Making a positive impact

Annual Report 2017
Financial and operational highlights

We aim to excel financially and operationally, exceeding our targets and outperforming our peers. Below we share our financial and operational highlights for 2017.

<table>
<thead>
<tr>
<th>Financial and operational highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income from Operations</strong></td>
</tr>
<tr>
<td>2017: $269.0m</td>
</tr>
<tr>
<td>2016: $221.8m</td>
</tr>
<tr>
<td>% CHANGE: 21.2%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
</tr>
<tr>
<td>2017: $513.2m</td>
</tr>
<tr>
<td>2016: $440.4m</td>
</tr>
<tr>
<td>% CHANGE: 16.5%</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td>2017: $1,022.7m</td>
</tr>
<tr>
<td>2016: $905.2m</td>
</tr>
<tr>
<td>% CHANGE: 13.0%</td>
</tr>
<tr>
<td><strong>Funds from Operations</strong></td>
</tr>
<tr>
<td>2017: $255.9m</td>
</tr>
<tr>
<td>2016: $207.9m</td>
</tr>
<tr>
<td>% CHANGE: 23.1%</td>
</tr>
<tr>
<td><strong>Installed capacity</strong></td>
</tr>
<tr>
<td>2017: 4,159 MW</td>
</tr>
<tr>
<td>2016: 3,933 MW</td>
</tr>
<tr>
<td>% CHANGE: 5.7%</td>
</tr>
<tr>
<td><strong>Total energy produced</strong></td>
</tr>
<tr>
<td>2017: 13,047 GWh</td>
</tr>
<tr>
<td>2016: 12,351 GWh</td>
</tr>
<tr>
<td>% CHANGE: 5.6%</td>
</tr>
</tbody>
</table>

1 Refer to page 20 for definition.

Guided by our values, we develop, acquire, own and operate wholesale power generation assets around the world.

We focus on investing in and making the most of long-term contracted power generation in underserved markets.

We currently have a mix of 84 thermal and renewable power generation assets in 19 countries across Europe, Latin America and Africa. Our assets have a total installed capacity of 4.16 GW.

In line with our opportunistic, disciplined growth strategy, we concentrate on increasing the performance and value of our existing assets while also looking to capitalize on new opportunities.

The energy we generate has a positive impact for people, businesses and communities around the world – powering cities, providing heat and light for people, keeping businesses running round the clock. And through our social investing program we invest in making the places where we live and work better.

We’re proud of this positive impact and want to build on it as ContourGlobal continues to grow well.
We have a highly disciplined and focused growth strategy. This section tells the story of our strategy – what it is, why it’s a winner, and how we have performed against it in 2017.
ContourGlobal was founded 12 years ago and since then has successfully grown into a global platform of contracted power generation with expertise across wind, solar photovoltaic, hydro and thermal technologies.

ContourGlobal is organized into two divisions: Thermal and Renewable.

The Thermal Group consists of plants using conventional fuels, specifically natural gas, coal, liquid fuels and diesel. The Renewable Group consists of plants using renewable resources of wind, solar photovoltaic and hydropower.

We manage risk by underpinning the vast majority of our revenues with long-term contracts with creditworthy counterparties delivering predictable cash flows (over 91% over the next five years).

We develop, acquire, own and operate wholesale power generation businesses.

We have 84 thermal and renewable power generation assets in Europe, Latin America and Africa with a total installed capacity of 4.2 GW. We have a differentiated business model, with a proven growth track record focused on long-term and wholesale contracted power generation across different technologies, geographies and stages of development.

At a glance

We develop, acquire, own and operate wholesale power generation businesses.

ContourGlobal is organized into two divisions: Thermal and Renewable.

The Thermal Group consists of plants using conventional fuels, specifically natural gas, coal, liquid fuels and diesel.

The Renewable Group consists of plants using renewable resources of wind, solar photovoltaic and hydropower.

We manage risk by underpinning the vast majority of our revenues with long-term contracts with creditworthy counterparties delivering predictable cash flows (over 91% over the next five years).

We have 84 thermal and renewable power generation assets in Europe, Latin America and Africa with a total installed capacity of 4.2 GW. We have a differentiated business model, with a proven growth track record focused on long-term and wholesale contracted power generation across different technologies, geographies and stages of development.

**TOTAL CAPACITY**

- **2,507 EUROS (MW)**
- **1,424 LATIN AMERICA (MW)**
- **228 AFRICA (MW)**

**LARGEST ASSETS (MW)**

- **908 MARITSA BULGARIA – COAL**
- **800 ARRUBAL SPAIN – NATURAL GAS**
- **438 CHAPADA COMPLEX (I, II & III) BRAZIL – WIND**
- **404 VOROTAN ARMENIA – HYDRO**
- **160 ASA BRANCA BRAZIL – WIND**
- **114 INKA PERU – WIND**

**INCOME FROM OPERATIONS**

- **$269.0m**

**ADJUSTED EBITDA**

- **$513.2m**

**REVENUE**

- **$1,022.7m**

**TOTAL INSTALLED CAPACITY**

- **4.2 GW**

**EMPLOYEES**

- **1,904**

**ASSETS**

- **84**

**COUNTRIES**

- **19**

**CAPACITY SPLIT BY SOURCE**

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>29%</td>
</tr>
<tr>
<td>Gas</td>
<td>28%</td>
</tr>
<tr>
<td>Wind</td>
<td>21%</td>
</tr>
<tr>
<td>Hydro</td>
<td>14%</td>
</tr>
<tr>
<td>Liquid fuels</td>
<td>6%</td>
</tr>
<tr>
<td>Solar photovoltaic</td>
<td>2%</td>
</tr>
</tbody>
</table>

**CAPACITY SPLIT BY ENERGY TYPE**

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal</td>
<td>63%</td>
</tr>
<tr>
<td>Renewable</td>
<td>37%</td>
</tr>
</tbody>
</table>

**CAPACITY SPLIT BY GEOGRAPHIC REGION**

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>2,507 MW</td>
</tr>
<tr>
<td>LatAm</td>
<td>1,424 MW</td>
</tr>
<tr>
<td>Africa</td>
<td>228 MW</td>
</tr>
</tbody>
</table>

### Assets

#### Operational plants

<table>
<thead>
<tr>
<th>Plant</th>
<th>Geographic location</th>
<th>Energy type</th>
<th>Gross capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritsa</td>
<td>Bulgaria</td>
<td>Thermal</td>
<td>908</td>
</tr>
<tr>
<td>Archaral</td>
<td>Spain</td>
<td>Thermal</td>
<td>800</td>
</tr>
<tr>
<td>Termoamurali</td>
<td>Colombia</td>
<td>Thermal</td>
<td>240</td>
</tr>
<tr>
<td>Soarchaga</td>
<td>Colombia</td>
<td>Thermal</td>
<td>165</td>
</tr>
<tr>
<td>Kramatorsk</td>
<td>Ukraine</td>
<td>Thermal</td>
<td>120</td>
</tr>
<tr>
<td>Togo</td>
<td>Togo</td>
<td>Thermal</td>
<td>100</td>
</tr>
<tr>
<td>Cap des Biches I &amp; II</td>
<td>Senegal</td>
<td>Thermal</td>
<td>86</td>
</tr>
<tr>
<td>Solutions Brazil</td>
<td>Brazil (4)</td>
<td>Thermal</td>
<td>76</td>
</tr>
<tr>
<td>Bomare</td>
<td>Dutch Antilles</td>
<td>Thermal</td>
<td>28</td>
</tr>
<tr>
<td>Kusawat</td>
<td>Rwanda</td>
<td>Thermal</td>
<td>22</td>
</tr>
<tr>
<td>Energies Antilles</td>
<td>French Territory</td>
<td>Thermal</td>
<td>21</td>
</tr>
<tr>
<td>Energies Saint Martin</td>
<td>French Territory</td>
<td>Thermal</td>
<td>14</td>
</tr>
<tr>
<td>Solutions Knockmore Hill</td>
<td>Northern Ireland</td>
<td>Thermal</td>
<td>15</td>
</tr>
<tr>
<td>Solutions Ikeja</td>
<td>Nigeria</td>
<td>Thermal</td>
<td>10</td>
</tr>
<tr>
<td>Solutions Nagara</td>
<td>Italy</td>
<td>Thermal</td>
<td>9</td>
</tr>
<tr>
<td>Solutions Benin</td>
<td>Nigeria</td>
<td>Thermal</td>
<td>7</td>
</tr>
<tr>
<td>Solutions Poland</td>
<td>Romania</td>
<td>Thermal</td>
<td>6</td>
</tr>
<tr>
<td>Solutions Redzymyn</td>
<td>Poland</td>
<td>Thermal</td>
<td>6</td>
</tr>
<tr>
<td>Solutions Oricola</td>
<td>Italy</td>
<td>Thermal</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,640</td>
</tr>
</tbody>
</table>

#### Renewable

<table>
<thead>
<tr>
<th>Plant</th>
<th>Geographic location</th>
<th>Energy type</th>
<th>Gross capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vorstan</td>
<td>Armenia</td>
<td>Solar</td>
<td>404</td>
</tr>
<tr>
<td>Chapada I</td>
<td>Brazil</td>
<td>Solar</td>
<td>205</td>
</tr>
<tr>
<td>Chapada II</td>
<td>Brazil</td>
<td>Solar</td>
<td>173</td>
</tr>
<tr>
<td>Asa Branca</td>
<td>Brazil</td>
<td>Solar</td>
<td>160</td>
</tr>
<tr>
<td>Chapada III</td>
<td>Brazil</td>
<td>Solar</td>
<td>60</td>
</tr>
<tr>
<td>Inka</td>
<td>Peru – Cusipique</td>
<td>Solar</td>
<td>83</td>
</tr>
<tr>
<td>Inka</td>
<td>Peru – Talara</td>
<td>Solar</td>
<td>31</td>
</tr>
<tr>
<td>Energie Europa Solar Photovoltaic</td>
<td>Slovakia (3)</td>
<td>Solar</td>
<td>35</td>
</tr>
<tr>
<td>Solar Photovoltaic Italy</td>
<td>Italy (3)</td>
<td>Solar</td>
<td>50</td>
</tr>
<tr>
<td>Austria Wind</td>
<td>Austria (10)</td>
<td>Solar</td>
<td>150</td>
</tr>
<tr>
<td>Hydro Brazil</td>
<td>Brazil (9)</td>
<td>Solar</td>
<td>167</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,518</td>
</tr>
</tbody>
</table>
Overview

I am excited to introduce ContourGlobal’s 2017 Annual Report, our first as a public company. The IPO on the Main Market of the London Stock Exchange in November 2017 was a significant milestone for our business, and we were pleased to attract a strong, high-quality investor base.

As this is my first Chairman’s letter, I would like to highlight two important aspects of our business approach. These have been important contributors to ContourGlobal’s success as a private company and, I believe, will play an integral role in delivering robust returns for ContourGlobal’s public shareholders.

1. Disciplined, opportunistic approach to allocating capital

ContourGlobal has demonstrated operational and development expertise to cross seven fuel types and four continents. This capability allows us to focus exclusively on the most attractive, risk-adjusted growth projects, without narrowing our scope by technology or geography. We primarily look at transactions with long-term contracted cash flows to creditworthy counterparties.

Our pipeline of attractive, opportunistic projects is robust, and we are excited about our accretive growth prospects over the next several years. If we ever find ourselves in a position where growth becomes unattractive, we will accelerate the return of capital to shareholders.

2. Proven ability to create value post-acquisition

ContourGlobal’s exceptional operating team has consistently reduced costs at projects, while improving operating efficiency and maintaining an excellent health and safety record. ContourGlobal has benchmarked in the top decile of operating performance in the global power industry over the past several years.

Our team has also demonstrated the ability to increase contracted revenue through; (i) expansion opportunities, where marginal economics are even more attractive due to the utilization of existing infrastructure; (ii) repowering opportunities where technology has improved dramatically; and (iii) contract extensions that extract additional profitability from assets when their useful lives extend beyond the original contracted period.

We have significant demand from financial investment partners seeking to make passive, minority investments in some of our assets on attractive terms. Our “farm-downs” significantly bolster our project returns.

Board Appointments

In preparation for the IPO, we welcomed Dr. Alan Gillespie and Alejandro Santo Domingo to the Board as Non-Executive Directors, both of whom bring significant UK plc and relevant industry experience. We were also delighted to appoint Ruth Carney as an additional Non-Executive Director in January 2018. Ruth has significant experience in the global energy sector and as a Non-Executive Director of UK-listed companies. Following Ruth’s appointment, our Board (excluding me as Chairman) comprises a majority of independent Directors, and we are confident that it has the right balance of skills and experience to support the executive team. More details on the Board and appointments can be found in the Governance section on pages 50 to 53.

Corporate Governance

At IPO, the Company became subject to the corporate governance requirements of the UK Listing Authority’s Listing Rules, and the UK Corporate Governance Code (the “Code”), in the months leading up to the listing, much work was carried out to ensure that the Board had constituted appropriate Committees and adopted relevant policies and procedures to support the development of a robust governance structure and compliance with the Code. This work is described more fully in our Corporate Governance report on pages 54 to 59. The Board is satisfied that we have in place a robust governance structure, which is fit for purpose and in line with our listed status, and we will ensure that our governance arrangements will adapt appropriately in conjunction with the new UK Corporate Governance Code anticipated to come into force in 2019.

Dividends

Our dividend policy is unchanged since the IPO (as described in detail on page 80). The Board is pleased to propose a final dividend of 2.6 cents (US dollar) per Ordinary share. The dividend will be paid, subject to shareholder approval at our 2018 Annual General Meeting, on 31st May 2018 to shareholders on the register as of 4th May 2018.

2017 Highlights

2017 was a year of strong financial performance for the Company. We delivered year-on-year Adjusted EBITDA growth of 16.5% and achieved 2017 Adjusted EBITDA of $113 million and NOI and Adjusted EBITDA of 4x, both consistent with our guidance. We significantly progressed a number of major projects, successfully integrated prior acquisitions, and ended the year on a strong financial footing, with significant liquidity for growth. ContourGlobal also achieved the lowest health and safety incident rate in our history, demonstrating our commitment to providing a safe working environment for employees, contractors and subcontractors.

2018 Outlook

The global power industry continues to grow rapidly and is experiencing significant change as nations pursue policies of energy security, economic development and decarbonization. As integrated power companies continue to rethinks their global asset mix, I believe ContourGlobal, as a leader in the contracted power generation space, is well positioned to capitalize on our disciplined, opportunistic growth strategy. Our focus on wholesale, contracted power generation will continue to produce low-risk, long-term cash flows, while our extraordinary operating team continues to optimize and expand our portfolio.

2017 has been a significant year in the Company’s history and I feel privileged to be Chairman at this exciting time in ContourGlobal’s development. On behalf of the Board, I would like to thank our management team and all of our nearly 2,000 employees across 19 countries for their continued dedication and hard work.

Craig A. Huff
Chairman
Companies only IPO once and that’s probably a good thing. The effort required to prepare a company to enter successfully the public markets requires an intensity and focus that is singularly disruptive of normal corporate life, yet requires that core business objectives be met as promised. This comes despite the distraction and knowledge that the outcome of the IPO will overwhelm normal measures of annual successes and failures.

The cause of this miss was a tough blow – a car accident on an Armenian mountain pass near our Vorotan hydroelectric facility – an accident in which the other driver was conclusively “at fault.” The cruel realization even led some in the company to question whether this was “really” a lost time incident which should count as an LTI1 – particularly as the incident didn’t occur in one of our power plants. We embraced the failure, learning that failure teaches us the most when it is something that became more systemic than a single incident which should count as an LTI3.

The findings revealed that there was more that we could do. The airbags did not deploy on our vehicle as they should have. It turns out that the vehicle had been involved in a previous accident in the years before we acquired the plant and the airbags had not been replaced. Would airbags have made a difference in this accident? Maybe, at least in terms of the severity of the injury. Despite this incident in Armenia, our health and safety achievements globally were extraordinary and record setting. We achieved a 0.03 LTIR and a 0.10 TRIR Total Recordable Incident Rate (TRIR) for 2017. Our performance was extraordinary and record setting.

In our renewable business, we need to maintain high availabilities, but strong financial results also require the cooperation of the weather to produce acceptable irradiation, wind speeds and hydrology. As such we focus on two KPIs in our renewable business: EAF as in the thermal business but also Capacity Factor (“CF”), which measures the percentage of the time that the asset is generating electricity. EAF in the renewable business was excellent in our solar fields, hydroelectric facilities, and wind farms in Peru, Austria and the Caribbean. The exception came in our Brazil wind farms, where early post-construction teething challenges crystallized into something that became more systemic later in the year. We react strongly to failure and our approach to our Brazil farms, where early post-construction challenges were overcome by introduction of drivers’ training programs to encourage defensive driving and appropriate risk assessment particularly in remote areas. Embracing failure will make us better and safer. And with just a bit of luck, enable us to achieve Target Zero in 2018. We also had a very strong operating year with better than target availabilities in our thermal fleet and most of our renewable fleet. In our thermal business, we are paid mainly for availability in our thermal business. But in our renewable business, we need to be available with virtually no volume risk. As a result, Equivalent Availability Factor (“EAF”) is the KPI that tells us how well we are operating and maintaining our thermal plants. 2017 was a very good year in all thermal technology clusters, namely reciprocating engines, Combined Cycle Gas Turbines, Coal-fired plants and our Solutions’ tidal-energy facilities.

The numbers are clear:

2006
- Launched the 114 mw Inka wind farm in Brazil.
- Installed the 404 mw Asa Branca wind farm in Brazil.
- Began operating the 206 mw portfolio of hydroelectric and high-efficiency cogeneration plants in Bulgaria, and Arrubal, a 908 mw lignite power plant in Bulgaria.
- Acquired the 404 mw Vorotan hydroelectric plant in Armenia.
- Successfully floated on London’s main market.
- Founded ContourGlobal and Joseph C. Brandon.
- Acquired Maritika, a 300 mw combined-cycle gas turbine plant in northern Spain.
- Acquired the 202 mw Cruenhaeusser plant in Germany and the 206 mw Beatrice wind farm in Brazil.
- Completed construction for the 1,140 mw Itaipu wind farm in Brazil.
- Extended Chapaquida to reach a 90 mw installed capacity of 353 mw.

2007
- Acquired a 90 mw portfolio of hydroelectric and high-efficiency cogeneration plants in Europe and Africa.
- Begun developing a 120 mw combined-cycle power plant in Ukraine.
- Began developing a 120 mw combined-cycle power plant in Italy, each with dramatically different geographies and with Coca-Cola Hellenic (CCH).
- Developed cogeneration facilities in Austria and solar construction for the 207 mw cycle gas turbine plant in Germany.
- Acquired 404 mw Inka wind farm in Brazil.
- Successfully floated on London’s main market.
- Acquired the 206 mw portfolio of hydroelectric and high-efficiency cogeneration plants in Bulgaria, and Arrubal, a 908 mw lignite power plant in Bulgaria.
- Acquired the 404 mw Vorotan hydroelectric plant in Armenia.
- Successfully floated on London’s main market.
- Founded ContourGlobal and Joseph C. Brandon.
- Acquired Maritika, a 300 mw combined-cycle gas turbine plant in northern Spain.
- Acquired the 202 mw Cruenhaeusser plant in Germany and the 206 mw Beatrice wind farm in Brazil.
- Completed construction for the 1,140 mw Itaipu wind farm in Brazil.
- Extended Chapaquida to reach a 90 mw installed capacity of 353 mw.

2011
- Acquired 206 mw Beatrice wind farm in Brazil.
- Began operating the 202 mw Cruenhaeusser plant in Germany.
- Successfully floated on London’s main market.
- Founded ContourGlobal and Joseph C. Brandon.
- Acquired Maritika, a 300 mw combined-cycle gas turbine plant in northern Spain.
- Acquired the 202 mw Cruenhaeusser plant in Germany and the 206 mw Beatrice wind farm in Brazil.
- Completed construction for the 1,140 mw Itaipu wind farm in Brazil.
- Extended Chapaquida to reach a 90 mw installed capacity of 353 mw.
Our business is international with a concentration in three primary regions: Europe, Latin America and, to a lesser extent, Sub-Saharan Africa.

