.57 threshold referred to in the Prospectus, to reflect the share price at the time of final allocation.
(ii) Class C Units are based on sharing 12% of value above a 6% p.a. threshold on $2.0 billion of total value to ContourGlobal L.P., but after deducting value arising from Class S Units.
(iii) Class B Units are based on sharing 18% of value above a 9% p.a. threshold on $2.4 billion of total value to ContourGlobal L.P., but after deducting value arising from Class C Units and Class S Units. The Class B Units also have a catch-up feature that, at valuations significantly above the threshold value, allow management to receive additional value.

The Company was notified that the financial performance condition in respect of the Class S Units was tested on 27 December 2020 (based on closing share price of 207p on the 24th December) and consequently shares were transferred from Reservoir Capital Group’s holding of shares in ContourGlobal plc (through ContourGlobal L.P.) to Contour Management Holdings LLC.

The Class S unit financial performance condition was a share price underpin of $2.23 (threshold) to $2.28 (maximum), assuming no dividends. The number of shares transferred relevant to Mr Brandt’s Class S Unit award (including the impact of accrued dividends) was determined to be 7,403,453. ContourGlobal L.P also transferred cash to Contour Management Holdings LLC relating to the dividend payable on 29 December 2020 for these shares. Transfers from Contour Management Holdings LLC are conditional on Reservoir Capital disposing of all its ordinary shares in ContourGlobal plc. Other transfers of shares in the Company totaling 3,339,531 shares were also made by ContourGlobal L.P. to Contour Management Holdings LLC in connection with the vesting of Class S units held by other current and former members of management of the Company.

Class C units and Class B units are structured as a value share between management and Reservoir Capital Group, and deliver an award of ContourGlobal plc shares subject to certain thresholds after deducting the value arising from the Class S units. Distributions from Class C units and Class B units are subject to Reservoir Capital Group realizing value from its investment in ContourGlobal plc, and the scheme stays in effect until Reservoir Capital Group has disposed of all its ordinary shares in ContourGlobal plc. Class C and Class B units are fully vested and are not forfeitable

Further details of the PIP and of the award can be found in the Company's 2020 Directors' Remuneration Report.

As of 31 December 2020, in accordance with IFRS 2, the Company recognized an expense of $6.6 million in relation with the PIP ($9.1 million in 2019) recognized within other operating expense in the income statement.

4.28 Trade and other payables

In $ millions	December 31 2020	2019
Trade payables	67.6	77.3
Accrued expenses	266.1	258.8
Trade and other payables	**333.7**	**336.1**

4.29 Other current liabilities

In $ millions	December 31 2020	2019
Deferred revenue	5.6	6.1
Deferred payment on acquisition (1)	1.2	21.6
Other taxes payable	34.6	33.5
IFRS 16 lease liabilities	4.3	5.3
Other (2)	149.1	111.5
Other current liabilities	**194.8**	**178.0**

(1) Relates to the deferred payment of the renewable portfolio in Brazil as of December 31, 2020 and to deferred payment of the renewable portfolio in Europe, Brazil and Mexico as of December 31, 2019.

(2) Mainly relates to contractual obligations in Brazil, including shortfall and penalties when wind asset generation falls below contracted PPA for $47.1 million in December 31, 2020 (December 31, 2019: $44.2 million), other regulatory obligations for hydro assets related to the Generation scaling factor (GSF) for $18.2 million in December 31, 2020 (December 31, 2019: $18.9 million), Maritsa current portion of the non-controlling interest debt for $17.7 million in December 31, 2020 (December 31, 2019: nil) and Maritsa CO2 quota for $28.0 million in December 31, 2020 (December 31, 2019: $20.3 million).

(3) In the case of the shortfall and penalties for the Brazilian wind assets, there is limited estimation uncertainty as the shortfall and penalties are calculated based on factual information on actual power generated.

4.30 Group undertakings

ContourGlobal PLC owns (directly or indirectly) only ordinary shares of its subsidiaries. There are no preferred shares scheme in place in the Group.

ContourGlobal plc		United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Hydro Cascade CJSC	100%	Armenia	AGBU building; 2/2 Meliq-Adamyan str.,0010 Yerevan, Armenia
ContourGlobal erneuerbare Energie Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark HAGN GmbH & Co KG	95%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
Windpark Deutsch Haslau GmbH	62%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Zistersdorf Ost GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Berg GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Scharndorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Trautmannsdorf GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Windpark Velm GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Management Europa GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Wind Holding GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Development GmbH	100%	Austria	Fleischmarkt 1, Top 01, Vienna 1010, Austria
ContourGlobal Maritsa East 3 AD	73%	Bulgaria	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
ContourGlobal Operations Bulgaria AD	73%	Bulgaria	TPP ContourGlobal Maritsa East 3, Mednikarovo village 6294, Galabovo District, Stara Zagora Region, Bulgaria
ContourGlobal Management Sofia EOOD	100%	Bulgaria	48 Sitnyakovo Blvd; 9-th fl., Sofia 1505, Bulgaria
Galheiros Geração de Energia Elétrica S.A.	77%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Santa Cruz Power Corporation Usinas Hidroelétricas S.A.	72%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, Itaim Bibi , São Paulo 04542-000, Brazil
Contour Global Do Brasil Holding Ltda	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Contour Global Do Brasil Participações Ltda	80%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Abas Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Ventos de Santa Joana IX Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Calcedônia Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto Magalhães Junior, 758, 3º andar, São Paulo 04542-000, Brazil
Ventos de Santa Joana X Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XI Energias Renováveis S.A	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Ventos de Santa Joana XII Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XIII Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XV Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
Ventos de Santa Joana XVI Energias Renováveis S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Asa Branca Holding S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Tespias Geração de Energia Ltda.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca IV Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca V Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil
Asa Branca VI Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Asa Branca VII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Asa Branca VIII Energias Renováveis SA	100%	Brazil	Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Sao Paulo 04542-000, Brazil
Ventos de Santa Joana I Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana III Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana IV Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km 08 ,Sala 182 , Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana V Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santa Joana VII Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santo Augusto IV Energias Renováveis S.A.	51%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Chapada do Piauí I Holdings S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Ventos de Santo Augusto III Energias Renováveis S.A.	100%	Brazil	Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE
Ventos de Santo Augusto V Energias Renováveis S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000 ,Brazil
ContourGlobal Desenvolvimento S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31 São Paulo 04542-000, Brazil
Chapada do Piauí II Holding S.A.	51%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Chapada do Piauí III Holding S.A.	100%	Brazil	Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000
Capuava Energy Ltda	80%	Brazil	Av. Presidente Costa e Silva, 1178, parte, Santo André/
Afluente Geração de Energia Eletrica S.A.	80%	Brazil	Praia do Flamengo, 70 – 1º andar Rio de Janeiro – RJ
Goias Sul Geração De Energia S.A.	80%	Brazil	Praia do Flamengo, 70 – 2º andar, parte. Rio de Janeiro – RJ
RIO PCH I S.A.	56%	Brazil	Praia do Flamengo, 70 – 4º andar Rio de Janeiro – RJ
Bahia PCH I S.A.	80%	Brazil	Praia do Flamengo, 70 – 6º andar, parte. Rio de Janeiro – RJ
ContourGlobal LATAM S.A.	100%	Colombia	Carrera 7 No. 74-09, Bogota, Colombia
ContourGlobal Solutions Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal Solutions Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
Selenium Holdings Ltd	100%	Cyprus	Capital Center, 2-4 Arch, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus
ContourGlobal La Rioja, S.L	100%	Spain	Arrúbal Power Plant, Polígono Industrial El Sequero, 26150 Arrúbal, La Rioja, Spain.

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
Contourglobal Termosolar Operator S.L.	100%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
ContourGlobal Termosolar, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Rústicas Vegas Altas, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Termosolar Majadas, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Termosolar Palma Saetilla, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Termosolar Alvarado, S.L.	51%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Crasodel Spain SL	100%	Spain	Calle Orense, número 34, 7° piso – 28020 Madrid, Spain
Energies Antilles	100%	France	8, Avenue Hoche 75008 Paris
Energies Saint-Martin	100%	France	8, Avenue Hoche 75008 Paris
ContourGlobal Saint-Martin SAS	100%	France	5 Rue du Gal de Gaulle, 8 Immeuble le Colibri Marigot,97150 Saint-Martin
ContourGlobal Management France SAS	100%	France	Immeuble Imagine 20-26 boulevard du Parc 92200 Neuilly-sur-Seine
ContourGlobal Worldwide Holdings Limited	100%	Gibraltar	Hassans, Line Holdings Limited, 57/63 Line Wall Road, Gibraltar
ContourGlobal Helios S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Solar Holdings (Italy) S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Oricola S.r.l.	100%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Solutions (Italy) S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Portoenergy S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Barone S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Camporeale S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Contourglobal Mediterraneo S.r.l	51%	Italy	Via Cusani 5, Milan 20121, Italy
PVP 2 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sarda S.r.l	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Kaggio S.r.l.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Officine Solari Aquila S.r.l.	51%	Italy	Contrada Piana del Signore s.n.c. 93012 Gela (CL)
ContourGlobal Energetica S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Eight Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Green Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Industrial Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Light Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal One Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sole Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Tracker Srl	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Sungea S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Rinnovabili Bari Max S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar 6 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar Realty S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Solar 5 S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
BS Energia New S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
Campoverde Societa' Agricola S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Ecoenergia S.R.L. - Societa' Agricola	100%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Management Italy S.R.L.	100%	Italy	Via Cusani 5, Milan 20121, Italy
Interporto Solare S.R.L.	51%	Italy	Via Cusani 5, Milan 20121, Italy
ContourGlobal Kosovo L.L.C.	100%	Kosovo	Anton çeta 5a 1000 Pristina Republic of Kosovo