Within Europe, we operate in the market for electricity generation infrastructure and participate in that market through our own development (“owned”) development which involves creating an asset by taking it through the permitting, financing and construction process as well as the acquisition of existing power plants. We operate, develop and acquire power plants using conventional fuel-based technologies as well as those using renewable technologies (currently wind, solar and hydro). Within both categories, we focus on two broad categories of customers: national grids and the utilities that supply these grids, and commercial and industrial customers with substantial energy needs who prefer to procure their electricity supply directly from on-site facilities.

Today’s electricity space is dynamic, with new technological and commercial approaches creating opportunities and challenges in both established and developing markets.

Within established markets such as Western Europe, incumbents have transformed themselves from operational, pressure on public finances challenges fragile states to meet their contractual commitments. With a market backdrop we are very selective about new investment in this region.

Four important projects managed to reach critical milestones in the past seven months. In Austria, the repowering – a process that involves taking the development, permitting and construction risk of an operations centric business — five locations, using what today would be known as a “Corporate PPA.”

Last year we extended our Solutions business into Latin America, where we acquired four cogeneration facilities in Brazil which directly supply commercial customers. Through the acquisition of CCHBC, we are extending this “what is old is new again” business from Europe and Africa to Latin America.

As we explore new growth, we remain impressed with the number of opportunities we see to make accretive acquisitions in Europe and Latin America, while at the same time remaining cautious about the prospects to build new generation in these same markets. Historically low and extended interest rates have led to capital development decisions in our industry that have driven returns on new build that of acquired assets, resulting in an historic anomaly in the power sector. One should note that we take the development, permitting and construction risk of an asset before than to acquire an already functioning business. Such anomalous pricing between new build and acquisition remains, and should, in part, not be justified by technology or cost improvements but rather reflects other more strategic imperatives. We continue to believe that this dynamic creates its own set of opportunities.

In Sub-Saharan Africa, where we have long been active and successful, we are cautious outside of the industrial space. Despite much of the continent making impressive strides in governance and reform, the post financial crisis collapse in commodity prices has pressured the continent despite helpful interventions by the international development community. Although headline investment in new electricity capacity seems promising, projects across the continent continue to struggle to make their way through the country’s full suite of taxes and levies, operational, pressure on public finances challenges fragile states to meet their contractual commitments. With a market backdrop we are very selective about new investment in this region.

Our business is international with a concentration in three primary regions: Europe, Latin America and, to a lesser extent, Sub-Saharan Africa.

We operate in the market for electricity generation infrastructure and participate in that market through our own development (“owned”) development which involves creating an asset by taking it through the permitting, financing and construction process as well as the acquisition of existing power plants. We operate, develop and acquire power plants using conventional fuel-based technologies as well as those using renewable technologies (currently wind, solar and hydro). Within both categories, we focus on two broad categories of customers: national grids and the utilities that supply these grids, and commercial and industrial customers with substantial energy needs who prefer to procure their electricity supply directly from on-site facilities.

Today’s electricity space is dynamic, with new technological and commercial approaches creating opportunities and challenges in both established and developing markets.

Within established markets such as Western Europe, incumbents have transformed themselves from operational, pressure on public finances challenges fragile states to meet their contractual commitments. With a market backdrop we are very selective about new investment in this region.

Four important projects managed to reach critical milestones in the past seven months. In Austria, the repowering – a process that involves taking the development, permitting and construction risk of an operations centric business — five locations, using what today would be known as a “Corporate PPA.”

Last year we extended our Solutions business into Latin America, where we acquired four cogeneration facilities in Brazil which directly supply commercial customers. Through the acquisition of CCHBC, we are extending this “what is old is new again” business from Europe and Africa to Latin America.

As we explore new growth, we remain impressed with the number of opportunities we see to make accretive acquisitions in Europe and Latin America, while at the same time remaining cautious about the prospects to build new generation in these same markets. Historically low and extended interest rates have led to capital development decisions in our industry that have driven returns on new build that of acquired assets, resulting in an historic anomaly in the power sector. One should note that we take the development, permitting and construction risk of an asset before than to acquire an already functioning business. Such anomalous pricing between new build and acquisition remains, and should, in part, not be justified by technology or cost improvements but rather reflects other more strategic imperatives. We continue to believe that this dynamic creates its own set of opportunities.

In Sub-Saharan Africa, where we have long been active and successful, we are cautious outside of the industrial space. Despite much of the continent making impressive strides in governance and reform, the post financial crisis collapse in commodity prices has pressured the continent despite helpful interventions by the international development community. Although headline investment in new electricity capacity seems promising, projects across the continent continue to struggle to make their way through the country’s full suite of taxes and levies, operational, pressure on public finances challenges fragile states to meet their contractual commitments. With a market backdrop we are very selective about new investment in this region.

Four important projects managed to reach critical milestones in the past seven months. In Austria, the repowering of our wind farms began with two projects receiving feed-in- tariff approval enabling them to begin repowering — a process that involves replacing older wind towers and
The demand for energy continues to grow and the underlying trends characterizing this growth fit well with our strategy of focusing on long-term contracted power generation in key markets around the world.

Our position in the electricity value chain

We generate power using both thermal and renewable technologies:

- **Thermal and Renewable**
  - On thermal technologies, our portfolio includes natural gas, liquid fuel and coal. On renewable technologies it includes wind, hydro, solar photovoltaic and methane.
  - Power generation can be defined as either merchant or contracted. Contracted plants have minimal exposure to market prices for the duration of the underlying contract because the price is negotiated and fixed upfront. This is done either through long-term power purchase agreements (PPAs), which typically have higher margins than market platforms, or prices are set under a regulatory regime. PPAs also typically de-risk the generator from demand volume volatility and other changes in market conditions such as inflation and changes in laws and regulations. Merchant plants sell electricity into market platforms at the prevailing energy price and are therefore subject to price volatility.
  - We concentrate on contracted power generation.

Key power market trends

We see certain trends running through the power market that favor ContourGlobal’s disciplined and opportunistic growth strategy:

The increase in demand and supply around the world

According to the International Energy Agency (IEA) World Energy Outlook 2017, global electricity demand will increase by approximately 45% between 2015 and 2040, from 23.4 TWh to 34.0 TWh, at an annual growth rate of 1.5%.

The majority of this rise in demand will occur in developing markets, especially in Asia, Latin America and parts of Africa that are experiencing urbanization, increasing electrification rates and economic and population growth.

Lower growth in electricity demand is expected for developed markets such as Europe and the United States, due to lower economic growth, energy efficiency policies and stabilized energy consumption patterns.

The demand for new power and the transformation of governance in developing markets

- In emerging markets, rapid electrification and expanding demand result in significant need for investment across all types of generation, providing interesting opportunities for power generation players. Especially in Africa and Eastern Europe, there are few international operators active pursuing opportunities and we expect to grow in these regions given our strong operational presence, track record and ability to creatively structure our projects both financially and contractually.
- In these markets we will continue using Political Risk Insurance (PRI) to protect our investment.

Markets periodically suffer micro-cyclical pressures on returns.

- Remaining flexible around geographies, associated presence in and knowledge of high growth markets, and creativity on structuring projects create above market returns when cyclical pressures return upwards.
- The changing relative value of different generation assets creates new opportunities for flexible investors.
- The value of generation assets varies over time depending on numerous factors including size, geography, technology and the differing strategies of potential investors.
- The opportunity set constantly evolves and the areas where the best risk-adjusted returns appear in the future are likely to be different from where they are today.
- This gives advantage to investors, such as ContourGlobal, with the flexibility to invest opportunistically across markets and technologies. Our disciplined investment framework allows for internal competition for capital and the ability to deliver high value growth by remaining selective, in a very active M&A environment.

### GDP Growth (Billions $2010 PPP)

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colombia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peru</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Togo</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** IEA

### Expected Installed Capacity Mix

- **Global Installed Capacity Mix**
  - 39% Renewables
  - 26% Gas
  - 25% Coal
  - 15% Nuclear
  - 10% Liquid fuels

- **Expected Installed Capacity Mix**
  - 42% Renewables
  - 24% Gas
  - 24% Coal
  - 16% Nuclear
  - 5% Liquid fuels
Business model

Our mission is to develop, acquire and operate electricity generation businesses worldwide to improve lives and to do this by offering reliable and accessible electricity, promoting economic growth and social well-being, and making the communities where we work better.

We concentrate exclusively on contracted wholesale power generation

Meaning focused activities

Disciplined and opportunistic growth strategy with a strong track record of delivering above market returns

Focus on long-term contracted or regulated wholesale power generation producing low risk and efficient capital structure

Culture of operational excellence and safety drives top decile performance and competitive advantages

Large global footprint diversified across geographies and technologies

Driven by our strategy

Our principles are our strategy

Operate safely and efficiently, minimizing environmental impacts

Operational excellence under the highest health, safety and environmental standards drives top decile operational performance and continues to create significant value through operational improvement, people development and close monitoring of fixed cost.

Grow well

Sustainable businesses that utilize resources efficiently to expand access to affordable energy in underserved markets. Value accretive growth based on disciplined capital allocation process in development of greenfield projects and M&A.

Manage our business responsibly

Long-term contracted cash flows and sustainable leverage levels with headroom available to finance new growth opportunities. We adhere to the highest standards of corporate governance and business ethics.

Enhance our operating environment

Promote sector development by interacting with governments and civil societies where we do business, advocating for transparent business practices, good governance, building specialized capacity and educating our communities.

And adding value

We have a rigorous proven way of adding value to our assets:

- Health and safety comes first in everything we do creating a continuous improvement culture
- Industry leading operational performance across all assets and divisions leveraging existing operational infrastructure for future growth
- Competitive cost base structure with relentless focus on continued monitoring of fixed costs
- Experienced and international senior management team without a dominant nationality
- Proven ability to deliver high growth and successful integration of new assets, creating operational improvements and reducing costs
- Risk mitigation through creative commercial structuring that provides protection against currency, credit and resource risks. Use of political risk insurance that provides a more stable structure for investments into developing countries

For our stakeholders

Investors

We adhere to the highest standards of corporate governance and business ethics.

Employees

We uphold human rights and labor principles throughout the Company’s value chain.

Communities

We engage with stakeholders within the communities where the Company works through social initiatives.

Governments

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

Read more on page 22

Read more on pages 18 and 19
We adopt five core investment approaches all focused on contracted wholesale power generation across different technologies and geographies:

**1. Greenfield development**
Opportunist development taking advantage of cyclical under supply of capital combined with development expertise to create opportunities for higher return.

**2. Greenfield acquisitions**
Purchasing assets without existing contracts, subject to the ability to put contracts in place. Involves similar, customized contractual risk profiles to our development assets but have the benefit of an operating history.

**3. Strategic acquisitions**
Purchasing assets with existing contracts where we have both: (i) a clear competitive advantage due to asset size, technology, asset diversity or complexity of process or market; and (ii) an ability to improve operations.

**4. Development in partnership projects**
Developing projects with customized contracts in partnership with governments, utilities and corporations. These are in regions where there is need for reliable power infrastructure but insufficient capital and expertise.

**5. Platform expansions**
Developing expansions of 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 achieved by expanding the platform.

### In 2017

**Hydro and cogeneration acquisition in Brazil**
ADJ. EBITDA: $42m
In March 2017 we closed the acquisition of 206 MW operational portfolio — composed of 130 MW of hydro assets and 76 MW of cogeneration assets.

The cogeneration contracts are capacity-based, mostly denominated in US dollars and have a largely US dollar-denominated return. They are the type of contracts with commercial and industrial customers that our Solutions business pursues. The hydro PPAs are inside a regulated Brazilian hydrology protection scheme, which reduces individual hydro plant performance risk.

We will benefit from our experience in operating hydro and cogeneration plants and from our Brazilian platform to improve the operational performance of the assets and realize various synergies.

**Brazil windfarm consolidation**
ADJ. EBITDA: ALREADY FULLY CONSOLIDATED IN PREVIOUS YEARS
In December 2017 we reached an agreement with the project’s minority shareholder to acquire its shares in Chapada I and Chapada II projects. The activity in the first half of 2018 will consist of closing the remaining conditions precedent to the transfer of shares.

**Italian solar photovoltaic roll up**
ADJ. EBITDA: €15m
We have been following a roll-up strategy to acquire mid-sized solar photovoltaic portfolios in Italy, a market that remains fragmented with many opportunities. Our operational strategy is to insource operation and maintenance during integration, reducing costs and improving the assets' operational performance.

In 2017 we closed a total of 19 MW and signed an additional 23 MW. The assets are mainly composed of solar photovoltaic plants located in Italy with geographical proximity to our existing solar photovoltaic assets. They also include one solar photovoltaic plant in Romania (7 MW) and two biogas plants in Italy (2 MW).

**Kosovo**
ADJ. EBITDA: €250m (ON THE FIRST FULL YEAR OF OPERATIONS)
In December 2017, we have signed the commercial contracts with the Kosovo Government to build a new single unit lignite-fired power plant with a gross capacity of 500 MW, located in Okliga, Kosovo. Total costs for the Kosovo Project are estimated to reach approximately €1.3bn. The power plant is expected to start operations in 2023 and will have a life expectancy of four decades. The activities in 2018 will be focused on the financing arrangements of the project with the aim to start construction activities in 2019.

Read more in the Business Review page 29.

**Spanish CSP portfolio**
ADJ. EBITDA: $120m
On 27th February 2018 we reached an agreement to acquire Acciona Energía’s 250 MW portfolio of five operating 50 MW Concentrated Solar Power (CSP) plants in south-west Spain. This will further increase our revenues from investment grade countries.

1. Annualized 2017 adjusted EBITDA
2. The closing of the transaction is subject to certain conditions including the approval by the competent authorities
3. Estimated EBITDA normalized for a full year for both portfolios
4. Minority share of the adjusted EBITDA already consolidated in Company accounts
5. At 2017 Euro/US dollar exchange rate of 1.13 corresponding to €115m
KPIs

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

Financial KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Operations ($m)</td>
<td>195</td>
<td>232.2</td>
<td>221.8</td>
<td>269.0</td>
</tr>
<tr>
<td>Adjusted EBITDA ($m)</td>
<td>105.5</td>
<td>130.8</td>
<td>153.2</td>
<td>120.0</td>
</tr>
<tr>
<td>Funds from Operations ($m)</td>
<td>131.9</td>
<td>141.8</td>
<td>207.9</td>
<td>255.9</td>
</tr>
<tr>
<td>Net Leverage ratio1 (%)</td>
<td>4.0</td>
<td>4.6</td>
<td>4.8</td>
<td>4.1</td>
</tr>
</tbody>
</table>

1 IFRS net debt derived from consolidated statement of financial position adjusted for CG share of net debt at Termoelectrica and Sochagota

Non-Financial KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability Factor (%)</td>
<td>94.5</td>
<td>94.0</td>
<td>93.7</td>
<td>94.4</td>
</tr>
<tr>
<td>Lost Time Incident Rate (%)</td>
<td>0.20</td>
<td>0.20</td>
<td>0.10</td>
<td>0.03</td>
</tr>
<tr>
<td>Equivalent Forced Outage Rate (%)</td>
<td>1.1</td>
<td>2.4</td>
<td>2.0</td>
<td>1.9</td>
</tr>
</tbody>
</table>

1 IFRS net debt derived from consolidated statement of financial position adjusted for CG share of net debt at Termoelectrica and Sochagota
We continue to focus on Health and Safety, operation excellence and delivering a strong financial performance.

CG and UNGC 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. Our principles are:

- Grow well
- Operate safely and efficiently and minimize impacts
- Manage our business responsibly
- Enhance our operating environment

Our strategies are centered on the United Nations Global Compact (UNGC) Principles, to which we are a signatory and committed members since 2010. We have followed UNGC’s ten principles from the inception of our Company because they embody what we believe a Company needs to do to be a “reference” Company, participating actively and continuously in initiatives related to human rights, labor, environment and anti-corruption and contributing to UN goals in order to achieve the common objectives of building a sustainable and inclusive global economy.

Ensuring Health and Safety
Health and Safety is at the core of our Company. We are committed to setting and meeting the same industry-leading standards across all our operations wherever they may be. To this end we have a global Target Zero program – zero harm; zero injuries.

PROGRAMS TO ACHIEVE TARGET ZERO

1 Corrective and Preventative Actions.

SETTING KPIs

- HSE TRAINING
- AUDIT AND INSPECTION PROGRAM
- HAZARD IDENTIFICATION
- CAP! CLOSURE

Audit
In 2017 we met or exceeded all our Health and Safety KPIs:

**Safety inspections – target met**
We achieved the target rate of Level 2 Safety Inspections\(^1\) at all sites.

**Hazard identification – target far exceeded**
We achieved a Hazard Identification Rate of 64%, far exceeding the target of 30%.

**Corrective and Preventive Actions – target exceeded**
We achieved a CAPA (Corrective And Preventive Actions) closure rate of 94% against our target of 80%.

**Training hours – target nearly exceeded**
We achieved a Training Rate of 94% against our target of 80%.

**Rate of 64%, far exceeding the target**
We achieved a Hazard Identification Rate of 64%, far exceeding the target of 30%.

**We carried out a total of 11 Internal Health & Safety Audits in 2017**

---

### 2017 Health and Safety Highlights

- All our operating sites achieved their targets for leading indicators.
  > See KPIs below

- We achieved our lowest ever LTI (Lost Time Incident) rate, a 50% reduction from 2016.
- TRIR (Total Recordable Incident Rate) well below the target representing the historically low incidence achieved for the Company.
- We rolled out mobile versions of our Incident and Hazard reporting process, for iOS and Android devices.

### Reducing risk and mitigating hazards

Our risk reduction process centers on providing a hazard-free workplace. To this end we combine a series of identified KPIs to identify and remove hazards from the work environment in a timely manner, reducing worker’s exposure to hazardous conditions. We accomplish this by assigning target values to our leading indicators.

**Training**

Our Training Rate is set to ensure our employees are aware of the hazards they may face. By providing a minimum standard of training hours, set to a percentage of the total hours worked, we provide a consistent knowledge base for our employees.

**Safety inspections**

Training enables employees to produce more effective Safety Inspections, which is the second pillar of our hazard reduction mechanism. By setting a target number of total Level 2 inspections each site must perform, we ensure sufficient volume of safety inspections is performed.

---

**HAZARD IDENTIFICATION RATE (HIR)**

![HAZARD IDENTIFICATION RATE (HIR)](image)

**Identifying hazards**

The Hazard Identification Rate tracks how many safety hazards are recorded into our Safety Management Database, Intelex.

Our goal is to achieve a 30% ratio between the number of hazards recorded and the total number of inspections for all sites. This provides each site with a high quality list of safety hazards that may exist in the work environment.

**Corrective and preventive actions**

Our final leading indicator, CAPA (Corrective And Preventive Actions) closure ratio, ensures that each site is committed to the process of not only recognizing hazards but also correcting them to remove the risk.

In 2017, over 9,000 hazards were identified by our operating sites, corrected them to remove the risk.

---

**Implementing our Health and Safety Strategy**

Our Occupational Health and Safety Strategy aims to provide a Zero Harm Safety Culture, where “everyone goes home safe, every day, everywhere”.

**Targeting zero incidents**

Our commitment is Target Zero – a workplace in which our employees are free of injuries. To this end we focus on risk reduction and awareness. In 2017, we achieved our best-ever results, although we ultimately missed our Target Zero. The single LTI (Lost Time Incident) that occurred in August, a vehicle incident in Armenia, was entirely preventable. Through our system of continuous improvement, we have implemented changes in our corporate guidance to increase control of hazardous activities. The aftermath of the incident initiated a period of deep reflection on our guidance and our training, with a renewed commitment to making the changes necessary to drive our culture toward zero injuries.

**Integrating acquisitions**

In 2017, we also focused on integrating our new acquisitions in Brazil and Italy into our way of ensuring Health and Safety excellence. It can be challenging to bring new operating sites into our portfolio, when their existing Health and Safety cultures and standards of performance differ from ours. We tackle this by developing a risk matrix and tailoring our transition program to address any deficiencies identified in the existing structure. We implement our Power for HSE Excellence program to ensure compliance to the most rigorous Occupational Health & Safety (OHS) standards and to integrate the new personnel into our culture and working practices.
Carrying out Health and Safety audits at our sites

In 2016, an internal team of cross-functional professionals began to conduct Health and Safety audits at our operating sites. We continued this process in 2017 by conducting 11 site audits. These audits assessed how well the sites comply with our OHS standards. The comprehensive assessment consists of both a detailed procedural review and a hazard analysis. The final result is tabulated and scored, so we can compare our sites and track the results.