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Luxembourg S.àr.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Kani Lux Holdings S.à r.l.	80%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Africa Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Bulgaria Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Latam Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Vorotan Holding S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 2 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 3 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Development Holdings S.à r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 5 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra 6 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Solutions Holdings S.a.r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Senegal Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Terra Holdings S.à r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Power Holdings S.A.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Worldwide Holdings S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 1 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 2 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 3 S.à.r.l	51%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Spain O&M HoldCo S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Intermediate O&M S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Ursaria 3 S.à r.l.	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
ContourGlobal Mirror 7 S.à.r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
ContourGlobal Mirror 4 S.à.r.l	100%	Luxembourg	35-37 Avenue de la Liberté L-1931 Luxembourg, Grand Duchy of Luxembourg
Aero Flash Wind, S.A.P.I. DE C.V.	75%	Mexico	Mexico City, Mexico / Tax Address : Ciudad de Tecate, Baja California
ContourGlobal holding de generación de energía de México	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
ContourGlobal Servicios Administrativos de generación	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
ContourGlobal Servicios Operacionales de México	100%	Mexico	Monterrey, Estado de Nuevo Leon, Mexico
Cogeneración de Altamira, S.A. DE C.V.	100%	Mexico	San Pedro Garza Garcia, Nuevo Leon, Mexico
Cogeneración de Energía Limpia De Cosoleacaque S.A De C.V.	100%	Mexico	San Pedro Garza Garcia, Nuevo Leon, Mexico
KivuWatt Holdings	100%	Mauritius	4th Floor, Tower A, 1CyberCity, c/o Citco (Mauritius) Limited, Ebene, Mauritius
ContourGlobal Solutions (Nigeria) Ltd	100%	Nigeria	St. Nicholas House, 10th Floor, Catholic Mission Street, Lagos, Nigeria
ContourGlobal Solutions Nigeria Holdings B.V.	100%	Netherlands	Keplerstraat 34, Badhoevedorp 1171CD, Netherlands
Contourglobal Bonaire B.V.	100%	Netherlands	Kaya Carlos A. Nicolaas 3 , Bonaire, Netherlands
Energía Eólica S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Peru SAC	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable Peruana S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
Energía Renovable del Norte S.A.	100%	Peru	Av. Ricardo Palma 341, Office 306, Miraflores, Lima 18, Peru
ContourGlobal Solutions (Poland) Sp. Z o.o.	100%	Poland	ul. Przemyslowa 2A, Radzymin 05-250 - Poland
ContourGlobal Paraguay Holdings SA	100%	Paraguay	Simon Bolivar, # 914 casi Parapiti, Asuncion, Paraguay
ContourGlobal Solutions (Ploiesti) S.R.L.	100%	Romania	Ploeisti, 285 Gheorge Grigore, Cantacuzino street, Prahova County, Ploeisti, Romania
Petosolar S.R.L.	100%	Romania	7 Ghiocei street, ap. 1, Panciu locality, Panciu city, Vrancea county, Romania
Kivu Watt Ltd	100%	Rwanda	Plot 9714, Nyarutarama, P. O. Box 6679, Kigali, Rwanda
RENERGIE Solarny Park Holding SK I a.s.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
PV Lucenec S.R.O.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rimavské Jánovce s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Dulovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Gemer s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hodejov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Jesenské s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Nižná Pokoradz s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Riečka s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Rohov s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Starňa s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Včelince 2 s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Solárny park Hurbanovo s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
AlfaPark s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
RENERGIE Druhá slnečná s.r.o.	51%	Slovak Republic	Pribinova 25, 811 09 Bratislava,Slovakia
SL03 s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Bánovce nad Ondavou s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Bory s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Budulov s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Kalinovo s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
ZetaPark Lefantovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny Lefantovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia

Consolidated subsidiaries	Ownership	Country of incorporation	Registered address
RENERGIE Solárny park Michalovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Nižný Skálnik s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Otročok s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Paňovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Gomboš s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Rimavská Sobota s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Horné Turovce s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Uzovská Panica s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
RENERGIE Solárny park Zemplínsky Branč s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
ZetaPark s.r.o.	51%	Slovak Republic	25 Pribinova Str., Bratislava 811 09, Slovakia
ContourGlobal Cap des Biches Senegal S.à r.l.	100%	Senegal	2, Place de L'Indépendance, Dakar, BP 23607, Senegal
ContourGlobal Togo S.A.	80%	Togo	Route D'Aného, Baguida, BP 3662 , Lomé - Togo
ContourGlobal Services Africa S. à r.l.	100%	Togo	Immeuble SCI – Direction de l'administration pénitentiaire & de la réinsertion – Angle Rue Agbata, Boulevard du 13 Janvier – 01 BP 3662, Lomé -TOGO
AMC Energy LLC	75%	Ukraine	02125 ,1 Prospect Vyzvolyteliv, Kiev, Ukraine
ContourGlobal Solutions Ukraine LLC	100.0	Ukraine	32, Konstantiniska street, 04071 Kiev, Ukraine
ContourGlobal Solutions (Northern Ireland) Limited	100%	United Kingdom	6th Floor Lesley Tower, 42-26 Fountain Street, Belfast BT1 5EF, Ireland
ContourGlobal Europe Limited	100%	United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS
Contour Global Hummingbird UK Holdco I Ltd	100%	United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS
Contour Global Hummingbird UK Holdco II Ltd	100%	United Kingdom	116 Park Street 7th Floor, London, United Kingdom, W1K 6SS
Contour Global LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
Contour Global Management Inc	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Services Brazil LLC	100%	US	650 Fifth Ave - 17th Fl., New York, New York 10019
ContourGlobal Togo LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808
ContourGlobal A Funding LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Senegal Holdings LLC	100%	US	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808
ContourGlobal Senegal LLC	100%	US	1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
CG Solutions Global Holding Company LLC	100%	US	Corporation Trust Center, 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
Contour Global Hummingbird US Holdco Inc	100%	US	12 Timber Creek Lane, Universal Registered Agents, County of New Castle, Newark, Delaware 19711

Investments in associates accounted

under the equity method:	Ownership	Country of incorporation	Registered address
TermoemCali I S.A. E.S.P.	37%	Colombia	Carrera 5A Nº 71-45, Bogotá, Colombia
Compañía Eléctrica de Sochagota S.A. E.S.P.	49%	Colombia	Carrera 14 No. 20-21 Local 205A, Plaza Real, Tunja, Colombia
Evacuacion Villanueva des Rey, S.L.	18%	Spain	Calle Orense 34, 7ª planta, 28020 Madrid, Spain

Related party disclosure

ContourGlobal L.P. and Reservoir Capital Group

As of December 31, 2020 ContourGlobal plc and its subsidiaries have no significant trading relationship with the Group's main shareholder, ContourGlobal L.P., and Reservoir Capital Group which ultimately controls ContourGlobal L.P.

Key management personnel

Compensation paid to key management (executive and non-executive committee members) amounted to $15.2 million in December 31, 2020 (December 31, 2019: $16.1 million).

	Years ended December 31	
In $ millions	**2020**	**2019**
Salaries and short term employee benefits	4.6	4.8
Termination benefits		-
Post employment benefits	0.1	-
Profit-sharing and bonus schemes	2.0	1.2
Private incentive plan (1)	6.6	9.1
Non-executive Directors' emoluments	0.8	0.8
Other share based payments	1.1	0.2
Total	**15.2**	**16.1**

(1) Refer to note 4.27 Share-based compensation plans

4.32 Financial commitments and contingent liabilities

a) Commitments

The Group has contractual commitments with, among others, equipment suppliers, professional service organizations and EPC contractors in connection with its power projects under construction that require payment upon reaching certain milestones.

As of December 31, 2020, the Group has completed its Maritsa construction projects and had $1.2 million of firm purchase commitments of property plant and equipment outstanding in connection with its facilities. The Group has also contractual arrangements with Operating and Maintenance (O&M) providers and transmission operators as it relates to certain of its operating assets. Maritsa has a long-term Lignite Supply Agreement (LSA) with Maritsa Iztok Mines (MMI) for the purchase of lignite. According to the agreement, Maritsa has to purchase minimum monthly quantities, amounting to 6,187 thousand standard tons per calendar year. The total commitment through the remaining term of the LSA (February 2024) is 19,077 thousand standard tons, equal to $196.6 million at December 2020 prices ($10.31 per standard ton), as compared to 25,264 thousand standard tons equal to $239.0 million at the end of 2019 ($9.46 per standard ton). In the event of a failure on the part of CG Maritsa East 3 AD (ME-3) to take a minimum monthly quantity in any month, ME-3 shall, except in cases caused by Force Majeure and certain actions of Bulgarian authorities as described in the contract, pay to MMI an amount equal to the difference between (i) the aggregate amount paid or payable in respect of lignite delivered during such month and (ii) the aggregate amount that would have been payable had the minimum monthly quantity been taken during such month.

Pursuant to Vorotan acquisition, the Group has agreed to refurbish the hydro power plants and intends to invest approximately €71.8 million ($87.7 million) over four years in a refurbishment program started in 2017 to modernize Vorotan and improve its operational performance, safety, reliability and efficiency. As of December 31, 2020 Vorotan disbursed €37.7 million ($46.1 million) out of the €51.0 million ($62.3 million) of loan of which €0.9 million ($1.1 million) was an advance payment to the EPC contractors.

The Group has also agreements related to our Austria Wind project repowering started in 2017. As of December 31, 2020 we are committed to purchase €45.7 million ($55.8 million) worth of equipment and installation in the years 2021 and 2022.

b) Contingent liabilities

The Group has contingent liabilities in respect of legal and tax claims arising in the ordinary course of business. The Group reviews these matters in consultation with internal and external legal counsel to make a determination on a case-by-case basis whether a loss from each of these matters is probable, possible or remote. These claims involve different parties and are subject to substantial uncertainties.

Operation & Maintenance contractor litigation (Energies Antilles)

In 2015, a €5 million legal claim was brought against EA by the O&M contractor in relation to cost overruns following changes in French labor laws ("IEG status"—Industries Electriques et Gazières). On 21st September 2018, judgment was rendered by the Commercial Court of Paris in favor of the O&M contractor. The Commercial Court appointed an expert to determine the amount of costs for which EA should be liable, as opposed to those costs that were attributable to the O&M contractor's management decisions. Several meetings with the expert have already taken place. In parallel with the expert proceeding, EA appealed before the Paris Court of Appeal against the Commercial Court's decision on legal grounds. To date, the expert has

not yet issued his report as to the costs for which EA should be liable and the decision of the Appeal is expected in the first half of 2021. No provision has been recorded as of 31st December 2020 in relation to the above claim as the Group considers it is not possible to make a reliable estimate of amounts that may be due to the O&M contractor and there is also a possibility of no liability occurring.

Kivuwatt arbitration (KivuWatt Ltd)
REG, which replaced its subsidiary Energy Utility Corporation (EUCL) as the claimant in an ad hoc arbitration under the arbitration rules of the United Nation Commission on International Trade Law (UNCITRAL), claims damages provisionally quantified at approximately $80 million allegedly arising from KivuWatt's alleged delay in entering into commercial service.

KivuWatt contests REG's right to any damages over and above the $1.2 million cap in liquidated damages provided for in the Power Purchase Agreement and already paid by KivuWatt.

No provision has been recorded as of 31st December 2020 in relation to the above claims as the Group considers that it is less than probable that liabilities will arise from these claims.

Solar Italy insurance claim
A fire occurred in September 2018 on a portion of a photovoltaic plant owned by the Group in Italy located on the rooftop of an industrial building owned by a third-party and caused damage to the facility below. In 2019, the third-party's insurers have claimed €6.9 million ($8.3 million).