Safety inspections by senior leaders

In addition to the internal Health and Safety audits, we are also committed to senior leader engagement through the Level 1 Safety Inspection® program. This is designed to ensure that our leadership team not only visits our operating plants but also engages in site inspections to record observations. In 2017, a total of 844 Level 1 safety inspections were conducted.

11 SITE AUDITS

Our internal audit team scores each plant based on a protocol developed from our OHS standards. The minimum passing score is 75% and findings are categorized according to severity. All but one of our sites scored acceptably in 2017, with corrections defined for each plant. Our plant in Togo did not achieve a passing score and will be submitted for re-audit in 2018. As can be seen from the chart below, the finding severity is skewed slightly towards the lower end of the severity scale, with few Critical issues identified. This reflects the generally high state of preparedness at the plants and indicates a realistic picture of the safe conditions and procedural compliance.

AUDIT FINDINGS DISTRIBUTION

<table>
<thead>
<tr>
<th>Severity</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Critical</th>
<th>Passing Score %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Togo</td>
<td>5%</td>
<td>60%</td>
<td>32%</td>
<td>3%</td>
<td>66%</td>
</tr>
<tr>
<td>ColB</td>
<td>40%</td>
<td>1%</td>
<td>59%</td>
<td>1%</td>
<td>85%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>77%</td>
<td>1%</td>
<td>13%</td>
<td>0%</td>
<td>78%</td>
</tr>
<tr>
<td>Bornea</td>
<td>76%</td>
<td>1%</td>
<td>10%</td>
<td>3%</td>
<td>78%</td>
</tr>
<tr>
<td>AMH</td>
<td>91%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>86%</td>
</tr>
<tr>
<td>Chiquiao</td>
<td>78%</td>
<td>1%</td>
<td>12%</td>
<td>9%</td>
<td>66%</td>
</tr>
<tr>
<td>Vorotan (Tav)</td>
<td>60%</td>
<td>1%</td>
<td>13%</td>
<td>1%</td>
<td>85%</td>
</tr>
<tr>
<td>Vorotan (SS)*</td>
<td>80%</td>
<td>1%</td>
<td>13%</td>
<td>6%</td>
<td>85%</td>
</tr>
</tbody>
</table>

* Shamb and Spandaryan
** Opportunity for improvement.

Safety inspections conducted by visiting managers to a working site.

Recognizing excellence

We are committed to recognizing the achievements of our individual operating sites. In 2011, we introduced our annual Health & Safety awards, using the Olympic theme of award, Gold, Silver and Bronze. In 2015, we updated our award achievement guidelines, and renamed them to Everest, Denali, and Mont Blanc. In 2017, a record number of our sites achieved Health & Safety awards. This impressive result underlines our promise to all our employees and to their families that we cherish their well-being. Here are the sites that performed outstandingly in 2017:

<table>
<thead>
<tr>
<th>EVEREST (2nd year)</th>
<th>DENALI</th>
<th>MONT BLANC</th>
<th>BEST TURNAROUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knockmore Hill</td>
<td>Austria Wind</td>
<td>Asa Branca</td>
<td>Vorotan</td>
</tr>
<tr>
<td></td>
<td>Nogara &amp; Oricola</td>
<td>Bonaria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Radyzyn</td>
<td>Cap des Biches</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solar Italy</td>
<td>Bein</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solar Slovakia</td>
<td>Bajo</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cuprinique</td>
<td>Plibesti</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Klamatorsk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Talara</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The safety awards are progressive, with each site able to earn the next higher award only if they achieve higher standards each year. The award for the first year of injury-free performance, combined with an achievement in leading indicators, is the Everest.

The second consecutive year award is the Denali, and the highest award we have is the Everest, with achievements sustained at a higher level and for three years of injury-free performance. Once a site has achieved the Everest they can earn it in successive years, but only if the highest standards are achieved.

Case study

Transforming Health and Safety in Cap des Biches, Senegal

One year after starting operation, the Cap des Biches plant transformed its Health and Safety performance for the better.

In October 2016, our Cap des Biches plant was audited for Health and Safety (H&S) to benchmark its level against ContourGlobal standards at the start of its operation. The audit highlighted several critical items that needed to be corrected to bring the plant in line with the ContourGlobal guidelines and procedures. To correct the identified hazards and risks, the plant undertook a comprehensive audit. The plant had a complete turnaround in its H&S performance – successfully passing a new audit in July 2017 with a score of 85%.

The management reinforced the importance of H&S being our first priority based on the Company culture, values and principles.

As a result of the leadership and campaign, the plant had a complete turnaround in its H&S performance – successfully passing a new audit in July 2017 with a score of 85%.

85%

H&S audit score
In 2017, after achieving a significant improvement on its 2016 Health and Safety performance, our Vorotan plant won our “Best Turnaround Performance” award.

In 2019, we purchased the Vorotan Hydro Cascade. This 404MW run off river Hydro cascade sits on the Vorotan River in eastern Armenia and has been operating continuously for more than 40 years. From mid 2018 to the end of 2020, we will be carrying out an electromechanical refurbishment program in the three power plants with seven units for turbines, generators, auxiliary systems, transformers, protection & control systems, switchgear equipment and auxiliary electrical systems. The works will be performed in parallel with the normal operation. In 2019, we performed an internal H&S audit led by our internal team supplemented by a third-party audit firm to evaluate the plant preparedness for the refurbishment works ahead of us. The results were critical. Not only did we find a large number of hazardous conditions and behavioral issues, the compliance score was 58% – far below our internal target of 75%.

A failure of this magnitude was not simply due to missing procedures and a few poor conditions. It reflected a lack of active management and signaled a substandard Health and Safety culture, which was largely unchanged from when we acquired the plant. This required our management team to transparently engage, face the failures and develop a corrective plan that ensured future failures would never reoccur. The plan involved taking an approach centered on the ContourGlobal values and principles, the 3Cs (Communication, Collaboration and Coordination) and 2Ts (Timely and Transparently), and relating them to every aspect of running the business. Hard decisions were made to replace key management staff, with the Plant Manager replaced by promotion from within, and the H&S Manager hired from within the country. About 15 key people from the Hydro cascade team were identified to become the leadership team of an organizational and behavioral change program. Individual development plans and language skill training were set up and a chain of promotions into new roles and responsibilities was started. The Power for HSE excellence program was implemented in parallel, as well as the Basic Health and Safety strategy for success used at ContourGlobal. This required an intensive effort locally as well as frequent site visits and support from senior leaders.

In July 2017, the entire Vorotan complex was re-audited for Health and Safety, with outstanding results. The Tatev plant achieved a score of 85%, with Shamb and Spandaryan also achieving passing scores of 80%. This was a remarkable turnaround within half a year in terms of compliance to the stringent standards we set, and a testament to the resilience of the people involved. But there were even bigger changes noted in the attitudes and development of a compliance culture within the organization. And the lack of notable hazardous conditions demonstrated the behavioral changes, hard work and dedication of every member of the team.

We are proud of the work and impressive degree of improvement this team accomplished. To recognize this, the team at Vorotan was awarded the 2017 “Best Turnaround Performance”, with a special plaque developed to honor the commitment to the ContourGlobal values and principles of operation.

CASE STUDY
Recognizing failure and turning around Health and Safety at Vorotan, Armenia

81.7%
mean H&S audit score
Continuously striving to improve
In line with our operational philosophy and long-term strategy, we continuously strive to improve our operational technical performance results and to maintain outstanding levels of performance that matches or beats the top decile of peers on the market. Operating to our corporate values and principles, we make every possible effort to learn from our successes and failures, discussing them in timely and transparent way at all levels within the Company and producing valuable tools for improvement, notably Lessons Learned and 5Whys documents.

- As a result, we ensure we can replicate our successes with significantly better effect in the future and also make sure our failures never recur.

**Maintaining consistent thermal availability**
The technical availability of our thermal cluster was good and in line with the budgeted targets for the year. Compared to previous periods, the thermal fleet maintained consistent availability levels, in line with the long-term Global Operations and Maintenance (O&M) Strategy. The thermal fleet availability factor in 2017 was lower than in 2014-2016 primarily due to a higher amount of anticipated planned maintenance works performed in the year, as required by the planned maintenance cycle program. During the year maintenance campaigns were carried out at the Arrubal, KivuWatt and Togo power plants with a notable share of works performed by internal resources.

In 2017 we faced a technical issue with connecting rod failure at Unit 4 of the EA-Guadaloupe power plant. With the preliminary root-cause being a manufacturing defect, as a preventive measure, a replacement of connection rods was performed on other engines to prevent future possible failures. Together with MAN we developed a repair strategy, which minimized our losses to an insignificant amount.

**Tackling and learning from technical challenges**
The operational failures on our wind farms in Brazil had an impact on the average technical availability of our portfolio towards the second half of the year. Our operational team reacted quickly to the technical challenges – immediately intervening to troubleshoot, rectify failed areas and resolve issues. At the same time the team carried out a thorough assessment of the problem, made several root-cause analyzes and investigations at all levels and produced a number of Lessons Learned and 5Whys, which were shared and broadly discussed inside the Company.

**Strong financial performance**
In 2017, our consolidated revenue exceeded $1bn – for the first time in the Company’s history. At $1,023m, consolidated revenue was $118m more than in 2016. Moreover, in 2017, we achieved a significant improvement in Adjusted EBITDA – one of our key financial profitability metrics. It went up from $440m in 2016 to $513m in 2017. This 17% growth was primarily driven by acquisitions in 2017 and a full year of operations of the power plants commissioned in 2016.

Read more in the Finance Review on pages 36 to 39.

CASE STUDY: Integrating a diverse portfolio of assets in Brazil
In 2017, we successfully integrated a portfolio of assets, including a total of 130 MW hydro plants and thermal cogeneration plants totaling 76 MW, following the Brazilian acquisition. On 28th November 2016, we signed the Brazil acquisition from Neoenergia. The handover to our Chief Implementation Officer started on 11th January 2017 and ended on 17th March. Our central control room in Asa Branca started operating the newly acquired hydro assets as planned on 30th April. The last steering committee meeting for handover to operations was held on 3rd May.

Integrating the assets was a big challenge, not least because of the lack of readiness, collaboration and structure on takeover. We quickly rose to the challenge and made sure the integration was a success. This was due to a number of factors, including a dedicated project team with a clear understanding of roles; a high level of communication and transparency; and the prioritization of the main objectives and risks ensuring the right level and timely attention to the most important topics.
**Minimizing our impact on the environment**

Our expectations for excellence extend beyond our people, physical equipment, and operational KPIs.

Generating electricity has impacts on many environmental aspects: the air we breathe, the water we share, and the flora and fauna that exist on our planet.

We strive for excellent performance when it comes to our environmental responsibilities, seeking to minimize negative environmental impacts and, where possible, repair or reverse existing degradation.

Our policy on social responsibility and environmental sustainability provides the framework under which we work responsibly, both environmentally and socially. Our policy is aligned with the International Finance Corporation (“IFC”) Performance Standards and promotes environmental stewardship, including pollution prevention and abatement, biodiversity conservation and sustainable natural resource responsible management. Specifically, we focus on managing environmental impacts across all phases of business operations through proper planning and execution.

ContourGlobal’s environmental strategy is to minimize environmental impacts through planning and innovation, and we do this by:

- Complying with all environmental regulations and global best practices
- Maintaining or decreasing our carbon air and waste footprint
- Training and developing our workforce to understand our environmental and social procedures
- Launching targeted social investments aligned to core business

The CO₂ emissions ratio shows a continuosly improved trend on reduction of the GHGs produced by the Company (improved CO₂ tonnes per Mwh). Despite the thermal fleet production being driven by the client’s dispatch patterns, we as a Company make all efforts to maintain a downward trend, in particular, through diversifying the portfolio and fuel mix composition.

**2014-2017 GHGs Emissions summary**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ Emissions, t</td>
<td>1.2</td>
<td>1.0</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Net CO₂ tonnes/MWh</td>
<td>0.4</td>
<td>0.3</td>
<td>0.2</td>
<td>0.1</td>
</tr>
</tbody>
</table>

1. Emissions covers combustion of fuel, purchase of electricity, heat, steam or cooling of all power plants and for its own use.

---

**Developing our people**

We place great emphasis on developing the skills and capabilities of our people around the world. We want everyone at ContourGlobal to excel and go far, so they can realize their own individual goals and also achieve more as part of a close-knit multinational team.

**Learning and improving together**

We’re keen to encourage personal development, close collaboration and continuous improvement throughout our Company. One of the ways we do this is by enabling our people to participate in intercultural and cross-country exchanges, so they can broaden their experience and share best practices with colleagues around the world.

Through our Worker Exchange Program (WEP) for example, our people undertake limited duration assignments at another ContourGlobal site. Launched in 2012, the WEP enables participants to transfer their knowledge and provide expert support on a particular activity or a project under development. It’s a great way to boost learning and cross-fertilize ideas for improvement.

The Program participants are required to follow and complete a pre-defined agenda, which is validated by both their direct manager and their tutor on the host site, with regular status follow-ups ensured by local HR representatives. On returning to their home country, participants usually become the best ambassadors of this unique exchange experience, sharing their experiences locally with their colleagues as well as providing constructive feedback to help us further improve the Program.

In 2017, 26 participants engaged in assignments in ten different countries. With a total duration of 487 working days spent outside of their normal function and usual location, each of the 26 participants dedicated on average 19 working days to exchange activities.

**Diversity**

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>6</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Senior Management</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Total Company</td>
<td>1481</td>
<td>423</td>
<td>1904</td>
</tr>
</tbody>
</table>
We’re committed to making a positive impact for people, businesses and communities around the world. We strive to do this through our day-to-day operations and also through the social investment and support we provide to the communities we live and work in.

**Supporting local communities**

We’re committed to making a positive impact for people, businesses and communities around the world. We strive to do this through our day-to-day operations and also through the social investment and support we provide to the communities we live and work in.

**2017 Community Highlights**

- Total of 84 social investment projects fully planned and completed (plus other multi-year social projects ongoing)
- 117 CG employees dedicated to developing and executing social investment projects
- Total of nearly 476,000 beneficiaries
- Total investment exceeding US$1m in 2017 in social investment projects

**Engaging with communities**

As good corporate citizens we engage both formally and informally with local communities, for example through public meetings and site visits. In 2017, we invested more than 18,000 hours in community engagement and more than 10,000 hours educating our communities in topics such as health and safety, environmental impacts and power plant operations.

**Investing in social improvement**

Through our Social Investment Strategy we invest in local communities for maximum impact. We focus our investment around five main themes: education, health and safety, environment, human rights and anti-corruption. This global strategy enables our businesses to select, implement and track specific projects that make a real difference locally while making the best use of our resources globally.

In 2017, we invested in 84 different social projects with approximately 476,000 beneficiaries and a total investment amount of over $1m.

**SOCIAL INVESTMENT PROJECTS**

- **84** projects
- **9%** Africa
- **56%** Europe
- **37%** Latin American

**CASE STUDY**

**Responding to hurricanes in the Caribbean**

When hurricane Irma struck Saint Martin we were quick to restore vital power to the island and to help residents and businesses recover from the devastation.

On 6th September 2017, our Energies Saint Martin power plant was shut down due to Hurricane Irma. The hurricane significantly damaged the island of Saint Martin including most of the electrical transmission lines, causing a general blackout. The grid was partially restored by 11th September. After tests performed on all the plant’s engines, engines 2 and 3 were available from September 11th while engine 1 needed air compressor maintenance works and was available from 15th September. Our team concentrated on ensuring that the engines could support the energy needs of the island as soon as part of the grid was back available and connected to the plant.

**2017**

- 84 social investment projects
- Total of 100 different stakeholders engaged in all of our businesses locations
- Total of 18,000 hours invested in Community engagement projects
- More than 10,000 hours devoted to Community engagement activities
- Total of 12,161 hours dedicated to social investment projects
- Total of nearly 476,000 beneficiaries
- More than 18,000 hours invested in Community engagement projects
- Total of 84 social investment projects

Three months later and Saint Martin was still slowly working to get back on its feet. The daunting task of cleaning debris and rebuilding what was lost will likely take a long time to complete. We stepped in to help wherever we were needed.

This included filling a 20-foot shipping container with water, non-perishable food, diapers, tarpaulins, holiday gifts for the kids and many other essential items. Thanks to the tireless work of the Caribbean team, everything came together flawlessly, on-schedule and on-budget! Help also came from our teams in Paris and Luxembourg, where our teams collected and wrapped children’s gifts.

**Clearing hurricane debris in the Caribbean**

On 8th December, we supported a long-time partner, the local community organization, Watt de 9, in distributing supplies sent in our container, together with the organization’s leader Yebra Oyeniran and her team, we identified the residents most in need of food, water and basic supplies. We made several trips, packing cars full of goods and traveling to different neighborhoods to deliver essential items to thankful residents. We were able to distribute 2,500 bottles of water, 4,600 food containers, 1,000 toiletry items, 140 packages of baby food and diapers and 240 boxes of mosquito repellent and many other goods.

**Distributing much-needed supplies**

On 8th December, we supported a long-time partner, the local community organization, Watt de 9, in distributing supplies sent in our container. Together with the organization’s leader Yeba Oyeniran and her team, we identified the residents most in need of food, water and basic supplies. We made several trips, packing cars full of goods and traveling to different neighborhoods to deliver essential items to thankful residents. We were able to distribute 2,500 bottles of water, 4,600 containers of food, 1,000 toiletry items, 140 packages of baby food and diapers and 240 boxes of mosquito repellent and many other goods.
INCOME FROM OPERATIONS AND ADJUSTED EBITDA.

Revenue

In 2017, ContourGlobal’s revenue exceeded $1bn for the first time, to reach $1,022.7m (+13%). This is another significant milestone for the Company as we pursue our objective of continuous growth. The rise in revenue was mainly the result of successfully integrating our recently constructed power plants (Cap des Biches 1 and 2) and the businesses acquired in 2017, including the Brazilian renewable and thermal businesses acquired in 2017, including recently constructed power plants (Vorotan, Armenia). This was the result of the growth strategy, the acquisition of seven hydro power plants in Brazil in March 2017, which contributed $213m to Adjusted EBITDA growth in 2017. The change in scope also included the full-year effect of the sale of Czech solar photovoltaic assets in 2016, which negatively impacted Adjusted EBITDA by $2.5m. Excluding these two acquisition and sale effects, Adjusted EBITDA slightly decreased by $0.5m, impacted by a combination of severe weather conditions in Peru in Q3 2017 (flooding) and low wind and hydro conditions in Brazil combined with technical issues in the summer in the Brazil wind fleet. This was offset by a strong performance of the Irka wind farm from 2nd to 4th quarters and by the strong performance of Austrian wind farms and European solar photovoltaic farms in Italy and Slovakia throughout 2017. The combination of contracted revenue, diversified energy type (solar photovoltaic, wind, hydro) and diversified geographies allowed the Group to mitigate the lower than expected wind and hydro resources in Brazil and, for the first quarter of 2017, in Peru.

Adjusted EBITDA

In 2017, we saw another year of strong growth of Adjusted EBITDA, rising by more than 21% as compared to 2016 (+$472m). This performance was achieved despite the unexpected increase of Depreciation and amortization expenses (+$16.2m) resulting in IFRS 15 revenue, Income from Operations and Adjusted EBITDA.

1 Combined average availability across the fleet.

In 2017, ContourGlobal’s pro rata portion of ContourGlobal’s share of profit from unconsolidated entities accounted for by equity method, plus ContourGlobal’s pro rata portion of Adjusted EBITDA for such entities. In determining whether an event or transaction is specific, we consider 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.
Funds from operations
Funds from operations are a non-IFRS measure that is calculated as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash from operations</th>
<th>Change in Working Capital</th>
<th>Interest paid</th>
<th>Depreciation and Amortization</th>
<th>Total</th>
<th>Core adjustments</th>
<th>Other</th>
<th>Funds From Operations (FFO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>426.5</td>
<td>39.4</td>
<td>(169.2)</td>
<td>(18.7)</td>
<td>389.6</td>
<td>(16.2)</td>
<td>51.0</td>
<td>389.6</td>
</tr>
<tr>
<td>2016</td>
<td>459.5</td>
<td>37.3</td>
<td>(185.3)</td>
<td>(21.3)</td>
<td>426.5</td>
<td>(16.2)</td>
<td>51.0</td>
<td>426.5</td>
</tr>
</tbody>
</table>

Funds from operations (FFO) significantly improved in 2017, growing by 23% compared to 2016. This performance is the consequence of the continuous growth in Adjusted EBITDA, combined with an efficient capital structure implemented by ContourGlobal through a mix of project level and corporate level financing to lower its cost of capital. The cash conversion ratio, which compares FFO to Adjusted EBITDA, improved during the period essentially as a result of the new acquisitions (new Brazilian portfolio), the low leverage of certain highly cash generating assets and the capacity to keep corporate capital expenditures at a low level despite the growth.