No provision has been recorded as of 31st December 2020 in relation to the above claim as the Group considers that it is less than probable that the Group could be held liable and there are reasonable grounds to believe that any such liability will be covered by the insurance policy.

Mexico CHP wheeling charges
The injunction granted in the context of the Amparo lawsuit in Mexico described in note 2.4 was conditional upon submission of monthly guarantees (bonds) to the court to cover the difference between the former wheeling fees and the new ones. These guarantees amount to $15.9 million as of December 31, 2020.

As an unfavorable outcome is considered unlikely, a contingent liability has been disclosed in relation to the guarantees opposed to a provision. Further, in the unlikely event that the wheeling fees increase is confirmed in the final judgement, the Company will recharge most of the increased fees to the related offtakers and will incur additional wheeling fees below $2 million in relation to the year ended 31 December 2020.

Togo new claim
ContourGlobal Togo received in late December 2020 a notification from CEET (offtaker of the power purchase agreement) and the Republic of Togo regarding certain alleged breaches of the power purchase agreement and concession agreement, respectively, questioning the performance of the Togo Plant and alleging overpayment of $34 million under "take or pay" provisions. The risk of a liability to CEET is assessed as possible and no provision has been recognized as of 31 December 2020.

Taxes
Judgement is sometimes required in determining how to account for indirect or direct tax positions where the ultimate tax determination is uncertain. These positions include areas such as the tax deductibility or treatment of certain costs (in particular, of one-off items that might arise on an acquisition, disposal or internal restructuring), the pricing of goods or services provided between group companies and the application of local tax law within each territory in which the group operates. Liabilities are recognized in accordance with relevant accounting standards based on management's best estimate of the outcome, having taken advice where it is considered appropriate to do so. However, if the Group is challenged by local tax authorities, it is possible that the final outcome of these matters may be different from the amounts recorded and additional expenses may be recognized in later periods. The Group is not currently subject to any tax audit where it is considered there is a more than remote probability of a material tax adjustment where we have not provisioned and the risk of a material adjustment to tax provisions within the next 12 months is not considered to be significant.

c) Leasing activities

Operating lease as a lessor

The Group is lessor under non-cancellable operating leases. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

In $ millions	Years ended December 31 2020	2019
Minimum lease payments receivable		
No later than 1 year	21.9	32.7
Later than 1 year and no later than 5 years	61.6	79.3
Later than 5 years	13.4	23.2
Total	**96.9**	**135.2**

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants and Energie Antilles on the year ended December 31, 2020 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	6.2	228.6	0.2	0.2	60.4	295.6
Accumulated depreciation and impairment	–	(121.9)	–	(0.1)	(21.1)	(143.1)
Carrying amount as of January 1, 2020	**6.2**	**106.7**	**0.2**	**0.1**	**39.3**	**152.5**
Additions	–	0.8	1.1	0.1	0.9	2.9
Disposals	–	(0.9)	–	–	–	(0.9)
Reclassification	–	0.9	(0.6)	–	0.5	0.8
Currency translation differences	(1.4)	(18.6)	–	–	(8.3)	(28.3)
Depreciation charge	–	(5.6)	–	(0.1)	(3.4)	(9.1)
Closing net book amount	4.8	83.3	0.7	0.1	29.0	117.9
Cost	4.8	208.9	0.7	0.1	50.0	264.5
Accumulated depreciation and impairment	–	(125.6)	–	–	(21.0)	(146.6)
Carrying amount as of December 31, 2020	**4.8**	**83.3**	**0.7**	**0.1**	**29.0**	**117.9**

The property, plant and equipment related to the assets as the operating lease as a lessor relates to Solutions plants and Energie Antilles on the year ended December 31, 2019 as follows.

In $ millions	Land	Power plant assets	Construction work in progress	Right of use of assets	Other	Total
Cost	6.5	232.0	0.6	–	57.6	296.7
Accumulated depreciation and impairment	–	(116.9)	–	–	(17.4)	(134.3)
Carrying amount as of January 1, 2019	**6.5**	**115.1**	**0.6**	**–**	**40.2**	**162.4**
Effect of change in accounting standard [1]	–	–	–	0.2	–	0.2
Carrying amount as of January 1, 2019 (restated)	6.5	115.1	0.6	0.2	40.2	162.6
Additions	–	1.4	0.3	–	4.7	6.4
Disposals	–	(0.5)	(0.1)	–	(0.5)	(1.1)
Reclassification	–	0.8	(0.6)	–	0.8	1.0
Currency translation differences	(0.3)	(3.6)	–	–	(1.5)	(5.4)
Depreciation charge	–	(6.5)	–	(0.1)	(4.4)	(11.0)
Closing net book amount	6.2	106.7	0.2	0.1	39.3	152.5
Cost	6.2	228.6	0.2	0.2	60.4	295.6
Accumulated depreciation and impairment	–	(121.9)	–	(0.1)	(21.1)	(143.1)
Carrying amount as of December 31, 2019	**6.2**	**106.7**	**0.2**	**0.1**	**39.3**	**152.5**

(1) With the implementation of IFRS 16 on 1 January 2019, right of use assets amounting to $0.2 million were recognized. The right of use assets mainly relates to office space.