Leverage ratio2
Leverage ratio table

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Adjusted EBITDA</th>
<th>Financial and non-financial assets</th>
<th>Financial and non-financial liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>380.6</td>
<td>841.1</td>
<td>460.5</td>
</tr>
<tr>
<td>2016</td>
<td>350.5</td>
<td>821.1</td>
<td>470.6</td>
</tr>
</tbody>
</table>

The Company leverage ratio is measured as total net indebtedness (reported in line 5 of the Consolidated Statement of Financial Position) to the sum of financial and non-financial assets (line 4 of the Consolidated Statement of Financial Position) as of 31st December. Total net indebtedness includes the amount of the long-term finance (including borrowings and non-current lease liabilities), and excludes cash and cash equivalents. This ratio is used to measure the ability of the company to service its debt and to raise new debt. A high leverage ratio can increase the risk of default on the company's debt instruments.

One-off items
One-off items are reported under Acquisition related items and Other income (expenses) – net in the IFRS Consolidated statement of income. Acquisition related items include pre-acquisition costs and other expenses related to the acquisition and completion or acquisition costs incurred as part of or completed or contemplated acquisition transactions. For 2017 and 2016, these items represented a total amount of $9.5m in 2017. The Company has mainly incurred such amounts in 2017 in relation to a number of acquisition projects in Brazil, Mexico, Italy, Peru and Spain in particular. Other income (expenses) of ($12.7) million are mainly related to the profit taking of the sale of Solutions Kiev power plant to Citi, representing the sale of three solar photovoltaic energy plants in Brazil.

Profit before tax
Profit before tax remained relatively stable at $40.6m in 2016, compared to $40.5m in 2017. The decrease in Adjusted EBITDA was partially offset by improved cash flow from operations. As a result, the cash conversion rate increased from 3.9% in 2016 to 4.3% in 2017.

Taxation
The Company recognized a tax charge of $17.7m in 2017 as compared to $12.2m in 2016. The higher tax charge in 2017 was mainly due to the payment of a one-off tax-related to the tax reform in Brazil (extended portfolio), the Chapada II projects in Brazil and Bulgaria (higher taxable profits).

Non-current assets
Non-current assets mainly comprise of Property, plant and equipment and financial assets. The increase of non-current assets by $284.1m to $323.0m as of 31st December 2017 was mainly due to the acquisition of the Brazilian hydro and solutions portfolio in 2017 ($230.7m) and solar assets in Italy ($73.4m), as well as changes of foreign exchange, partially offset by normal depreciation over the period.

Equity and non-controlling interests
Equity and non-controlling interests increased by $337.1m to $731.5m as of 31st December 2017 mainly as the result of the primary issuance approved following the listing process on the London Stock Exchange, net of related costs recognized directly in equity ($38.4m), increased by profit of the period ($13.5m) and contribution received in Brazil from non-controlling interests ($54.1m), partially offset by dividends paid to sole shareholder prior to the listing ($71.5m), gains directly recognized in Other comprehensive income ($20.3m) and acquisition of non-controlling interests ($9.8m).

Borrowings
Current and non-current borrowings increased by $360.2m to $2,890.9m, mainly as a result of increased debt ($1,775.2m), other financing costs were mainly impacted by the foreign exchange variations during the year (Euro/US dollars and Brazilian Reais/US dollars). The foreign exchange variations had a negative fair value and revaluation of loans denominated in a currency other than the functional currency at corporate level. The increase related to foreign exchange variability was partially offset by the refinancing of foreign exchange contracts. Recent deferred financing costs following the refinancing of ContourGlobal’s $550m bond in June 2016.

LARGE GLOBAL FOOTPRINT DIVERSIFIED ACROSS GEOGRAPHIES AND TECHNOLOGIES

<table>
<thead>
<tr>
<th>Region</th>
<th>Baton Rouge</th>
<th>Nashville</th>
<th>Campania</th>
<th>ErgenCapital</th>
<th>LatAm</th>
<th>Coal</th>
<th>Fuel Oil</th>
<th>Hydro</th>
<th>LNG</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>46% Europe</td>
<td>10%</td>
<td>36%</td>
<td>49%</td>
<td>18%</td>
<td>9%</td>
<td>10%</td>
<td>53%</td>
<td>26%</td>
<td>26%</td>
<td>10%</td>
</tr>
</tbody>
</table>

We also completely the acquisition of 19.7% minority interests in ContourGlobal Hydro Cascada CJS/C (Vorotan project) for a consideration of $16.3m. After this transaction, the Company owns 100% of the Vorotan project.

Sale of Kramatorsk Ukrainian business
We decided to exit Ukraine by selling our Kramatorsk, Ukraine solar power plant. The sale of the asset was completed in February 2018.

Outlook
We remain heavily focused on developing, acquiring and operating power generation facilities under long-term contracts providing significant protection from the risks associated with volatile commodities prices or market prices. As we continue to pursue our growth strategy, we are achieving favorable returns from construction and acquisition projects. Recent developments include:

1. In December 2017, we signed an agreement with Kaspi'sky's group of companies to build a 500MW coal-fired power plant.
2. In December 2017, we signed a contract with the construction of 23.4MW renewable energy projects consisting of 10 solar photovoltaic plants in Italy (15MW), one solar photovoltaic plant in Romania (7MW) and two biogas plants.
3. In February 2018, we signed the acquisition of the 50.3% share of the 444MW CHP plant in Spain for a purchase price of approximately €806m. The portfolio has an average remaining regulation tariff of approximately 18 years.

Looking ahead, we will remain very active in developing and acquiring new projects at attractive shareholder returns as we focus on achieving the target fixed before the listing to at least double. Adjusted EBITDA by the end of 2022 without requiring new equity.

Jean-Christophe Jolliard
Chief Financial Officer
Principal Risks

From the tone set at the top through to the day-to-day actions across all businesses and corporate functions, we have a strong risk management culture at ContourGlobal.

The Board of Directors has overall responsibility for risk management – setting the Company’s risk appetite and ensuring there is an effective risk management strategy and framework. The Audit and Risk Committee assists the Board in overseeing the effectiveness of risk governance, risk management strategy, internal control and relevant systems. This includes reviewing the risk management methodology and effectiveness of internal controls, providing expert advice and oversight. Details of the Audit and Risk Committee’s composition, responsibilities and process are in the Governance Report on pages 61 to 64.

The Company's risk management framework consists of a risk register of all key risks, a risk map and risk ID cards detailing all key elements such as qualitative analysis of the main causes and impacts. The register also summarizes the risk management in place, including its strength. The risk register and ID cards are prepared based on direct input from the Group’s key senior business leaders. They are approved by the senior management team and presented to the Audit and Risk Committee and the Board.

Focusing on the major risks

This section of the strategic report provides a risk overview 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 may have a negative affect on the Company’s financial position and performance.

Reducing uncertainties

The Company’s focus on contracted power generation across different technologies reduces uncertainties relating to medium-term operational results. We closely monitor residual risks related to governmental regulations and changes in market conditions through the risk management framework.

Controlling risks

The Company faces a broad range of risks based on operating, maintaining and refurbishing power generation facilities. These include operational, health and safety and environmental risks. 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.

Overseeing the major risks

This section of the strategic report provides a risk overview 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 may have a negative affect on the Company’s financial position and performance.

Reducing uncertainties

The Company’s focus on contracted power generation across different technologies reduces uncertainties relating to medium-term operational results. We closely monitor residual risks related to governmental regulations and changes in market conditions through the risk management framework.

Controlling risks

The Company faces a broad range of risks based on operating, maintaining and refurbishing power generation facilities. These include operational, health and safety and environmental risks. 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.
RISK MAP

R01 – GOVERNMENTAL REGULATIONS

The risk that governmental actions or changes in regulations will have negative impacts due to our contracted assets significant dependence on regulated tariffs (primarily feed-in-tariffs) or other long-term fixed rate arrangements (privately PPAs) in partnership with governments, utilities and corporations. This includes political instability in non-OECD countries in Eastern Europe, Latin America and Sub-Saharan Africa (72% of ContourGlobal’s capacity) together with changes in laws and regulations in OECD countries e.g. Italy and Slovakia.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R02 – PROJECT EXECUTION (CAPEX)

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

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R03 – ASSET INTEGRITY AND OPEX

The risk that inefficient project management and execution of operational and maintenance activities will result in losses due to operational inefficiencies and higher than planned OPEX. This includes inefficient operations and maintenance of our assets, higher than planned OPEX, and operating constraints such as equipment failure, labor strikes, and capacity limitations.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R04 – RESOURCES CLIMATE CHANGE

The risk of potential changes in climate related regulations and policies, and their impact on our assets. This includes the potential for changes in climate regulations and policies, and their impact on our assets, and the potential for changes in climate regulations and policies, and their impact on our assets.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R05 – HEALTH, SAFETY (H&S) AND ENVIRONMENT: PREVENTION

The risk of potential changes in environmental regulations and policies, and their impact on our assets. This includes the potential for changes in environmental regulations and policies, and their impact on our assets, and the potential for changes in environmental regulations and policies, and their impact on our assets.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R06 – FRAUD, BRIBERY AND CORRUPTION

The risk that the amounts we pay for engineering, procurement, and construction (EPC) contracts with proven track records. EPC contracts also 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 for permitting process.

Controlling methodology: provides guidance and best practices to ensure strict and real-time project cost control, enabling cost overruns to be identified early and mitigation actions put in place.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R07 – INTEGRITY AND RELIABILITY OF CORPORATE IT SYSTEMS

The risk that the amounts we pay for engineering, procurement, and construction (EPC) contracts with proven track records. EPC contracts also 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 for permitting process.

Controlling methodology: provides guidance and best practices to ensure strict and real-time project cost control, enabling cost overruns to be identified early and mitigation actions put in place.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R08 – CYBER SECURITY

The risk that governmental actions or changes in regulations will have negative impacts due to our contracted assets significant dependence on regulated tariffs (primarily feed-in-tariffs) or other long-term fixed rate arrangements (privately PPAs) in partnership with governments, utilities and corporations. This includes political instability in non-OECD countries in Eastern Europe, Latin America and Sub-Saharan Africa (72% of ContourGlobal’s capacity) together with changes in laws and regulations in OECD countries e.g. Italy and Slovakia.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.

R09 – REGULATION AND COMPLIANCE

The risk that governmental actions or changes in regulations will have negative impacts due to our contracted assets significant dependence on regulated tariffs (primarily feed-in-tariffs) or other long-term fixed rate arrangements (privately PPAs) in partnership with governments, utilities and corporations. This includes political instability in non-OECD countries in Eastern Europe, Latin America and Sub-Saharan Africa (72% of ContourGlobal’s capacity) together with changes in laws and regulations in OECD countries e.g. Italy and Slovakia.

Risk Level
- High
- Moderate
- Low

High: residual risk remaining likely to have a strong impact on the achievement of strategic objectives even if risk management measures are in place.

Moderate: risk that could strongly affect the achievement of the objectives for which level of control is high enough to conduct to a moderate residual risk. Additional actions are being taken to alter 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.
### RO3 – OPERATION AND EXECUTION – ASSET INTEGRITY AND OPEX

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Main Impact</th>
<th>Risk Response (management and mitigation)</th>
</tr>
</thead>
</table>
| The risk that lack of appropriate assets maintenance in line with O&M plan will prevent the power plants from delivering electricity and ensuring availability at the levels defined in the long-term PPAs. This could be inadequate maintenance of power plants or business disruption as a result of damage caused to the infrastructure (transmission line and substations). | 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 ability to service debt | Business interruption insurance – O&M strategy focusing on HSE, O&M Organization, O&M performance management, benchmark and KPIs. Maintenance strategy/maintenance plan for mooring system (including remote monitoring control room). Maintenance activities with regular KPIs for control, and timely corrective actions. Daily KPIs and improvement meeting between local plant managers and operators. |}

### RO4 – OPERATIONS AND EXECUTION – RESOURCES CLIMATE CHANGE

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Main Impact</th>
<th>Risk Response (management and mitigation)</th>
</tr>
</thead>
</table>
| The risk that climate change (changes in temperature, wind patterns and hydrological conditions etc.) will have an adverse effect on financial and operating performance. | 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. | Diversified portfolio of assets – Thermal and Renewable. Extensive weather phenomena study and due diligence before the acquisition. |}

### RO5 – HEALTH & SAFETY (H&S) AND ENVIRONMENT – PREVENTION AND REGULATIONS

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Main Impact</th>
<th>Risk Response (management and mitigation)</th>
</tr>
</thead>
</table>
| The risk of failure to prevent H&S and environment incidents and/or to comply with relevant regulations due to inherent risks related to ContourGlobal activities (fuel types, technology and equipment in more than 20 different countries), which will have a material adverse impact on our operations, financing conditions and reputation. These could include accidents during transportation and handling of electricity, natural gasbookages, liquid fuels and hazardous materials arising from a lack of expertise/training and/or involvement, inadequate assessment, poor equipment, insufficient supervision of H&S aspects, for example. These could result from poor monitoring of compliance to local H&S and environment laws and regulations as well as their changes. | Human and environmental impact – LTIs (Lost Time Incidents) and fatalities of ContourGlobal employees and contractors or local communities around the facilities due to incidents at the power plants – Environmental accidents on site and in local communities. | Health and Safety Policy reviewed annually and communicated Company-wide. Health and Safety and Environmental management system is aligned with H&S BSI010 and ISO 45001 standards, and also with WorldBank guidelines, namely 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. Strong environmental policies and procedures: – each business’s compliance with applicable policies, local laws and permit requirements is managed directly by each business; – oversight and audit through operations, environmental, health and safety departments. | }

### RO7 – INFORMATION TECHNOLOGY – INTEGRITY AND RELIABILITY OF CORPORATE IT SYSTEMS

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Main Impact</th>
<th>Risk Response (management and mitigation)</th>
</tr>
</thead>
</table>
| The risk that lack of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials will result in a failure to comply with anti-corruption legislation, including the UK Bribery Act 2010 and other international anti-bribery laws. | 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. | 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 periodically. Policies and procedures include: – Code of Conduct and Business Ethics – Anti-Corruption Compliance Guide – Policy for Engaging Supplier and Third-Party Service Providers – Gifts & Hospitality Policy – Compliance Transactional Due Diligence Protocol – Business Development Consultant Compliance Protocol. |}

### R06 – REGULATION AND COMPLIANCE – FRAUD, BRIBERY AND CORRUPTION

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Main Impact</th>
<th>Risk Response (management and mitigation)</th>
</tr>
</thead>
</table>
| The risk that loss of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials will result in a failure to comply with anti-corruption legislation, including the UK Bribery Act 2010 and other international anti-bribery laws. | Organizational and operational impact: – Disruptions to business operations – Compromise of data integrity in core systems. | Employees On-boarding/Off-boarding portal – to manage appropriate employee accesses. SAP Governance Risk and Compliance (GRC) module is in place to control any risks related to segregation of duties. User provisioning process for key financial accounting and reporting systems. Dual data centers and redundancy (implemented or contracted on critical systems (SAP, BPC, Email, SharePoint). Environment control processes, such as change management, ongoing monitoring, incident management. A host of security systems and capabilities in the corporate environment, including malware and virus protection, web access filtering, firewalled network perimeter, updated and patched Operating Systems, and others. |}

Annual audits of financial systems and IT security.
<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Main Impact</th>
<th>Risk Response (management and mitigation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R08 – INFORMATION TECHNOLOGY – CYBER SECURITY</td>
<td>Organizational and operational impact:  - Impact on corporate or operational systems  - Loss of confidence in system integrity  - Ongoing threat to process integrity  Deterioration of financial performance:  - Loss of revenue due to disruption of operations or compromised business process  - Unpredicted expenses to repair security breaches  - Financial losses due to external fraudulent activities  Deterioration of competitive advantage through loss of sensitive business data</td>
<td>Dedicated security function established for corporate and plant IT, including third party support, cyber security policies and training. In the corporate environment:  - Anti-malware and anti-virus software deployed on local computers and monitored centrally  - Website filtering system which restricts access to websites with inappropriate and potentially malicious content  - Firewall controlled access into the corporate network and regular vulnerability scans of the network components  - Email filtering system which reduces the likelihood of delivery of malicious email  - Up-to-date Operating System installed on all corporate computers with active support  - Multiple layers of access control for corporate environment and systems with sensitive data  - Server infrastructure hosted in the ISO-27001 compliant data-center environments  A dedicated IT plant function lead has been assigned to consolidate IT management approach in the plants under a global framework of IT security policies and procedures</td>
</tr>
<tr>
<td>R09 – PEOPLE AND ORGANIZATION – CONSTRAINED STAFFING MODEL AND SUCCESSION PLANNING</td>
<td>The risk that given a constrained staffing model with high dependency on productivity and expertise of key individuals, the departure or removal of key staff and failure to appoint adequate successors will have an adverse effect on the Company's ability to deliver on its strategic objectives. This could have a negative impact on all the Company's performance indicators.</td>
<td>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.</td>
</tr>
</tbody>
</table>
We ensure strong governance throughout ContourGlobal. This section covers the key people responsible for governance, together with a summary of activities and reports for 2017.
1. Craig A. Huff, Chairman of the Board
   Nomination Committee (Chair)
   Craig A. Huff has served on ContourGlobal’s Board of Directors since 2008. He previously served a Senior Executive of AES’s co-founded Reservoir Capital in the UK from 1998 and is a member of the Board of Directors. 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. Before founding Reservoir Capital, Craig was a partner at Ziff Brothers Investments. Prior to business school, he served in the US Navy as a nuclear submarine officer and nuclear engineer. Craig is the President of the Board of Trustees of St. Bernard’s School and serves as a Trustee of the Princeton Theological Seminary. He graduated magna cum laude from Albion College and received his MBA at Harvard Business School, where he graduated with high distinction as a Baker Scholar.

2. Joseph C. Brandt, President and Chief Executive Officer of AES
   Nomination Committee
   Joseph C. Brandt has served on ContourGlobal’s Board since 2005 and is a member of its Board of Directors. He has led development and operations in the United States, Europe, the Americas and Africa for over two decades. Before co-founding ContourGlobal in 2005, Mr. Brandt served as the CEO of AES Corporation, an international power company, from 1999 to 2005, serving as Executive Vice President, Chief Operating Officer and Chief Restructuring Officer. At AES, his responsibilities included managing the company’s global utility operations in the Americas, Africa and Eastern Europe. He served on the board of directors of many of AES’s key subsidiaries, including AES Enel in Chile where he was Chairman of the Board, AES Energia Azul in Brazil and AES Gener in Argentina. Mr. Brandt received a BS from the University of Texas at Austin with a BBA in Finance and an MBA from Harvard Business School with a concentration in finance.

3. Gregg M. Zeitlin, Non-Executive Director
   Nomination Committee
   Gregg has served on ContourGlobal’s Board of Directors since 2008. He co-founded Reservoir Capital in the UK from 1998 and serves as a Senior Executive of the company. He serves on the boards of several insurance and financial services companies, including Intrapace Aviation Life and Property and Intact Insurance Group. Additionally, he has been instrumental in the development of several investment funds. Before founding Reservoir Capital, Gregg was a partner at Ziff Brothers Investments. Before joining Ziff Brothers Investments, he 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, he worked at Sunrise Capital Partners and Wasserstein Perella & Co. Gregg graduated with Highest Honors from the University of Texas at Austin with a BBA in Finance.

4. Alejandro Santo Domingo, Non-Executive Director
   Nomination Committee
   Alejandro has served on ContourGlobal’s Board of Directors since October 2017. He has been a Senior Managing Director of SABMiller Plc since 2010 and was a Director of the company from 2005 to 2016. He is a founding partner of the Firm’s Board of Directors and serves as its Senior Executive. He has held a number of senior international roles, including Vice President of the Global Commercial Sales and Marketing business and as chief commercial officer of SABMiller, Africa. He is also a member of the Board of Directors of the International Dairy Foods Association. Alejandro is a native of Colombia and studied Economics at the Universidad Nacional de Colombia. He earned his MBA at Harvard Business School with a concentration in finance.

5. Ruth Cairnie, Independent Non-Executive Director
   Nomination Committee
   Ruth has been appointed as an Independent Non-Executive Director of ContourGlobal with effect from 3rd January 2018. Ruth was formerly Executive Vice President Strategic Planning at Royal Dutch Shell plc, where she held a number of senior international roles, including Vice President of the Global Commercial Sales and Marketing business. She served on the boards of Shell Pakistan Ltd and joint venture companies in Germany and Thailand. She is currently a non-executive director of Rolls-Royce Holdings plc and Associated British Foods plc. She is also a member of the Board of Directors of the University of Edinburgh and of the Prince’s Trust of Scotland. Ruth has served in several Reservoir Capital portfolio companies, including Intrepid Aviation (Air Lease Corporation) and Intrepid Aviation Europe, the Americas and Africa for nearly two decades. Before co-founding ContourGlobal in 2005, Mr. Brandt served as the CEO of AES Corporation, an international power company, from 1999 to 2005, serving as Executive Vice President, Chief Operating Officer and Chief Restructuring Officer. At AES, his responsibilities included managing the company’s global utility operations in the Americas, Africa and Eastern Europe. He served on the board of directors of many of AES’s key subsidiaries, including AES Gener in Chile where he was Chairman of the Board, AES Energia Azul in Brazil and AES Gener in Argentina. Mr. Brandt received a BS from the University of Texas at Austin with a BBA in Finance and an MBA from Harvard Business School with a concentration in finance.

6. Dr. Alan Gillespie, Senior Independent Non-Executive Director
   Nomination Committee
   Dr. Gillespie has served on ContourGlobal’s Board of Directors since October 2017. He has been Senior Independent Non-Executive Director of Old Mutual plc since May 2011. He also serves as Chairman of the United Kingdom’s Economic and Social Research Council (ESRC) and has been in that position since 2009. He has previously served as a Non-Executive Director of Edenred from 1999 to 2007, as Chairman of Ullstein Bank Group from 2003 to 2008 and as Senior Independent Director of United Business Media plc from 2008 to 2017. Prior to his tenure at CDC, Dr. Gillespie was a partner at a number of investment firms. Before founding Ziff Communications Company, where he served in the US Navy as a nuclear submarine officer and nuclear engineer. Craig is the President of the Board of Trustees of St. Bernard’s School and serves as a Trustee of the Princeton Theological Seminary. He graduated magna cum laude from Albion College and received his MBA at Harvard Business School, where he graduated with high distinction as a Baker Scholar.

7. Ronald Trächsel, Independent Non-Executive Director
   Nomination Committee
   Ronald has served on ContourGlobal’s Board of Directors since May 2015. He has served as Chief Financial Officer of the BKW Group since 2014. From 2007 to 2014, Ronald served as 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. Before joining Vitra Group, Ronald also worked at Ringier Group, Ciba Geigy Corporation and BDO/Visura. He also serves on a number of boards of directors, including the board of Swissport AG, KWO AG, Wyst Saem und Pfarr musician and Creation Baumann AG. Mr. Trächsel received an MBA from the University of Bern with a concentration in finance.

8. Daniel Camus, Independent Non-Executive Director
   Nomination Committee
   Daniel has served on ContourGlobal’s Board of Directors since April 2016. He most recently served as Chief Financial Officer of the Geneva-based humanitarian finance organization, The Global Fund. He was in that position from 2012. He has also served as Senior Advisor to Roland Berger Strategy Consultants since 2011. From 2002 to 2011, he served as Group CFO and Head of Strategy and Planning at Royal Dutch Shell, where he held a number of senior international roles, including Vice President of the Global Commercial Sales and Marketing business. He served on the boards of Shell Pakistan Ltd and joint venture companies in Germany and Thailand. He is currently a non-executive director of Rolls-Royce Holdings plc and Associated British Foods plc. He is also a member of the board of trustees of the Fundacion Pies Descalzos. Alejandro is a native of Colombia and studied Economics at the Universidad Nacional de Colombia. He earned his MBA at Harvard Business School with a concentration in finance.
Executive Management

Our management team has an average of over 20 years of experience in the industry and has managed to significantly grow and enhance the platform since inception.

Jean-Christophe Juillard, Executive Vice-President and Chief Financial Officer
Jean-Christophe joined ContourGlobal in January 2013 as Executive Vice President and Chief Financial Officer. He is based in the New York and Paris offices and is a member of the Senior Executive Committee. He spent most of his professional life in the US and Europe. In the early 1990s, he started his career in finance working for LK Comstock and RailWorks, two New York based electrical contractors. Before joining ContourGlobal, Jean-Christophe worked at Alstom for 10 years in various finance management positions, first in the Alstom Transportation division in New York and later in Paris, France where he held positions, first in the Alstom Transportation division in New York and later in Paris, France where he held.

Alessandra Marinheiro, Executive Vice President for Business Development Latin America
Alessandra joined ContourGlobal in August 2009 as the Business Development Vice-President for Brazil, where she successfully originated and structured greenfield wind and hydro projects. Prior to ContourGlobal, Alessandra worked for 12 years at The AES Corporation in Brazil as Business Development Director and Commercial Director at AES’s generation business. Alessandra has led several mergers and acquisitions, greenfield project development, project finance and corporate finance transactions. Alessandra leads our Latin America team as the CEO of ContourGlobal Latin America where she is responsible for our regional business and for implementing our growth strategies for the region. Alessandra has a Bachelor in Business Administration from the Pontifica Universidade do Sao Paulo (PUC-SP) with an Executive MBA from COPPEAD-UPRJ.

Amanda Schreiber, Executive Vice President, General Counsel & Chief Compliance Officer
Amanda joined ContourGlobal in April 2012 and currently serves as Executive Vice President, General Counsel & Chief Compliance Officer. In this role, she is responsible for all Company legal matters and the Company’s global compliance program, including advising the Company on compliance with US and international anti-corruption, international trade and competition laws. Amanda also serves as Corporate Secretary to ContourGlobal’s Board of Directors. She is a member of the Senior Executive Committee. Before joining ContourGlobal, Amanda served as Chief Compliance Counsel at Colgate-Palmolive Company and practiced at the law firms of Covington & Burling and Stone & Weber. Amanda received her AB in Political Science from Brown University and her JD from Columbia Law School, where she was a Harlan Fiske Stone Scholar.

Richard König, Executive Vice President for Business Development Europe
Richard is the Executive Vice President for Business Development and the Joint Managing Director of the Renewables Business in Austria and Slovakia. Before joining ContourGlobal, Richard headed the Energy & Utilities team at the Raiffeisen Bank International where he worked for seven years on mergers and acquisitions and financing transactions in Europe and CEE. In his earlier career, he worked at the London-based Power & Utilities team of ABN AMRO with a focus on transactions in Europe, Russia, the Caucasus, and Asia. He also worked in the General M&A Advisory group of ABN AMRO in Amsterdam focusing on LBO transactions. Richard studied at the University of Graz and the Business School at the University of Nottingham. He holds a Bachelor’s Degree in Business & Economics in addition to a Master’s Degree in Finance & Industrial Management.

Jean-Christophe Juillard, Executive Vice-President and Chief Financial Officer
Jean-Christophe joined ContourGlobal in January 2013 as Executive Vice President and Chief Financial Officer. He is based in the New York and Paris offices and is a member of the Senior Executive Committee. He spent most of his professional life in the US and Europe. In the early 1990s, he started his career in finance working for LK Comstock and RailWorks, two New York based electrical contractors. Before joining ContourGlobal, Jean-Christophe worked at Alstom for 10 years in various finance management positions, first in the Alstom Transportation division in New York and later in Paris, France where he held positions, first in the Alstom Transportation division in New York and later in Paris, France where he held.

Alessandra Marinheiro, Executive Vice President for Business Development Latin America
Alessandra joined ContourGlobal in August 2009 as the Business Development Vice-President for Brazil, where she successfully originated and structured greenfield wind and hydro projects. Prior to ContourGlobal, Alessandra worked for 12 years at The AES Corporation in Brazil as Business Development Director and Commercial Director at AES’s generation business. Alessandra has led several mergers and acquisitions, greenfield project development, project finance and corporate finance transactions. Alessandra leads our Latin America team as the CEO of ContourGlobal Latin America where she is responsible for our regional business and for implementing our growth strategies for the region. Alessandra has a Bachelor in Business Administration from the Pontifica Universidade do Sao Paulo (PUC-SP) with an Executive MBA from COPPEAD-UPRJ.

Amanda Schreiber, Executive Vice President, General Counsel & Chief Compliance Officer
Amanda joined ContourGlobal in April 2012 and currently serves as Executive Vice President, General Counsel & Chief Compliance Officer. In this role, she is responsible for all Company legal matters and the Company’s global compliance program, including advising the Company on compliance with US and international anti-corruption, international trade and competition laws. Amanda also serves as Corporate Secretary to ContourGlobal’s Board of Directors. She is a member of the Senior Executive Committee. Before joining ContourGlobal, Amanda served as Chief Compliance Counsel at Colgate-Palmolive Company and practiced at the law firms of Covington & Burling and Stone & Weber. Amanda received her AB in Political Science from Brown University and her JD from Columbia Law School, where she was a Harlan Fiske Stone Scholar.

Richard König, Executive Vice President for Business Development Europe
Richard is the Executive Vice President for Business Development and the Joint Managing Director of the Renewables Business in Austria and Slovakia. Before joining ContourGlobal, Richard headed the Energy & Utilities team at the Raiffeisen Bank International where he worked for seven years on mergers and acquisitions and financing transactions in Europe and CEE. In his earlier career, he worked at the London-based Power & Utilities team of ABN AMRO with a focus on transactions in Europe, Russia, the Caucasus, and Asia. He also worked in the General M&A Advisory group of ABN AMRO in Amsterdam focusing on LBO transactions. Richard studied at the University of Graz and the Business School at the University of Nottingham. He holds a Bachelor’s Degree in Business & Economics in addition to a Master’s Degree in Finance & Industrial Management.

Karl Schnadt, Executive Vice President and Chief Operating Officer
Karl was hired as the Executive Vice President and Chief Operating Officer in December of 2011. He is based in Vienna, Austria. He is responsible for all technical functions at ContourGlobal including power plant operations, engineering and construction and health, environment and safety. Karl is a member of our Senior Executive Committee, Plant Information Steering Committee, Compliance Committee, Health and Safety Committee and CO2 Committee. Before joining ContourGlobal, Karl has a Bachelor in Business Administration from the Pontifica Universidade do Sao Paulo (PUC-SP) with an Executive MBA from COPPEAD-UPRJ.

Richard König, Executive Vice President for Business Development Europe
Richard is the Executive Vice President for Business Development and the Joint Managing Director of the Renewables Business in Austria and Slovakia. Before joining ContourGlobal, Richard headed the Energy & Utilities team at the Raiffeisen Bank International where he worked for seven years on mergers and acquisitions and financing transactions in Europe and CEE. In his earlier career, he worked at the London-based Power & Utilities team of ABN AMRO with a focus on transactions in Europe, Russia, the Caucasus, and Asia. He also worked in the General M&A Advisory group of ABN AMRO in Amsterdam focusing on LBO transactions. Richard studied at the University of Graz and the Business School at the University of Nottingham. He holds a Bachelor’s Degree in Business & Economics in addition to a Master’s Degree in Finance & Industrial Management.

Karl Schnadt, Executive Vice President and Chief Operating Officer
Karl was hired as the Executive Vice President and Chief Operating Officer in December of 2011. He is based in Vienna, Austria. He is responsible for all technical functions at ContourGlobal including power plant operations, engineering and construction and health, environment and safety. Karl is a member of our Senior Executive Committee, Plant Information Steering Committee, Compliance Committee, Health and Safety Committee and CO2 Committee. Before joining ContourGlobal, Karl has a Bachelor in Business Administration from the Pontifica Universidade do Sao Paulo (PUC-SP) with an Executive MBA from COPPEAD-UPRJ.

Amanda Schreiber, Executive Vice President, General Counsel & Chief Compliance Officer
Amanda joined ContourGlobal in April 2012 and currently serves as Executive Vice President, General Counsel & Chief Compliance Officer. In this role, she is responsible for all Company legal matters and the Company’s global compliance program, including advising the Company on compliance with US and international anti-corruption, international trade and competition laws. Amanda also serves as Corporate Secretary to ContourGlobal’s Board of Directors. She is a member of the Senior Executive Committee. Before joining ContourGlobal, Amanda served as Chief Compliance Counsel at Colgate-Palmolive Company and practiced at the law firms of Covington & Burling and Stone & Weber. Amanda received her AB in Political Science from Brown University and her JD from Columbia Law School, where she was a Harlan Fiske Stone Scholar.

Richard König, Executive Vice President for Business Development Europe
Richard is the Executive Vice President for Business Development and the Joint Managing Director of the Renewables Business in Austria and Slovakia. Before joining ContourGlobal, Richard headed the Energy & Utilities team at the Raiffeisen Bank International where he worked for seven years on mergers and acquisitions and financing transactions in Europe and CEE. In his earlier career, he worked at the London-based Power & Utilities team of ABN AMRO with a focus on transactions in Europe, Russia, the Caucasus, and Asia. He also worked in the General M&A Advisory group of ABN AMRO in Amsterdam focusing on LBO transactions. Richard studied at the University of Graz and the Business School at the University of Nottingham. He holds a Bachelor’s Degree in Business & Economics in addition to a Master’s Degree in Finance & Industrial Management.

Karl Schnadt, Executive Vice President and Chief Operating Officer
Karl was hired as the Executive Vice President and Chief Operating Officer in December of 2011. He is based in Vienna, Austria. He is responsible for all technical functions at ContourGlobal including power plant operations, engineering and construction and health, environment and safety. Karl is a member of our Senior Executive Committee, Plant Information Steering Committee, Compliance Committee, Health and Safety Committee and CO2 Committee. Before joining ContourGlobal, Karl has a Bachelor in Business Administration from the Pontifica Universidade do Sao Paulo (PUC-SP) with an Executive MBA from COPPEAD-UPRJ.
Dear Shareholders,

I am pleased to introduce our first Corporate Governance report. As we stated in our IPO Prospectus, the Directors support high standards of corporate governance and it is a policy of the Company to comply with best practice in UK corporate Governance to the extent appropriate for a Company of its size. ContourGlobal is able to appoint 25% or more of the Company’s shares. Under the Relationship Agreement, Reservoir Capital can be found on pages 57 and 81. The first such appointees by Reservoir Capital are myself and Gregg M. Zeitlin. As Co-Chief Executive Officer of Reservoir Capital, I therefore did not meet the independence criteria set out in the Code. The Board believes, however, that given the benefits for the Company of my longstanding experience with the Group and in the power industry that I should continue as Chairman. Following a transition period while the Company establishes itself as a premium listed Company the Board expects that it will seek to appoint an independent Non-Executive Chairman.

The Board believes that the Board and the Board Committees, with the addition of the new independent Non-Executive Directors will provide the appropriate corporate governance balance in light of the interests of both the majority shareholder and the new minority shareholders. The Remuneration and also the Audit and Risk Committee consists solely of independent Non-Executive Directors and a Relationship Agreement is in place between the Company, ContourGlobal LP, the Reservoir Funds, Reservoir Capital and the Company President and Chief Executive Officer, Joseph C. Brandt (the Relationship Agreement).

Under the Relationship Agreement Reservoir Capital is able 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 pages 57 and 81. The first such appointees by Reservoir Capital are myself and Gregg M. Zeitlin. As Co-Chief Executive Officer of Reservoir Capital, I therefore did not meet the independence criteria set out in the Code. The Board believes, however, that given the benefits for the Company of my longstanding experience with the Group and in the power industry that I should continue as Chairman. Following a transition period while the Company establishes itself as a premium listed Company the Board expects that it will seek to appoint an independent Non-Executive Chairman.

Craig A. Huff
Chairman
4th April 2018

UK Corporate Governance Code – Compliance Statement

The Company adopted the UK Corporate Governance Code on 14th November 2017 on admission of its shares to the UKLA’s Official List and listing on the Main Market of the London Stock Exchange.

Since that date, the Company has applied all of the main principles of the Code that are applicable to it and has complied with all relevant provisions of the Code except as indicated adjacent.

Board Governance

Governance Structure

The Company’s governance structure is designed such that the Board focuses on providing overall leadership to the Company and setting the Company’s values and standards. It also approves the strategic plan, monitors performance, and ensures that appropriate financial and human resources are in place for the Company to meet its objectives. The Board is also responsible for ensuring that appropriate systems, procedures and controls are in place to support the effective assessment and management of risk and the safeguarding of shareholder interests.

The Board operates in accordance with the Company’s Articles of Association, and has established certain Committees to assist it in discharging its responsibilities. Each Committee has its own written terms of reference (which are available on the Company’s website) which will be reviewed annually.

Craig A. Huff
Chairman
4th April 2018

UK Corporate Governance Code – Compliance Statement

The Company adopted the UK Corporate Governance Code on 14th November 2017 on admission of its shares to the UKLA’s Official List and listing on the Main Market of the London Stock Exchange.

Since that date, the Company has applied all of the main principles of the Code that are applicable to it and has complied with all relevant provisions of the Code except as indicated adjacent.

Board Governance

Governance Structure

The Company’s governance structure is designed such that the Board focuses on providing overall leadership to the Company and setting the Company’s values and standards. It also approves the strategic plan, monitors performance, and ensures that appropriate financial and human resources are in place for the Company to meet its objectives. The Board is also responsible for ensuring that appropriate systems, procedures and controls are in place to support the effective assessment and management of risk and the safeguarding of shareholder interests.

The Board operates in accordance with the Company’s Articles of Association, and has established certain Committees to assist it in discharging its responsibilities. Each Committee has its own written terms of reference (which are available on the Company’s website) which will be reviewed annually.

Craig A. Huff
Chairman
4th April 2018

UK Corporate Governance Code – Compliance Statement

The Company adopted the UK Corporate Governance Code on 14th November 2017 on admission of its shares to the UKLA’s Official List and listing on the Main Market of the London Stock Exchange.

Since that date, the Company has applied all of the main principles of the Code that are applicable to it and has complied with all relevant provisions of the Code except as indicated adjacent.

Board Governance

Governance Structure

The Company’s governance structure is designed such that the Board focuses on providing overall leadership to the Company and setting the Company’s values and standards. It also approves the strategic plan, monitors performance, and ensures that appropriate financial and human resources are in place for the Company to meet its objectives. The Board is also responsible for ensuring that appropriate systems, procedures and controls are in place to support the effective assessment and management of risk and the safeguarding of shareholder interests.

The Board operates in accordance with the Company’s Articles of Association, and has established certain Committees to assist it in discharging its responsibilities. Each Committee has its own written terms of reference (which are available on the Company’s website) which will be reviewed annually.

Craig A. Huff
Chairman
4th April 2018

UK Corporate Governance Code – Compliance Statement

The Company adopted the UK Corporate Governance Code on 14th November 2017 on admission of its shares to the UKLA’s Official List and listing on the Main Market of the London Stock Exchange.

Since that date, the Company has applied all of the main principles of the Code that are applicable to it and has complied with all relevant provisions of the Code except as indicated adjacent.

Board Governance

Governance Structure

The Company’s governance structure is designed such that the Board focuses on providing overall leadership to the Company and setting the Company’s values and standards. It also approves the strategic plan, monitors performance, and ensures that appropriate financial and human resources are in place for the Company to meet its objectives. The Board is also responsible for ensuring that appropriate systems, procedures and controls are in place to support the effective assessment and management of risk and the safeguarding of shareholder interests.

The Board operates in accordance with the Company’s Articles of Association, and has established certain Committees to assist it in discharging its responsibilities. Each Committee has its own written terms of reference (which are available on the Company’s website) which will be reviewed annually.

Craig A. Huff
Chairman
4th April 2018

UK Corporate Governance Code – Compliance Statement

The Company adopted the UK Corporate Governance Code on 14th November 2017 on admission of its shares to the UKLA’s Official List and listing on the Main Market of the London Stock Exchange.