Finance lease as a lessor

The future aggregate minimum lease payments under non-cancellable finance leases (relating to our operation of Energies Saint Martin) are as follows:

In $ millions	Years ended December 31	
	2020	2019
Minimum lease payments receivable		
No later than 1 year	6.0	5.5
Later than 1 year and no later than 5 years	12.1	16.6
Later than 5 years	–	–
Gross investment in the lease	**18.1**	**22.1**
Less: unearned finance income	(2.9)	(4.4)
Total	**15.2**	**17.7**

In $ millions	Years ended December 31	
	2020	2019
Analyzed as:		
Present value of minimum lease payments receivable:		
No later than 1 year	5.6	5.1
Later than 1 year and no later than 5 years	9.6	12.6
Later than 5 years	–	–
Total	**15.2**	**17.7**

4.33 Guarantees and letters of credit

The Group and its subsidiaries enter into various contracts that include indemnification and guarantee provisions as a routine part of the Group's business activities. Such contracts generally indemnify the counterparty for tax, environmental liability, litigation, and other matters, as well as breaches of representations, warranties, and covenants set forth in the agreements. In many cases, the Group's maximum potential liability cannot be estimated, since some of the underlying agreements contain no limits on potential liability. The Group considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognized.

The Group also acts as guarantor to certain of its subsidiaries and obligor with respect to some long-term arrangements contracted at project level.

For the financial guarantees and letters of credit, refer to note 4.24 Borrowings.

4.34 Statutory Auditors' fees

In $ millions	Years ended December 31 2020	2019
Fees payable to the Group's auditors for the audit of the Group's annual accounts and consolidated financial statements	1.3	1.3
Fees payable to the Group's auditors and its associates for other services:		
– The audit of the Group's subsidiaries	1.0	1.4
– Audit- related assurance services	0.4	1.1
– Other assurance services	0.6	0.4
– Tax compliance services	–	–
– Tax advisory services	–	–
– Other non-audit services	–	–
Total (net of out of pocket expenses)	**3.3**	**4.2**

4.35 Subsequent events

On January 6, 2021 the Group redeemed the €450 million ($549.7 million) aggregate principal amount of its 3.375% senior secured notes due 2023, refer to note 4.24 Borrowings.

On February 18, 2021 the group announced the closing of the acquisition of the 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The consideration for the Acquired Assets is $837 million on a debt free, cash free basis and the Group will assume approximately $207.3 million of existing project net debt with the Acquired Assets.

On 29 January 2021, the president of the United Mexican States submitted before the Mexican Chamber of Representatives (Cámara de Diputados) a preferential initiative intended to modify several provisions of the Power Industry Law (Ley de la Industria Eléctrica) ("LIE"). One of the proposed changes is to modify the order in which electricity is dispatched to the system, which would favor the State-owned power plants and may have an adverse impact on future revenues and profits in our Mexican assets, and the LIE would also allow for CRE to revoke self supply permits benefitting legado generators in cases where they were fraudulently procured. After an express parliamentary process, the reform has been enacted on 10 March 2021. The Group has engaged external advisors who have indicated that the proposed changes are unconstitutional and are preparing amparo claims to challenge the reform. The Group is currently assessing the potential financial impacts for our CHP Mexico assets.

Company balance sheet

At 31st December 2020

In $ millions	Note	2020	2019
Fixed assets			
Investments	6	1,642.1	1,642.1
Current assets			
Debtors	7	3.9	6.1
Cash at bank and in hand		5.0	12.9
		8.9	**19.0**
Creditors: amounts falling due within one year	8	(3.7)	(3.8)
Net current assets		**5.2**	**15.2**
Net assets		**1,647.3**	**1,657.3**
Capital and reserves	9		
Called-up share capital		8.9	8.9
Share premium account		380.8	380.8
Treasury shares		(30.4)	–
Retained earnings and other reserves		1,288.0	1,267.7
Total shareholders' funds		**1,647.3**	**1,657.3**

The Company's profit for the year ended 31 December 2020 was $124.2 million (2019: $147.3 million).

The financial statements on pages 222 to 227 were approved and authorized for issue by the board and were signed on its behalf by:

Joseph C. Brandt
Director

18 March 2021

Registered Number: 10982736

Company statement of changes in equity

For the year ended 31 December 2020

in $ millions	Called-up share capital	Share premium account	Treasury shares	Retained earnings and other reserves	Total
At 31st December 2018	8.9	380.8	–	1,256.6	**1,646.3**
Share based payments [(1)]	–	–	–	1.3	1.3
Dividends distribution [(2)]	–	–	–	(137.6)	(137.6)
Profit for the year	–	–	–	147.3	147.3
At 31st December 2019	**8.9**	**380.8**	**–**	**1,267.6**	**1,657.3**
Share based payments [(1)]	–	–	–	1.9	1.9
Dividends distribution [(2)]	–	–	–	(105.7)	(105.7)
Treasury shares [(3)]	–	–	(30.4)	–	(30.4)
Profit for the year	–	–	–	124.2	124.2
At 31st December 2020	**8.9**	**380.8**	**(30.4)**	**1,288.0**	**1,647.3**

(1) Includes CEO deferred bonus award and Long Term Investing Plan impact on equity.

(2) During the year ended 31 December 2020 the Group paid dividends of $24.8 million on April 9, 2020, $27.1 million on June 26, 2020, $27.0 million on September 25, 2020 and $26.8 million on December 29, 2020. During the year ended 31st December 2019 the Group paid dividends of $63.3 million on 24th May 2019, $24.75 million on each of the following dates 18th June 2019, 3rd September 2019 and 24th December 2019. For further details on dividends paid, refer to page 200 of the Group's financial statements.