Since that date, the Company has applied all of the main principles of the Code that are applicable to it and has complied with all relevant provisions of the Code except as indicated adjacent.

Board Governance

Governance Structure

The Company’s governance structure is designed such that the Board focuses on providing overall leadership to the Company and setting the Company’s values and standards. It also approves the strategic plan, monitors performance, and ensures that appropriate financial and human resources are in place for the Company to meet its objectives. The Board is also responsible for ensuring that appropriate systems, procedures and controls are in place to support the effective assessment and management of risk and the safeguarding of shareholder interests.

The Board operates in accordance with the Company’s Articles of Association, and has established certain Committees to assist it in discharging its responsibilities. Each Committee has its own written terms of reference (which are available on the Company’s website) which will be reviewed annually.

Craig A. Huff
Chairman
4th April 2018

UK Corporate Governance Code – Compliance Statement

The Company adopted the UK Corporate Governance Code on 14th November 2017 on admission of its shares to the UKLA’s Official List and listing on the Main Market of the London Stock Exchange.

Since that date, the Company has applied all of the main principles of the Code that are applicable to it and has complied with all relevant provisions of the Code except as indicated adjacent.

Board Governance

Governance Structure

The Company’s governance structure is designed such that the Board focuses on providing overall leadership to the Company and setting the Company’s values and standards. It also approves the strategic plan, monitors performance, and ensures that appropriate financial and human resources are in place for the Company to meet its objectives. The Board is also responsible for ensuring that appropriate systems, procedures and controls are in place to support the effective assessment and management of risk and the safeguarding of shareholder interests.

The Board operates in accordance with the Company’s Articles of Association, and has established certain Committees to assist it in discharging its responsibilities. Each Committee has its own written terms of reference (which are available on the Company’s website) which will be reviewed annually.

Craig A. Huff
Chairman
4th April 2018
Responsibilities of Chief Executive Officer
- As required by the Code there is a clear division of responsibilities between the Chairman and Chief Executive Officer. The roles of the Chairman and Chief Executive Officer are held by different people (Craig A. Huff and Joseph C. Brandt, respectively) and the purpose of each role is clear and distinct and set out in respective job descriptions. Although the Board agrees that there should be a clear division of responsibilities, it recognizes that overly prescribing the duties of the Chairman and Chief Executive Officer may reduce their flexibility to act in unforeseen circumstances. The following list of responsibilities sets out the division of responsibilities but is not intended to provide a definitive list of the individual responsibilities of each of the Chairman and the Chief Executive Officer.

Responsibilities of Chairman
- Chair the Board meetings
- Promote a culture of openness and debate by facilitating the effective contribution of all Directors
- Set the Board agenda ensuring that adequate time is available for discussion of all items and ensuring a focus on strategic items
- Ensure that the Directors receive accurate, timely and clear information in advance of meetings
- Ensure training and development needs of all Directors are met
- Ensure that all new Directors receive a full, formal and tailored induction
- Ensure constructive relationships between Executive and Non-Executive Directors
- Hold meetings with the Non-Executive Directors without the executive Directors present
- Lead the Board in establishing and periodically reviewing the Group’s values and behavioral standards
- Ensure compliance with the Board’s approved procedures
- Chair the general meetings
- Ensure effective communication with shareholders and stakeholders
- Ensure shareholders’ views are communicated to the Board

Responsibilities of Chief Executive Officer
- Leadership of the business
- Work closely with the Chairman and the Board to propose, develop and implement the Company’s strategy and overall commercial objectives
- Oversee and manage all business activities, operations and performance of the Group within the authority delegated by the Board
- Lead the Board in establishing and enforcing the standards of integrity and probity and support to other Directors in installing and maintaining those standards
- Ensure that the Board is informed of all relevant matters
- Review and manage cost control and operating efficiencies throughout the Group
- Recommend the annual budget and financial plans
- To identify and execute strategic opportunities while optimizing the Group’s resources
- To communicate to the Group’s employees the expectations of the Board in relation to the Group’s culture values and behavior
- To manage the Group’s risk profile
- To keep the Chairman informed of important matters and maintain a dialogue on important and strategic issues facing the Group
- To make recommendations on remuneration policies, Board nominations and succession planning
- To ensure the executive team complies with the terms on which matters are delegated by the Board
- To support the Chairman in order to ensure that appropriate governance standards are applied throughout the Group
- Lead communications with shareholders and other stakeholders
- To provide, together with the Chairman coherent leadership of the Company

Key Board roles and responsibilities

Chairman and Chief Executive Officer
- Pursuant to the Relationship Agreement, the Board of Directors consists of eight Directors (including the Chairman) and there are provisions to be independent as indicated in the table adjacent.

Senior Independent Director
- Alan Gillespie was appointed as Senior Independent Director prior to admission. In this role, Alan provides a sounding board for the Chairman, and will lead the Non-Executive Directors’ appraisal of the Chairman on an annual basis. Alan will attend sufficient meetings with a range of major shareholders to develop a balanced understanding of their issues and concerns. He is also available to shareholders if they have concerns which cannot be resolved through the normal channels of the Chief Executive Office or the Chairman has failed to resolve or for which such contact may not be appropriate. When appropriate, the Senior Independent Director will support the Nomination Committee in ensuring orderly succession for the Chairman.

Non-Executive Directors
- The Non-Executive Directors have been appointed to provide objective and constructive challenge to management and to help develop proposals on strategy. The Chairman and Non-Executive Directors will meet regularly without the Executive Director present. Their role includes upholding the highest standards of integrity and probity and support to other Directors in installing and maintaining those standards.
- Pursuant to the Relationship Agreement, the Board of Directors consists of eight Directors (including the Chairman) and there are provisions to be independent as indicated in the table adjacent.

Board Independence

Non-Independent
- Craig A. Huff (Chairman)
- Joseph C. Brandt (Chief Executive Officer)
- Ruth Cairnie (Non-Executive Director)
- Alejandro Santo Domingo (Non-Executive Director)
- Ronald Trachsel (Non-Executive Director)

Independent
- Gregg M. Zeitlin (Non-Executive Director)
- Daniel Camus (Non-Executive Director)
- Ronald Trachsel (Non-Executive Director)
- Alejandro Santo Domingo (Non-Executive Director)

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 15% 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 controlling shareholder and its associates have also complied with the provisions including any procurement obligations.

Relationship Agreement
- On formation of 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 the Major Shareholder, the Reservoir Funds and Reservoir Capital that (i) transactions and agreements with (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.

Board independence
- The Board currently consists of eight Directors (including the Chairman). Two such appointees as non-independent Non-Executive Directors are the Chairman, Craig A. Huff and Gregg M. Zeitlin. The Company therefore complies with provision B.12 of the Code as at least half the Board, excluding the Chairman, comprise Non-Executive Directors determined by the Board as independent. The Board does not comply with provision A.3.1 of the Code which requires that the Chairman should, on appointment, meet the independence criteria set out in provision B.11 of the Code. As Co-Chief Executive Officer of Reservoir Capital, the Chairman, Craig A. Huff did not meet the independence criteria set out in the Code. The Board believes, however, that given the benefits for the Company of his longstanding experience with the Group and in the power industry that he should continue as Chairman. Following a transition period while the Company establishes itself as a premium listed company the Board expects that it will seek to appoint an independent Non-Executive Chairman.
Board Process

The Board did not meet between Admission and the period ended 31st December 2017. The Board has met formally, in person or by video conference, on 18 occasions since Admission. The Audit and Remuneration Committee has met 14 times and the Nominations Committee met 3 times. The Board conducted 5 meetings telephonically. All of the Directors, except for the Executive Directors, have attended each meeting. The Chairman and non-Executive Directors are encouraged to attend Board meetings and in-person training, our anti-corruption commitment begins with the right thing and are protected. It is our duty to act ethically and prevent corruption in our Company – upholding the right thing and acting in line with our values. Much like our Health and Safety Program, our Anti-Corruption Policy and its compliance are a key element of our program. We do so according to our Policy for Engaging Third-Party Intake Portal. All third parties must first be approved by Compliance before being engaged by the Company. In 2017, we analyzed approximately 2,635 third parties for corruption risk.

We are deeply committed to acting with integrity throughout our business. This is not only the right thing to do, it is also a key part of our strategy to drive cross all of our operations – from ensuring health and safety, to building a culture of compliance that protects our investments and the reputation of the Group, including strategy and risk management.

At least five times a year, with ad hoc meetings called as and when required at short notice. The Board has an annual calendar of agenda items to ensure that all matters are given due consideration and are reviewed at the appropriate point in the regulatory and financial cycle. At least once a year, the Board will undertake a full strategic review of the business operations as part of the budget review.

All Directors are expected to attend all meetings of the Board and any Committees of which they are members, and to devote sufficient time to the Company to discharge their duties as Directors. In signing their letters of appointment each Non-Executive Director has confirmed that they are able to allocate sufficient time to the Company to discharge their duties as Directors. Non-Executive Directors will need to attend scheduled and emergency Board and Committee meetings, at least one visit to the Company’s facilities and to any other general meetings of the Company. The Non-Executive Directors are expected to commit appropriate preparation time ahead of each meeting.

Where Directors are unable to attend a meeting, they are encouraged to submit any comments on papers to be considered at the meeting to the Chairman in advance to ensure that their views and advice can be taken into account during the meeting. The Chairman shall advise the Executive Directors when a meeting will be held without the Executive Director present on a number of occasions throughout the year.

Appointment and Election

The Company’s Articles of Association set out the policy for dealing with Directors’ conflicts of interest and are in line with the Companies Act 2006. The Articles permit the Board to authorize conflicts and potential conflicts, as long as the conflicted or potentially conflicted Director is not counted in the quorum and does not vote on the resolution to authorize. The Board has a procedure by which Directors are briefed on their duty to avoid conflicts of interests and required to immediately notify the Company Secretary when a conflict or potential conflict arises in order that Board authorization can be sought. If the Board determines that a conflict or potential conflict cannot be authorized, it may impose additional conditions to manage such conflicts of interest. In addition, Directors are reminded at the beginning of each Board meeting to notify the Board of any further conflicts of interest in accordance with sections 175, 177 and 182 of the Companies Act 2006.

Training and Induction

In preparation for listing, all Directors received an induction briefing from the Company’s legal advisor, Davis Polk and Warrell LLP; on their duties and responsibilities as Directors of a publicly quoted company. A full, formal and tailored induction program will be developed for new Directors joining the Board. The Chairman, with the support of the Company Secretary, will ensure that the development and ongoing training needs of individual Directors and the Board as a whole are reviewed and agreed at least annually. After the first Board meeting the Directors all received an “Orientation Session” where the senior management met with the Board members and presented to them on their business areas. Each Board meeting also includes a section covering legal, regulatory and governance development updates.

Evaluation and Effectiveness

In accordance with sections 175, 177 and 182 of the Companies Act 2006. The Company’s Articles of Association set out the policy for dealing with Directors’ conflicts of interest and are in line with the Companies Act 2006. The Articles permit the Board to authorize conflicts and potential conflicts, as long as the conflicted or potentially conflicted Director is not counted in the quorum and does not vote on the resolution to authorize. The Board has a procedure by which Directors are briefed on their duty to avoid conflicts of interests and required to immediately notify the Company Secretary when a conflict or potential conflict arises in order that Board authorization can be sought. If the Board determines that a conflict or potential conflict cannot be authorized, it may impose additional conditions to manage such conflicts of interest. In addition, Directors are reminded at the beginning of each Board meeting to notify the Board of any further conflicts of interest in accordance with sections 175, 177 and 182 of the Companies Act 2006.

Information and Support

Agendas and accompanying papers are distributed to the Board and Committee members in advance of each Board or Committee meeting. These include reports from members of senior management and external advisors. Members of senior management will attend meetings to present relevant matters to the Board and the Board will be granted access to senior management should they require additional information on any item for the purpose of making decisions.

The Board and the Audit and Nomination Committee also receive further regular and specific reports to allow the monitoring of the adequacy of the Company’s systems of internal controls.

The information supplied to the Board and its Committees will be kept under review and formally assessed on an annual basis as part of the Board’s performance evaluation exercise to ensure it is fit for purpose and supports the Directors in effectively discharging their duties under the Companies Act, Listing and Disclosure Rules and the Code.

Conflicts of Interest

The Board and the Audit and Nomination Committee have in place procedures to determine whether or not a Director establishes a conflict of interest and, if any such conflict does arise in the Board’s determination, how that conflict will be managed.

The Articles permit the Board to authorize conflicts and potential conflicts, as long as the conflicted or potentially conflicted Director is not counted in the quorum and does not vote on the resolution to authorize. The Board has a procedure by which Directors are briefed on their duty to avoid conflicts of interests and required to immediately notify the Company Secretary when a conflict or potential conflict arises in order that Board authorization can be sought. If the Board determines that a conflict or potential conflict cannot be authorized, it may impose additional conditions to manage such conflicts of interest. In addition, Directors are reminded at the beginning of each Board meeting to notify the Board of any further conflicts of interest in accordance with sections 175, 177 and 182 of the Companies Act 2006.

The Company’s Annual General Meeting will be held in 2018, in accordance with the Companies Act 2006. The notice of the Annual General Meeting will be sent to shareholders or their proxies on or before the 28th day of April 2018. The Chairman, and the Directors if required, will present to answer questions put to them at the meeting on their business and any other matters required to be considered. The information supplied to the Board and its Committees will be kept under review and formally assessed on an annual basis as part of the Board’s performance evaluation exercise to ensure it is fit for purpose and supports the Directors in effectively discharging their duties under the Companies Act, Listing and Disclosure Rules and the Code.

Relations with Shareholders

As part of its ongoing investor relations program, the Group aims to maintain an active dialogue with its shareholders and potential investors to discuss issues relating to the performance of the Group including strategy and risk management.

The Non-Executive Directors are available to discuss any matters that stakeholders might wish to raise, and the Chairman and independent Non-Executive Directors will attend meetings with investors and analysts as required. The Board can offer a standing item on the Board’s agenda to ensure a satisfactory dialogue with shareholders and receiving reports on particular shareholders is a matter reserved for the Board.

The Company’s First Annual General Meeting will take place on 25th May 2018 at 113 Silk Street, London EC2Y 8HQ. The Chairman, and the Chairs of the Audit and Risk and Remuneration Committees, the Chairman, and the Chairs of the Audit and Risk and Remuneration Committees, will be present to answer questions put to them at the meeting on their business and any other matters required to be considered. The information supplied to the Board and its Committees will be kept under review and formally assessed on an annual basis as part of the Board’s performance evaluation exercise to ensure it is fit for purpose and supports the Directors in effectively discharging their duties under the Companies Act, Listing and Disclosure Rules and the Code.

The Board and Audit & Risk Committee also receive further regular and specific reports to allow the monitoring of the adequacy of the Company’s systems of internal controls.

The information supplied to the Board and its Committees will be kept under review and formally assessed on an annual basis as part of the Board’s performance evaluation exercise to ensure it is fit for purpose and supports the Directors in effectively discharging their duties under the Companies Act, Listing and Disclosure Rules and the Code.

Detecting and preventing corruption

Much like our Health and Safety Program, our Anti-Corruption Compliance Program is designed to ensure our workers and employees do the right thing and are protected. It is designed to detect and prevent corruption in our Company – upholding the values of the United Nations’ global Compact, to which we are signatories: “businesses should work against corruption in all its forms, including extortion and bribery.” Our anti-corruption commitment begins with the tone-at-the-top. In town hall meetings and in-person training, our senior management regularly reinforce the message to our employees and third parties that corruption or other unethical conduct will not be tolerated even where it could facilitate the performance of our immediate business objectives.

The Board and Audit & Risk Committee oversee our Company’s Compliance Program through quarterly reporting on the program, key performance indicators, initiatives, and developments in the field by the Board, the Executive President, General Counsel & Chief Compliance Officer, who oversees the program. We cascade the commitment throughout the Company by delivering training on our values, policies and procedures to our offices, plants and functions. In 2017, we provided 25 such in-person training sessions. These sessions were supplemented by an online anti-corruption course that employees are required to take upon joining the Company and periodically thereafter. Our Anti-Corruption Policy and its accompanying Anti-Corruption Compliance Guide are the cornerstones of our program. A 65-page booklet revised in 2015 and distributed to all employees in all 16 ContourGlobal locations, the Guide provides an overview of the program, applicable legislation, and anti-corruption responsibilities. Employees are required to sign the Guide soon after they join the Company and periodically thereafter, acknowledging that they have read, understood and agree to abide by it. Moreover, we distribute the Guide to all new employees and training require that they too sign it as part of our risk-based due diligence process. This ensures that our business partners understand our expectations and that working with us means working according to our values.

Focusing on third parties

Managing risk is a key element of our program. We do so according to our Policy for Engaging Suppliers and Third Party Service Providers, which requires that all third parties, with the exception of certain low-risk suppliers, receive risk-based due diligence through the Compliance Third-Party Intake Portal. All third parties must first be approved by Compliance before being engaged by the Company. In 2017, we analyzed approximately 2,635 third parties for corruption risk.

Using the Portal, our Compliance team can conduct routine auditing, monitor third party engagements and update risk assessment when required. In 2017, we re-reviewed and conducted refreshed due diligence on approximately 645 legacy third parties engaged by the Company.

Company-wide commitment

The Company’s culture is our only anti-corruption commitment. We analyze social responsibility policies, acquisitions, joint ventures and new developments for corruption risk. We make sure appropriate escalation and investigation procedures are conducted before proceeding.
Report of the
Nomination Committee

Dear Shareholders

On behalf of the Board, I am pleased to present the Nomination Committee Report for the period ended 31st December 2017.

Role and Responsibilities

The role of the Nomination Committee is set out in its terms of reference which are available on the Company’s website. The Committee assists the Board in discharging its responsibilities relating to the composition of the Board and its committees. The Committee is responsible for evaluating the balance of skills, knowledge and experience on the Board, the size, structure and composition of the Board, retirements and appointments of additional or replacement Directors. The Nomination Committee is also responsible for making recommendations to the Board concerning succession planning.

Specific duties of the Nomination Committee include:

- Regularly reviewing the structure, size and composition (including the overall skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.
- Putting in place plans for orderly succession of appointments to the Board and senior management, taking into account the challenges and opportunities facing the Company and the skills and experience needed within the Board and the Company.
- Leading the process for Board appointments as and when they arise, identify and nominate candidates and make recommendations for Board approval.
- Review annually the time required from Non-Executive Directors.

Meetings

It is intended that the Nomination Committee will meet at least twice a year and otherwise as required in order to discharge its duties. Only members of the Nomination Committee have the right to attend meetings, but other Directors, executives or advisors may be invited to attend all or part of any meeting as appropriate.

The Nomination Committee met once in the period between IPO and 31st December 2017 to consider the appointment of a further Independent Non-Executive Director following the IPO. The process of searching for Non-Executive directors had commenced prior to the IPO and Egon Zehnder, a Company unconnected with the Group, were responsible for seeking Non-Executive Director candidates leading up to the IPO process and all members of the Committee were in attendance at the meeting.

Diversity

The Company recognizes 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 Board further recognizes the benefits of diversity, including gender diversity, on the Board, although it believes that all appointments should be made on merit, while ensuring that there is an appropriate balance of skills and experience within the Board. Since the year end a female Director has been appointed to the Board (January 2018). The Board currently consists of 12.5% (1) female and 87.5% (6) male Board members. Across the Group employees are geographically diverse and many of the Group offices are staffed with employees with many nationalities.

Annual Evaluation

As the Nomination Committee has only been established for a short time, a formal performance evaluation has not been conducted. It is intended that a performance evaluation will be conducted in 2018 and reported on in the Company’s 2018 Annual Report.

Craig A. Huff
Chairman of the Nomination Committee
4th April 2018
Committee’s activity in these meetings activity

Activity Since IPO

The Board has undertaken a robust management of risk across the Group. The Board acknowledges ultimate responsibility and is committed to supporting senior management and ensuring that its oversight of its risk management framework is exercised in a manner that is consistent with the risk appetite, tolerance and strategy set by the Group. The Group’s risk management framework is reviewed on an ongoing basis.

Internal control and risk management

The Board recognizes ultimate responsibility and is committed to supporting senior management and ensuring that its oversight of its risk management framework is exercised in a manner that is consistent with the risk appetite, tolerance and strategy set by the Group. The Group’s risk management framework is reviewed on an ongoing basis.

External Audit

The Audit and Risk Committee met twice in the period of the IPO and 31st December 2017, and has met since the IPO and has reviewed all the matters referred to the Committee in the activity committee’s activity in these meetings including:

- Considering the Committee’s Terms of Reference
- Considering the Group’s policy on the provision of non-audit services to the Group
- Review of the Company’s risk register and considering the process to support the long-term viability of the business
- Reviewing the Group’s risk management
- Reviewing the effectiveness of the Group’s Internal Control and risk management systems
- Reviewing the Annual Report and Accounts statements and recommending their approval to the Board

The Audit and Risk Committee considers that the external auditor and the Group’s internal auditors have performed their work in an efficient and effective manner. The Audit and Risk Committee has overall responsibility for the Governance, Risk Management and Compliance monitoring process.

The Audit and Risk Committee met twice in the period of the IPO and 31st December 2017, and has met since the IPO.

The Audit and Risk Committee has reviewed the effectiveness of the internal audit function. The Audit and Risk Committee has recommended that the effectiveness of the internal audit function is assessed, and is satisfied that the internal audit function is independent and has access to the Board and its members.

The Audit and Risk Committee has considered the appropriateness of the terms to which the Audit and Risk Committee concurred with the accounting policies retained and described in the financial statements. The Audit and Risk Committee has reviewed the calculations of the technical analyses that resulted in considering no lease, operating leases and financial lease depending on the accounting principles used to recognize lease obligations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

On 30 April 2017, the Company engaged a third party to undertake a review on a periodic basis. These policies are appropriately established by management. A dedicated Compliance function is designed to ensure that there is a robust approach to the Company’s systems and documentation from Corporate and other compliance controls.

The Audit and Risk Committee has reviewed the conclusions of the technical analyses that resulted in considering no lease, operating leases and financial lease depending on the accounting principles used to recognize lease obligations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee has reviewed the conclusions of the technical analyses that resulted in considering no lease, operating leases and financial lease depending on the accounting principles used to recognize lease obligations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.

The Audit and Risk Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s internal control systems and risk management systems in place, taking into account the applicable laws and regulations. The Audit and Risk Committee has considered and concurred with the changes that this new standard would result in relation to its conclusions, as well as for specific issues in relation to Anavil and Matola power plants.
Internal Auditor

There was no Internal Audit function in the Group in 2017. During the review of financial position prospects at the time, the Group has therefore adopted a first-year model to assess the impact of any new relationship and to assist in assessing the independence of the external auditor for two years. As a result, the Board has decided to have an initial review of the new auditor’s independence and then a comprehensive review at the time of the next audit.

Fair, balanced and understandable

PricewaterhouseCoopers LLP engaged all service providers, and for non-audit services provided, the Group has therefore adopted a first-year model to assess the impact of any new relationship and to assist in assessing the independence of the external auditor for two years. As a result, the Board has decided to have an initial review of the new auditor’s independence and then a comprehensive review at the time of the next audit.

External Auditor

The Audit and Risk Committee is responsible for overseeing the Group’s relationship with its external auditor, PricewaterhouseCoopers LLP. This includes the ongoing assessment of the auditors’ independence and the effectiveness of the external audit process. The results of which inform the Committee’s recommendations to the Board as to the auditor’s appointment (subject to shareholder approval) or otherwise.

Appointment and Tenure

PricewaterhouseCoopers was first appointed as the external auditor of the Group in 2013. The UK firm was first appointed at the time of the IPO, so has just commenced its tenure and hence only been established for a short time (including the President & CEO) received an annual bonus of 75% of his base salary for 2017. He has agreed to accept a cap of 100% on his bonus. For any year that the bonus level reached 100%, the bonus will be increased to 150% of the previous year’s bonus. The bonus will then be paid at the end of the following year.

Whistleblowing

The Company maintains a web and telephone-based reporting hotline for employees and third parties to report potential violations of Company policy or the law, including matters related to matters associated with financial reporting or controls. The whistleblowing policy applies to all employees of the Group, and allows for anonymous reporting, where permitted by law.

The Audit and Risk Committee is responsible for monitoring the Group’s whistleblowing policy. The whistleblowing policy sets out the process for reporting and investigating such reports and for handling complaints.

Non-Audit Services

The engagement of the external audit firm to provide non-audit services is governed by the framework for the independence of the external auditor. The Group has therefore adopted a policy for the approval of the Audit and Risk Committee of any such non-audit services. The policy specifies prohibited services which cannot be carried out by the external auditor. The policy also identifies activities that would involve the external auditor taking on management responsibilities and therefore affect the framework within which non-audit services can be approved. The policy requires the external auditor to provide a list of non-audit services that the Group must be approved by the Audit and Risk Committee Chair and approved by a further limit by Audit and Risk Committee. Details of all non-audit services approved by the Audit Committee are included in the Report on the internal audit function. The Group has therefore adopted a first-year model to assess the impact of any new relationship and to assist in assessing the independence of the external auditor for two years. As a result, the Board has decided to have an initial review of the new auditor’s independence and then a comprehensive review at the time of the next audit.

Annual Review

As the Audit and Risk Committee has only established itself for a short time with its current membership and responsibilities, a formal performance evaluation has not been conducted. It is expected that a performance evaluation will be conducted in 2018 and reported on in the 2018 Annual Report.

Annual Evaluation

PricewaterhouseCoopers LLP has been engaged as the external auditor for the 2017 financial year. During the course of the IPO pre-requisites, the Group has therefore adopted a first-year model to assess the impact of any new relationship and to assist in assessing the independence of the external auditor for two years. As a result, the Board has decided to have an initial review of the new auditor’s independence and then a comprehensive review at the time of the next audit.

Dear shareholders,

As the Chair of the Remuneration Committee I am pleased to present our first Directors’ Remuneration Report as a separate document to the 14th November 2017 Annual General Meeting. This report sets out the Directors’ Remuneration Policy for Directors from the date of incorporation of the Company, which was payable for the period from incorporation of the Company on 26th September 2017 to the date the Company became part of the Group. This report therefore sets out the remuneration of the Executive Director from 17th October 2017 and remuneration for Non-Executive Directors from 23rd October 2017.

The Committee’s key activities to the date of this Directors’ Remuneration Repor...
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 25th May 2018 and, subject to shareholder approval, will take formal effect from that date. It is intended that the Remuneration Policy will apply for three years following approval.

Key considerations when setting the Remuneration Policy
When setting the Directors’ Remuneration Policy, the Committee took into account the overall business strategy and long-term interests of the Company, with a view to attracting, retaining and motivating high quality individuals and delivering rewards to shareholders.

Consistent with these principles, the Committee has designed a Remuneration Policy which will:

- 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 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

In seeking to achieve the above objectives, the Committee is mindful of the views of a broad range of stakeholders and accordingly takes account of a number of factors when setting remuneration, including market conditions, pay and employment conditions across the Group, the expectations of institutional shareholders and feedback from shareholders and other stakeholders.

Remuneration Policy table
The table below sets out, for each role at a below market salary has been appointed to a new role may be reimbursed.

Purpose and link to strategy
Operation
Maximum opportunity
Performance metrics
Benefits
To provide a market
competitive benefits package
to attract 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.

Pensions
To provide a market
compétitive pension package
to assist with recruitment and
retention of Executive Directors
of suitable caliber
The Company may make
corrections, or payment in
lieu of contributions, to a
pension scheme
The current President & CEO
does not receive any pension
contributions

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
gives alignment with the
interests of shareholders
over the longer-term.
Annual bonuses are subject to
achievement of stretching
performance conditions, which
are 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
defined into shares which vest
after at least two years subject
to continued employment.
Participants may also be entitled
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, or any other
exceptional circumstances which
the Committee considers justify
the operation of the recovery and
withholding provisions.

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 (such as EBITDA,
cash flow, growth targets, Health &
Safety 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 pay-out 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.

Executive Directors
Purpose and link to strategy
Operation
Maximum opportunity
Performance metrics
Base salary
Salaries are normally reviewed
annually with any changes taking
effect from 1st January each year.
Salaries are set taking into
consideration number of factors,
including:
- 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
The Committee aims to set levels
that are broadly aligned with
equivalent roles at relevant peers
and other companies of broadly
comparable size and complexity,
taking into account the country
in which the Director is based
where appropriate.
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.

Annual bonuses are subject to
achievement of stretching
performance conditions, which
are 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
defined 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, or any other
exceptional circumstances which
the Committee considers justify
the operation of the recovery and
withholding provisions.

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 (such as EBITDA,
cash flow, growth targets, Health &
Safety 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 pay-out 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.
### Executive Directors

**Purpose and link to strategy**
To reward delivery of sustained long-term performance and incentivize successful execution of business strategy over the longer term.

**Operation**
Facilitates share ownership to provide further alignment with shareholders.

**Maximum opportunity**
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.

**Performance metrics**
- Performance is normally measured over three years.
- The maximum award level is 100% of base salary per annum. No more than 25% of each performance element may vest for threshold performance.
- Awards will normally vest, net of tax, after three years subject to performance conditions.
- 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, or any other exceptional circumstances which the Committee considers justify the operation of the recovery and withholding provisions.

**Long-Term Incentive Plan (LTIP)**
- The performance metrics for the initial awards have not yet been finalized. 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.
- The Committee may reduce 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.
- 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, or any other exceptional circumstances which the Committee considers justify the operation of the recovery and withholding provisions.

**Share ownership guidelines**
- Executive Directors are required to retain at least half of any share awards vesting net of tax under the Company’s discretionary share-based incentive schemes until the guideline is met. Shares owned outright on or following Admission will count towards the guideline.

### Chairman and Non-Executive Directors

**Purpose and link to strategy**
To attract and retain a high-caliber Chairman and Non-Executive Directors by offering market-competitive fee levels.

**Operation**
- 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.

**Maximum opportunity**
- There is no maximum level of fees.

**Performance metrics**
- Not performance related.

**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.
- 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.
Notes to the policy table

Prior commitments and PIP
For the duration of this Policy, the Company will honor any commitments made in respect of current or former Directors before the date on which either: (i) the Directors’ remuneration policy becomes effective; or (ii) an individual becomes a Director, even where such commitments are not consistent with the policy set out in this report or prevailing at the time any such commitment is fulfilled. For the avoidance of doubt, all outstanding historical awards that were granted in connection with, or prior to, listing including those made by ContourGlobal LP under the PIP remain eligible to vest based on their original or modified terms. In addition, the Policy will cover any additional awards to be made by ContourGlobal LP under the PIP.

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 determined at the start of each financial year, based on the key business priorities for the year ahead. LTIP measures are 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 shareholders.

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.

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 LTIP 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
- Determining “good leaver” status for incentive plan purposes and applying the appropriate treatment
- Undertaking the appropriate 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. a 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. As a result, it is possible, 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.

Remuneration scenarios for Executive Directors
The charts below show an estimate of the 2018 remuneration package for the President & CEO, Joseph C. Brandt, who is the only Executive Director, under three assumed performance scenarios, (“minimum”, “target” and “maximum”), based on the Remuneration Policy set out above.

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th>Remuneration component</th>
<th>Minimum</th>
<th>Target</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>President &amp; CEO</td>
<td>Fixed pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Base salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Base salary as at 1st January 2018 ($2m for the President &amp; CEO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The President &amp; CEO receives no pension contribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Estimated value for 2018 under the Remuneration Policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual bonus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No bonus payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target bonus (50% of maximum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum bonus (100% of salary)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTIP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No LTIP vesting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target vesting (50% of maximum)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum vesting (100% of salary)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 calibre, 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 into 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 in order 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
Any new Executive Director may be eligible to receive a pension or pension allowance, insurance and other benefit programs in line with local practice.

Variable pay
Maximum bonus and LTIP award opportunities for any new Executive Director shall, notwithstanding the maximum opportunities specified in the policy table above, be 150% of salary for bonus and 200% of salary for LTIP awards. 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 “buy-out” 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, and would be structured so as to be, to the extent practicable, no more generous in terms of fair value and other key terms than the awards it is replacing, including time to vesting and any performance conditions.

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 committed to join the Company 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.
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**  
**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 award 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, then employing Company or the business for which they are working 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 time 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 subject to time pro-rating for the proportion of the vesting period served.

**PIP**  
Unvested shares will ordinarily be forfeited in the event of resignation prior to the relevant vesting date.

## Non-Executive Directors’ terms of engagement

All Non-Executive Directors have letters of appointment with the Company for three-year terms. 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.

The dates of appointment of each of the Non-Executive Directors serving at 31st December 2017 are summarized in the table below.

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th>Term of appointment</th>
<th>Date of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig A. Huff (Chairman)</td>
<td>3 years</td>
<td>23rd October 2017</td>
</tr>
<tr>
<td>Daniel Camus</td>
<td>3 years</td>
<td>23rd October 2017</td>
</tr>
<tr>
<td>Ruth Carrie</td>
<td>3 years</td>
<td>3rd January 2018</td>
</tr>
<tr>
<td>Dr. Alan Gillespie</td>
<td>3 years</td>
<td>23rd October 2017</td>
</tr>
<tr>
<td>Ronald Theobald</td>
<td>3 years</td>
<td>23rd October 2017</td>
</tr>
<tr>
<td>Alejandro Santa Domingo</td>
<td>3 years</td>
<td>23rd October 2017</td>
</tr>
<tr>
<td>Gregg M. Zeitlin</td>
<td>3 years</td>
<td>23rd October 2017</td>
</tr>
</tbody>
</table>

1. Ruth Carrie was not serving at 31st December 2017.

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.

While the Committee does not currently consult directly with employees regarding its policy for Directors, the Committee will consider the proposals being introduced as part of the FRC’s updated UK Corporate Governance Code in 2018 and will determine accordingly the best method of bringing the employee voice to the Boardroom.

The remuneration of senior managers below Board 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 ongoing dialogue with shareholders and will seek to engage directly with them and their respective 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.

Assisted by its independent advisor, the Committee actively monitors developments in the expectations of institutional investors and their representative bodies.

**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. The President & CEO currently does not hold any external directorships.

## Service contracts and termination policy

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. 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.

**Unexpired term of contract at 31st December 2017**

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of service contract</th>
<th>Notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph C. Brandt</td>
<td>14th November 2017</td>
<td>N/A 6 months either party</td>
</tr>
</tbody>
</table>
Annual Report on Remuneration

The 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 2006 (as amended). It also meets the requirements of the UK Listing Authority’s Rules and the Disclosure and Transparency Rules, and has been prepared in line with the recommendations of the UK Corporate Governance Code and the voting guidelines of major UK institutional investor bodies.

Introduction
This section sets out details of the remuneration of the Executive Director and Non-Executive Directors (including the Chairman) earned between 26th September 2017 and 31st December 2017 and also describes the operation of the Remuneration Committee. The Annual Report on Remuneration will, together with the Annual Statement of the Remuneration Committee Chairman on page 65, be proposed for an advisory vote by shareholders at the forthcoming Annual General Meeting (AGM) to be held on 25th May 2018. Where required, data has been audited by PricewaterhouseCoopers LLP and this is indicated where appropriate. In preparing this report, consideration has been given to any legal requirements, the UK Corporate Governance Code, the UK Listing Rules, and the GC100 and Investor Group Directors’ Remuneration Reporting Guidance.

Role of the Remuneration Committee
The Remuneration Committee’s responsibilities are set out in its Terms of Reference which are available to shareholders on request from the Company Secretary and on the Company’s website (www.ContourGlobal.com). Its role includes:

- Setting the remuneration policy for all Executive Directors and Senior Management of the Company, and the Chairman of the Board, including pension rights and any compensation payments and their cost, and recommending and monitoring the level and structure of remuneration of the Senior Management
- Within the terms of the agreed remuneration policy and in consultation with the Chairman of the Board and/or Chief Executive, as appropriate, determine the total individual remuneration package of each Executive Director and the Chairman of the Board and other senior management including bonuses, incentive payments and share option or other share awards
- Approve the design of, and determine targets for, any performance related pay schemes operated by the Company, review performance against such targets and approve total annual payments made under such schemes
- Ensure 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 in carrying out its duties the Remuneration Committee takes into account any legal requirements, the UK Corporate Governance Code and UK Listing Rules. Determining the fees of the Non-Executive Directors is a matter for the Board as a whole on the recommendation of the Chairman and President & CEO

External advisors to the Committee
Material advice or services were provided to the Committee during the year by the following advisor who was appointed by the Committee. The advisor was selected based on the firm’s extensive knowledge of the Company and policies based on their work during the IPO process. The Remuneration Committee sought a proposal from the advisor that was reviewed at the Committee and the Committee will review the objectiveness and independence of the advisor on an annual basis.

Remuneration Consultants — Aon
Independent remuneration consultants to the Committee. Provision of advice on all aspects of executive remuneration including development of remuneration policy, design and implementation of incentive plans, guidance on performance metrics and targets, benchmarking exercises, and updates on developments in best practice and market practice. Aon advised the Company on remuneration-related matters in advance of the Listing and received fees of £1,000 in respect of services.

Aon does not have any other connection with the Group and therefore the Committee is satisfied that they provide objective and independent advice. Aon is a member of the Remuneration Consultants Group and is a signatory to its voluntary Code of Conduct, which requires its advice to be objective and independent.

Single total figures of remuneration (audited information)
The table below sets out a single figure for the total remuneration received by the Executive Director and Non-Executive Directors between the date of incorporation of the Company (26th September 2017) and 31st December 2017. As the Company listed on 14th November 2017, part of the 2017 remuneration relates to the period when the Company was privately owned.

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Area of advice/services provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph C Brandt</td>
<td>Independent remuneration consultants to the Committee. Provision of advice on all aspects of executive remuneration including development of remuneration policy, design and implementation of incentive plans, guidance on performance metrics and targets, benchmarking exercises, and updates on developments in best practice and market practice. Aon advised the Company on remuneration-related matters in advance of the Listing and received fees of £1,000 in respect of services. Aon does not have any other connection with the Group and therefore the Committee is satisfied that they provide objective and independent advice. Aon is a member of the Remuneration Consultants Group and is a signatory to its voluntary Code of Conduct, which requires its advice to be objective and independent.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$144,000</td>
</tr>
</tbody>
</table>

1 Non-Executive Director fees are paid in £ sterling. The numbers in the table have been converted to $ using the average exchange rate from 26th September 2017 to 31st December 2017 of £1.33:£1.
2 Benefits include medical insurance, dental insurance, life assurance and disability cover.
3 Annual bonus for 2017 corresponds to the proportion of the annual bonus from 1st October 2017 to 31st December 2017. 80% of this will be paid in cash in 2018 and the balance will be deferred into shares for two years.
4 There were no long-term incentive awards vesting based on performance ending in 2017.
5 Appointed on 3rd January 2018.

2017 Annual Bonus
In 2017 there was no approved Remuneration Policy for a public company in place. Bonus targets were set in the manner that had applied historically in the Company. The targets applying to the annual bonus for the year ended 31st December 2017 related to the Company’s growth and key operational and financial metrics including Adjusted EBITDA performance. As these were set in the context of the Company being a privately owned company and being unaudited for the vast majority of the financial year the full details of actual performance are not disclosed.

For the President & CEO, the bonus opportunity depended on achievement of corporate objectives (70%) and individual objectives (30%) as set out in the following table together with the result achieved.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$193.2m</td>
</tr>
<tr>
<td>Funds from Operations</td>
<td>$255.9m</td>
</tr>
<tr>
<td>Growth</td>
<td>Exceeded/Achieved</td>
</tr>
<tr>
<td>Operational excellence</td>
<td>Exceeded/Achieved</td>
</tr>
<tr>
<td>Individual objectives</td>
<td>Exceeded/Achieved</td>
</tr>
</tbody>
</table>

1 Operational excellence is measured against Operations and Corporate Services KPIs and objectives and includes Health & Safety.
2 Individual objectives are measured against individual KPIs.

Membership of the Remuneration Committee during the year is shown below. The Company listed on the London Stock Exchange on 14th November 2017. There were no Committee meetings between listing and the end of the 2017 financial year.

Chairman: Daniel Camus
Other members: Ronald Trächsel* and Dr Alan Gillespie

*Ruth Cairnie joined the Committee on 21st February 2018, and Ronald Trächsel stood down from the Committee on the same date.