(3) See note 10.

Notes to the Company financial statements

1. General information

ContourGlobal plc is a public limited company which is listed on the London Stock Exchange and is domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006. The Company was incorporated on 26 September 2017 and adopted FRS 102 from that date.

2. Statement of compliance

The financial statements of ContourGlobal plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied throughout the period presented.

3.1. Basis of preparation

The Company financial statements have been prepared under the historical cost convention. The current year financial information presented is for the year ended 31 December 2020, and the comparative for the year ended 31 December 2019.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below. The financial statements have been prepared on the going concern basis under the historical cost convention.

As permitted by Section 408 of the Companies Act 2006, an entity profit and loss account is not included as it is part of the published consolidated financial statements of ContourGlobal plc.

3.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following FRS 102 disclosure exemptions available to qualifying entities:

- The requirements of Section 4 Statement of Financial Position 4.12 (a) (iv);
- The requirements of Section 7 Statements of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d); and
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41 (f), 11.42, 11.44, 11.47, 11.48(a)(iii), 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

3.3 Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is the US Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions.

At each period end foreign currency non-monetary items measured at historical cost are translated using the exchange rate on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognized in profit or loss.

3.4 Investments in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realizable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment. Distributions from subsidiaries are treated as dividend income through the profit or loss account where they relate to returns from underlying trading entities. Alternatively, distributions are treated as a reduction of the cost of the investment where it relates to a return of the original capital contribution.

3.5 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 from the proceeds.

Treasury shares

At year end, the Group's treasury shares are included under "Treasury shares" in the consolidated statement of financial position and are measured at acquisition cost.

The gains and losses obtained on disposal of treasury shares are recognized in "Other reserves" in the consolidated statement of financial position. There has been no disposal of treasury shares during the years ended 31 December 2020 and 2019.

The Group buys and sells treasury shares in accordance with the prevailing law and the resolutions of the General Shareholders' Meeting. Such transactions include the sale and purchase of company shares.

3.6 Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Unrecognized deferred tax assets as at 31 December 2020 were $3.6 million ($2.1 million in 2019).

3.7 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Financial assets including amounts owed by group undertakings and other receivables and cash at bank and in hand are initially recognized at transaction price and are subsequently carried at amortized cost using the effective interest method.

At the end of each reporting period financial assets measured at amortized cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed.

The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Financial liabilities include trade and other payables (including from intercompany Group companies).

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

3.8 Dividend distribution

Dividends to the Company's shareholders are recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders in the case of final dividends. In respect of interim dividends, these are recognized in the period in which they are paid.

3.9 Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements is:

- Carrying value of investments.

The Company considers annually whether there is any indication of impairment in the carrying value of investments in accordance with the accounting policy stated.

In the event that there is an indicator of impairment, the Company performs an impairment assessment to determine if the carrying value of the investment is supported by its recoverable amount. The determination of the recoverable amount requires estimation to be applied. The recoverable amount is the higher of (i) an investment's fair value less costs of disposal (market value), and (ii) value in use determined using estimates of discounted future net cash flows ("DCF") of the investment.

The Company uses a fair value less costs of disposal model, being the higher of the previously mentioned metrics, in estimating the recoverable value, with the key assumption being the EBITDA multiple applied to the actual cash flows for the year. These EBITDA multiples are highly variable by nature and are determined based on external market transactions in comparable entities.

4. Directors' Emoluments and employees

The Company had nine Directors and an average of 4 employees in the year to 31 December 2020 (The Company had nine Directors and an average of five employees in the year to 31 December 2019). Of the nine Directors, one was remunerated by the Company. The other eight Directors were remunerated by another company in the Group. The amount of employees charges, including Directors, recognized in the Company's profit and loss statement in 2020 amounted to $3.7 million (2019: $3.2 million).

in $ millions	2020	2019
Wages and salaries	(1.4)	(1.6)
Social security costs	(0.3)	(0.2)
Other pension costs	(0.1)	(0.1)
Share-based payments	(1.9)	(1.3)
Total employee costs	**(3.7)**	**(3.2)**

Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on page 110 to 140.

5. Auditors' fees

The amounts payable to the Company's auditors in respect of the statutory audit were $24,000 (2019: $24,000).

6. Investments in Subsidiaries

in $ millions	2020	2019
At 1st January	**1,642.1**	1,642.1
Net variation	–	–
At 31 December	**1,642.1**	1,642.1

In 2020 the Company received $137.9 million of dividends from ContourGlobal Worldwide Holdings SARL (2019: $154.7).

The Company's directly wholly owned subsidiary is ContourGlobal Worldwide Holdings SARL. A full list of indirect subsidiaries and other undertakings as required by Section 409 of the Companies' Act 2006 is shown on pages 211 to 216 of the Group's financial statements.

7. Debtors

In $ millions	2020	2019
Amounts owed by Group undertakings	2.9	5.1
VAT recoverable	0.5	0.6
Prepayments and accrued income	0.5	0.4
	3.9	**6.1**

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

In $ millions	2020	2019
Trade payables	0.7	0.3
Accrued expenses	2.4	3.2
Amounts owed to Group undertakings	0.4	0.3
Other	0.2	–
	3.7	**3.8**

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Called-up share capital

Issued capital of the Company amounted to $8.9 million as at 31 December 2020 and 31 December 2019.

As of 31 December 2020 and 2019, the Company has issued 670,712,920 shares of £0.01 each, corresponding to an allotted, called up and fully paid capital of £6.7 million, or $8.9 million. There has been no change in the called-up share capital in both years.

10. Treasury shares

On 1 April 2020 ContourGlobal announced a buyback programme of up to £30 million of ContourGlobal plc ordinary shares of £0.01 each ("Shares"), to initially run from 1 April 2020 to 30 June 2020, subsequently extended to 30 September 2020 and then further extended to December 31, 2020.

During the year ended December 31, 2020, the Company repurchased 12,374,731 treasury shares at an average price of 188.4 pence per share for an aggregate amount of GBP23.4 million ($30.4 million), representing 1.85% of its share capital.

On January 11, 2021 the Company announced the continuation of the buyback programme from 11 January 2021 to 31 March 2021 for a maximum number of shares of 2,700,000, based on closing share price of 215 pence on 8 January 2021, but in any event not to exceed a cumulative amount of £30 million including the share buy backs competed in 2020.

11. Contingent Liabilities

The Company acts as a guarantor to certain of its subsidiaries with respect to various financial obligations and project financing agreements entered into by its subsidiaries. The Company considers outflow relating to these guarantees to be remote and therefore no fair value liability has been recognized. The main financial obligations are listed below:

- $8.5 million guarantee to Credit Suisse for Inka letter of credit;
- $8.5 million guarantee to cover Kivuwatt debt service reserve account;
- Guarantee on cash shortfall for debt service in ContourGlobal Togo; the loan balance as at 31 December 2020 is $80.8 million;
- Guarantee to Goldman Sachs, Credit Suisse International, Citibank Europe plc, HSBC Bank USA National Association, JP Morgan Securities plc, and Mizuho Capital Markets LLC in relation with the hedging instruments existing at ContourGlobal Power Holdings S.A. As at 31 December 2020 this related to instruments with a nominal value of $231.8 million and a fair value as at year-end of $1.1 million.
- Parent guarantor (as defined in the indenture) under the €850 million bond indenture dated 19 July 2018 (out of which €400 million are outstanding) and under the €710 million bond indenture dated 17 December 2020;
- Guarantor under the $175 million Western Generation Portfolio Acquisition in North America bridge facility dated 10 December 2020. This acquisition was closed on February 18th and nothing was drawn at year end;
- Guarantor under the corporate level revolving credit facility of €120 million dated 10 December 2020 (nothing was drawn against this credit facility as of 31 December 2020);
- Guarantor under the corporate level letter of credit facility of €75.75 million dated 29 March 2019;
- Guarantor under the corporate level letter of credit facility of €50 million dated 10 March 2020;
- BRL 60 million guarantee to debenture holders to cover Brasil hydro injunctions risk on ContourGlobal do Brasil Participaçoes SA.
- BRL 64,5 million guarantee to Chapada I letters of credit providers;
- Completion guarantee to Mexican CHP lenders to cover expenses required for the project completion.

12. Related Parties

In 2019 and 2020 none of the Company or its subsidiaries have contracted with related parties. As of 31 December 2020, the Company has no balance due or to be received from related parties other than amounts due to and from subsidiary undertakings.

The directors' emoluments are disclosed on page 110 to 140 within the Annual Report on Remuneration for the years ended 31 December 2020 and 2019.

13. Controlling party

The Company is majority owned by ContourGlobal L.P. The ultimate controlling party of ContourGlobal L.P. is Reservoir Capital funds.

The Relation Agreement is disclosed on page 141 to 145 within the Annual Report on Directors' report for the years ended 31 December 2020 and 2019.

14. Subsequent events

On February 18, 2021 the group announced the closing of the acquisition of the 1,502 MW portfolio of six contracted operating power plants located in the United States and Trinidad and Tobago from Western Generation Partners, LLC. The consideration for the Acquired Assets is $837 million on a debt free, cash free basis and the Group will assume approximately $207 million of existing project net debt with the Acquired Assets.

SHAREHOLDER INFORMATION

Warning about unsolicited approaches to shareholders and 'Boiler Room' scams

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in UK investments. These operations are commonly known as 'boiler rooms'.

These 'brokers' can be very persistent and persuasive. ContourGlobal plc shareholders are advised to be extremely wary of such approaches and advised to only deal with firms authorized by the FCA. You can check whether an enquirer is properly authorized and report scam approaches by contacting the FCA on www.fca.org.uk/scams (where you may also review the latest scams) or by calling the FCA Consumer Helpline: 0800 111 6768.

If you have already paid money to share fraudsters then contact Action Fraud on 0300 123 2040.

Registrar

The Company's register of shareholders is maintained by our Registrar, Equiniti Limited. All enquiries regarding shareholder administration including lost share certificates or changes of address should be communicated to the Registrar in writing or by calling 0371 384 2030 for callers from the UK[1] or +44 (0)121 415 7047 for callers from outside the UK.

Shareholders can also view and manage their shareholdings online by registering at www.shareview.co.uk/myportfolio.

Forward Looking Statements

This Annual Report has been prepared for, and only for, the members of ContourGlobal plc ('the Company') as a body, and for no other persons. The Company, its Directors, employees, agents or advisors do not accept or assume responsibility to any other person who receives or sees this document and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty because future events and circumstances can cause results and developments to differ materially from those anticipated. Forward-looking statements in this annual report reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements after publication. Nothing in this Annual Report should be construed as a profit forecast.

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