The Board considers each of the members of the Committee to be independent in accordance with the Code. The Chairman of the Board and members of management, including the Chief Executive Officer or other senior executives, may also attend meetings of the Committee by invitation, but will not be present where matters relating to their own remuneration are discussed. The Company Secretary, or his or her nominee, will act as Secretary to the Committee, to ensure that the Remuneration Committee fulfils its duties under its terms of reference and will provide regular updates to the Remuneration Committee on relevant regulatory developments in the UK.
The Committee determined that the corporate targets were all met or exceeded, with outstanding performance on safety. On individual performance, successful delivery of the IPO was a key outcome. Overall, the Committee determined that the President & CEO's bonus for 2017 was 75% of his salary.

At the request of the President & CEO and taking into account the introduction of bonus deferral in the new policy being adopted, a bonus of $720,000 was payable in cash and the balance of $180,000 was deferred into shares for two years.

In the future, bonuses will be set in line with the approved Remuneration Policy in place at that time, and details of measures, weightings, targets and performance achieved against the targets will be disclosed retrospectively in the following year’s Annual Report on Remuneration to the extent that they are no longer commercially sensitive.

Long-term incentive awards with performance periods ending in the year (audited information)

There were no long-term incentive awards capable of vesting in relation to performance in the year.

Long-term incentive awards granted in 2017 (audited information)

There were no awards granted under the LTIP during FY2017. The first awards under the new LTIP will be made during FY2018.

Percentage change in the remuneration of the Chief Executive Officer

As the Company listed and was incorporated during 2017, there is no disclosure of remuneration relating to prior years. Accordingly, this Report does not set out the percentage change in remuneration between 2016 and 2017. Full disclosure of the year on year change will be provided in future remuneration reports.

Comparison of overall performance and pay

The chart below 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 2017. The FTSE 250 Index has been chosen as an appropriate comparator as it is the index of which the Company is a constituent and as the Company currently falls within this index by market capitalization. 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 chart below shows the Company’s Total Shareholder Return performance compared with that of the FTSE 250 over the year on year change will be provided in future remuneration reports.

Implementation of Remuneration Policy for Executive Directors in 2018

Base salary

Salary reviews are normally carried out in January every year, with any increases taking effect from 1st January in that year. The Committee approved the following base salary for the President & CEO with effect from the date of Admission (14th November 2017), and this will remain unchanged for 2018.

Executive Director

Base salary

From 1st January 2018

Benefits and Pension

The President & CEO will continue to benefit from medical insurance, dental insurance, life assurance, disability cover which cumulatively amount to $28k a year but does not participate in a Company pension scheme nor receive any Company contribution in respect of pension.

Annual Bonus

The operation of the annual bonus for 2018 will be consistent with the framework detailed in the policy section of this report. The maximum opportunity for the year ending 31st December 2018 will be 100% of salary for the President & CEO. Awards will be based 70% on a number of corporate objectives (adjusted EBITDA, Funds from Operations, Growth, Operational excellence and Health & Safety), and 30% on personal objectives.

Target levels have been set to be challenging relative to the 2018 business plan. Specific targets are deemed to be commercially sensitive at this time. However, the Committee intends to disclose these retrospectively in next year’s Remuneration Report to the extent that they do not remain commercially sensitive.

In line with the Policy, any bonus earned above the target bonus level (50% of salary) will be deferred in shares vesting after two years. Recovery and withholding provisions will apply to cash and deferred bonus awards in certain circumstances, including in the event of a material misstatement of accounts, an error in assessing the performance condition, or serious misconduct.

LTIP

The operation of the LTIP for 2018 will be consistent with the framework detailed in the policy section of this report. The award to the President & CEO in 2018 will be 100% of salary. Vesting of the award will be subject to performance achieved over a three-year period from 1st January 2018 to 31st December 2020, based on terms and performance conditions to be determined. These will be disclosed when awards are made.

The award vests after three years, with any vested awards subject to a further two-year holding period during which the post-tax number of shares cannot be sold. In line with the Policy, recovery and withholding provisions will apply to awards in certain circumstances, including in the event of a material misstatement of accounts, an error in assessing the performance condition, or serious misconduct.

Implementation of Non-Executive Director Remuneration Policy in 2018

The annual fees for serving as the Chairman or a Non-Executive Director were reviewed and agreed by the Board on 23rd October 2017, and remain unchanged in 2018. The fee levels that apply as at 1st January 2018 are therefore as set out below.

Relative importance of the spend on pay

The following table shows the company’s actual spend on pay for all employees compared to Group performance in 2017. As the Company was incorporated and listed during 2017, there were no distributions to shareholders in respect of the period and therefore there is no disclosure relating to the percentage change in dividend distributions between 2016 and 2017. Full disclosure of the year on year change will be provided in future remuneration reports.

<table>
<thead>
<tr>
<th>2016 $000</th>
<th>2017 $000</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee costs</td>
<td>N/A</td>
<td>675</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>N/A</td>
<td>1,873</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>N/A</td>
<td>513.2</td>
</tr>
</tbody>
</table>
Statement of Directors’ shareholdings and share interests (audited information)

The Remuneration Committee has approved share ownership guidelines which require the President & CEO to accumulate and maintain a holding in ordinary shares in the Company equivalent to no less than 200% of salary. At least 50% of any vested share awards (net of tax) must be retained until the guideline is achieved. The President & CEO has met his shareholding requirement, as shown in the table below.

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th>Shareholding requirement (% of basic salary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Camus</td>
<td>200%</td>
</tr>
<tr>
<td>Gregg A. Huff</td>
<td>484%</td>
</tr>
</tbody>
</table>

1. The President & CEO is part of the PIP, under which he will receive vested interests in shares. The allocation of shares to individuals under the PIP and final terms attached to those awards is still subject to finalization, however, the number of shares awarded could be substantial.

The President & CEO is subject to lock up arrangements in respect of his Ordinary Shares held in the Company for a period of 365 days from the date of the Underwriting Agreement (8th November 2017). There were no changes to the Executive Directors’ interests in the Company’s shares during the period between 31st December 2017 and 4th April 2018.

Non-Executive Directors’ shareholdings (audited information)

<table>
<thead>
<tr>
<th>Shareholding as at 31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig A. Huff</td>
</tr>
<tr>
<td>Daniel Camus</td>
</tr>
</tbody>
</table>

1. Craig A. Huff and Gregg M. Zeitlin each has 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 shared interest in certain entities which have indirect interests in the Company. Alejandro Santo Domingo disclaims all beneficial interests and control in respect of such ordinary shares.
4. An indirect interest in Ordinary Shares has been acquired by the Company in respect of the period between 31st December 2017 and 4th April 2018.

Statement of Voting on the Remuneration Report at the AGM

This is the Company’s first year as a public company and therefore the 2018 AGM will be our first AGM. This means that there is no historical voting to disclose on the Company’s Executive remuneration. Details of the 2018 AGM voting results on the Policy and on the Annual Report on Remuneration will be disclosed in next year’s Directors’ Remuneration Report.

The Chairman of the Remuneration Committee will engage with the Company’s major investors concerning the Company’s approach to remuneration, and will report back to the other members of the Remuneration Committee on such dialogue as necessary.

Approval

This report was approved by the Board of Directors, on the recommendation of the Remuneration Committee, on 4th April 2018 and signed on its behalf by:

Daniel Camus
Chairman of the Remuneration Committee
4th April 2018
The Directors of the Company who held office during the year are:

**Appointed**

Craig A. Huff 23rd October 2017
Joseph C. Brandt 26th September 2017
Ruth Carnew* 23rd October 2017
Daniel Cansino 23rd October 2017
Atila Gresip 23rd October 2017
Alejandro Santo Domingo 23rd October 2017
Ronald Trächsel 23rd October 2017
Gregor M. Zeltner 23rd October 2017

*Ruth Carnew was appointed after the period and on 1st January 2018.

Biographies of the Directors who served on the Board during the year are provided in the Governance section on pages 50 and 51.

**Results and dividends**

The results for the year are set out in the consolidated income statement on page 92. As set out in the IPO prospectus, the declaration and payment by the Company of any future dividends is at the discretion of the Directors and the amounts of any such dividends will depend on ContourGlobal’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 of the Company and other factors deemed by the Directors to be relevant at the time, subject always to the requirements of applicable laws. During the year ended 31st December 2017, ContourGlobal LP paid dividends of $54.2m on 19th April 2017 and ContourGlobal plc paid dividends of $21.3m on 8th November 2017. The Directors expect that dividend will be distributed bi-annually, with one third of expected dividends payable at the first bi-annual distribution, and two thirds payable at the second bi-annual distribution. The Directors recommend the payment of a final dividend of 2.6 cents (US dollar) per Ordinary share on 31st March 2018 subject to approval at the Annual General Meeting on 25th May 2018, and accordingly has an expiry date of 25th May 2018, and accordingly has an expiry date of 25th May 2018.

**Share capital**

Details of the Company’s share capital are set out in Note 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 2017, the Company’s issued share capital consisted of 1,000,000,000 Ordinary shares. No shares are held in treasury.

The Registered Office of the Company is at 670,712,929 ordinary shares. ContourGlobal plc is constantly engaged in process and product innovation. For examples of the Company’s R&D activity. The Board is satisfied that the Company is capable of carrying on its business independently of the Controlling Shareholder and that the Board makes its decisions in a manner consistent with its duties to the Company and stakeholders of ContourGlobal plc. Further details on the Relationship Agreement can be found in the Corporate Governance Report on page 57.

**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 of the powers of the Company.

**Directors’ interests**

Information on share ownership by Directors can be found in the Remuneration Report on pages 74 to 78.

**Directors’ indemnities and director and officer liability insurance**

As at the date of this report, the Company has granted qualifying third-party indemnities to each of its Directors against any liability that attaches to them in defending proceedings brought against them under the Companies Act. In addition, 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 on pages 22 to 35.

**Sustainable development**

The business strategy and performance of this report, on pages 22 to 35, 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.

**Political donations**

It is the Company’s policy not to make political donations. No political contributions were made in 2017.

**Charitable donations**

Please refer to page 34.

**Overseas branches**

ContourGlobal plc does not have any branches. A full list of the Group’s controlled subsidiaries is disclosed in Note 4.28 and Note 15: Condensed Financial Statements.

**Corporate government statement**

The Disclosure and Transparency Rules (DTR 7.2) require certain information by a plc to be included in a Corporate Governance statement set out in a Company’s Directors’ report.

In common with many companies, ContourGlobal plc has, within its annual report, a Corporate Governance report that is separate from its Directors’ Report. The information that fulfils the requirement of DTR 7.2 is located in the ContourGlobal Corporate Governance Report (and is incorporated into this Directors’ Report reference), with the exception of the information referred to in DTR 7.2, which is located in this Directors’ report.

**Major shareholdings**

This report presents the interests in Ordinary shares notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as at 31st December 2017 and 4th April 2018 (being the latest practicable date not more than one month prior to the date of the Annual General Meeting notice).

**Significant contractual arrangements**

For a full list of significant contractual arrangements, please refer to the Corporate Governance Report on page 57.

**Revolving Credit Facility**

On 6th September 2017, CG Power Holdings, ContourGlobal LP together with its permitted successors and assignees, the “Parent Guarantor”, ContourGlobal Worldwide Holdings Limited and certain other subsidiaries of the Company, entered into an $800 million secured revolving credit facility (RCF) with BNP Paribas, the effective date of which is as of 12th September 2017. Prior to Admission, ContourGlobal LP was replaced by the Company as parent guarantor under the Revolving Credit Agreement. The guarantees and all of the obligations under the RCF are secured by a first priority lien on the shares of CG Power Holdings and on the capital stock of each RCF guarantor (other than the Parent Guarantor) and ContourGlobal LeaM4 S.A., subject to certain exceptions and releases under certain circumstances. The RCF is to be made on terms under the RCF bear interest at floating rates equal to either LIBOR plus 2.75% margin or Alternate Base Rate plus 17.5% margin.
ContourGlobal plc
President, Chief Executive Officer and Executive Director
Joseph C. Brandt
On behalf of the Board
approved by the Board on 4th April 2018.
The ContourGlobal plc Directors’ Report has been prepared in accordance with applicable UK Company law and was Act 2006.
Each of the Directors who were members of the Board at the date of the approval of this report confirms that:

Annual General Meeting (AGM)
The 2018 AGM will be held on 25th May 2018 in London. At the AGM, shareholders will have the opportunity to ask questions of the Board, including the Chairmen of the Board Committees.

Audit information
Each of the Directors who were members of the Board at the date of the approval of this report confirms that:

Euro Bonds
On 17th June 2016, CG Power Holdings issued the Initial Euro Bonds in a private offering exempt from the registration requirements of the Securities Act 1933, as amended. In July 2016, CG Power Holdings issued an additional €50.0m aggregate principal amount of its 5.125% Senior Secured Notes due 2021. In February 2017, CG Power Holdings issued an additional €100.0m aggregate principal amount, which formed a single series with the Initial Euro Bonds. The Euro Bonds were issued pursuant to the Euro Bond Indenture.
The Euro Bond Indenture provides that ContourGlobal may:

(a) prior to 15th June 2018, redeem all or part of the Euro Bonds by paying 100% of the principal amount of the Euro Bonds redeemed plus a make-whole premium and accrued and unpaid interests, if any, to, but not including, the redemption date;

(b) prior to 15th June 2018, on one or more occasions, redeem through the use of net proceeds of specified equity offerings up to 35% of the principal amount of the Euro Bonds, upon giving prior notice, at a redemption price equal to 105.125% of the aggregate principal amount of the Euro bonds being redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but not including, the redemption date, provided that at least 65% of the original aggregate principal amount of the Euro Bonds remains outstanding after the redemption and the redemption occurs within 120 days of the date of the closing of such equity offering; and

(c) redeem all or part of the Euro Bonds on or after 15th June 2018 at the redemption price set forth in the Offering Memorandum.

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 101% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase.

Additional €100.0m aggregate principal amount, which formed a single series with the Initial Euro Bonds. The Euro Bonds

The Euro Bond Indenture provides that ContourGlobal may:

(a) prior to 15th June 2018, redeem all or part of the Euro Bonds by paying 100% of the principal amount of the Euro Bonds redeemed plus a make-whole premium and accrued and unpaid interests, if any, to, but not including, the redemption date;

(b) prior to 15th June 2018, on one or more occasions, redeem through the use of net proceeds of specified equity offerings up to 35% of the principal amount of the Euro Bonds, upon giving prior notice, at a redemption price equal to 105.125% of the aggregate principal amount of the Euro bonds being redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but not including, the redemption date, provided that at least 65% of the original aggregate principal amount of the Euro Bonds remains outstanding after the redemption and the redemption occurs within 120 days of the date of the closing of such equity offering; and

(c) redeem all or part of the Euro Bonds on or after 15th June 2018 at the redemption price set forth in the Offering Memorandum.

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 101% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase.

Annual General Meeting (AGM)
The 2018 AGM will be held on 25th May 2018 in London. 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, which will be distributed at least 20 working days before the meeting. 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.

Audit information
Each of the Directors who were members of the Board at the date of the approval of this report confirms that:

So far as he or she is aware, there is no relevant audit information of which the Company’s auditors are unaware – He or she has taken all the reasonable steps that he or she ought to have taken as a Director to make him or herself aware of any relevant audit information and to establish that the Company’s auditors are aware of the information

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.
The ContourGlobal plc Directors’ Report has been prepared in accordance with applicable UK Company law and was approved by the Board on 4th April 2018.

On behalf of the Board
Joseph C. Brandt
President, Chief Executive Officer and Executive Director
ContourGlobal plc
4th April 2018

Responsibility Statement under the Disclosure Guidance and Transparency Rules
Each of the Directors, whose names and functions are listed in the Directors’ Report confirm that, to the best of their knowledge:

The Parent Company financial
statements, which have been 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) give a true and fair view of the assets, liabilities, financial position and profit of the Company

The consolidated Group financial
statements, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group

The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces

Statement under the UK Corporate Governance Code
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 and Parent Company’s performance, business model and strategy.

Statement of Directors’ Responsibilities in relation to the Annual Report and 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 IFRSs as adopted by the European Union and Parent 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, the 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 Parent Company and of the profit or loss of the Group and Parent Company 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 IFRSs as adopted by the European Union have been followed for the 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 judgments and accounting estimates that are reasonable and prudent
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors’ Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.
The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The Directors are responsible for the maintenance and integrity of the Parent Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Joseph C. Brandt
President, Chief Executive Officer and Executive Director
ContourGlobal plc
4th April 2018
We manage our finances with care and precision to support our growth strategy. This section gives the detail on our financial performance and position for 2017.
Report on the audit of the Group financial statements

Opinion

In our opinion, ContourGlobal plc’s Group financial statements (the "financial statements"):

– Give a true and fair view of the state of the Group’s affairs as at 31st December 2017 and of its profit and cash flows for the year then ended;

– Have been properly prepared in accordance with IFRS as adopted by the European Union; and

– Have been prepared in accordance with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the consolidated statement of financial position as at 31st December 2017; the consolidated statement of income and other comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity and non-controlling interests 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 Committee.

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.

Other than those disclosed in note 4.32 to the financial statements, we have provided no non-audit services to the Group in the period from 1st January 2017 to 31st December 2017.

Our audit approach

Context

These are the first financial statements of the Group since the completion of the initial public offering of shares on the Main Market of the London Stock Exchange on 14th November 2017. While the Company was newly incorporated during the year on 26th September 2017, the Group consolidated financial statements are prepared on a pro forma basis for the full year from 1st January 2017 to 31st December 2017. This is explained in more detail in note 1 to the financial statements.

Overview

– Overall Group materiality: $12.5 million based on 2.5% of Adjusted EBITDA as defined in note 4.1 to the financial statements.

– We conducted our audit work over 14 components located in 14 countries.

– We visited component auditors in four locations, covering all of the financially significant components, and one further component.

– To the extent components were subject to an audit of their complete financial information due to their size:

- Specific audit procedures were performed on certain balances and transactions in respect of four components.

Accounting for power purchase agreements (“PPAs”) – year of acquisition or renegotiation

As discussed above, the Group acquired new power plant portfolios in Brazil and Italy during the year. Accounting for acquisitions can be complex, with judgment required in both the identification of assets acquired, including any intangible assets, and the valuation of assets acquired and liabilities assumed in accordance with IFRS 3 “Business Combinations”.

The calculation of fair value is subjective due to the inherent uncertainty involved in the valuation of assets and liabilities, and this requires the application of judgment by management and independent experts in the methods of valuation. Future forecasts and underlying assumptions all have a material impact on the valuation of assets and liabilities, including the value of property, plant and equipment which typically represents the most significant asset acquired.

Under IFRS 3, an intangible asset must be recognized on an acquisition where it arises from contractual or legal rights acquired in the arrangement and in determining the legal and contractual rights associated with the PPA and therefore there is a risk that intangible assets acquired may not be recognized.

During the year, the Group acquired the shares of new asset owners in Brazil and Italy for consideration of $182.4 million and $114 million respectively. No PPAs were renegotiated during the year.

We have evaluated management’s assessment of the PPAs for the acquired plants in Brazil and Italy. In one case, such features as the arrangement containing a public service obligation, the off-taker regulating the prices, and the residual interest to be transferred to the off-taker at an agreed price at the end of the PPA period led management to reach the conclusion that the arrangement should be accounted for under IFRS 12. We concurred with this conclusion.

In another case, management reached the conclusion the arrangement should be accounted for as a finance lease under IFRS 14 because of features such as the off-taker having the ability to access and control the asset and there is no restriction to sell the electricity generated outside of the contract. We concurred with this conclusion.

Based on assessment of the PPAs, we evaluated the accounting for revenue recognition and determined this to be reasonable. We also evaluated the classification of assets acquired on the balance sheet and found the classification to be appropriate.

From our review of the new PPAs in the year and other audit evidence obtained, we found no indication in the judgments made concerning the identification of assets and liabilities assumed, and classification of related balances and disclosures in the financial statements that were inconsistent with the requirements of the relevant accounting standards.

In addition to reading the PPAs, we read the sale and purchase agreements ("SPAs") associated with the acquisitions in Brazil and Italy, and performed audit procedures over both the identification of assets acquired (including any potential intangible assets) and the valuation of assets acquired and liabilities assumed.

We involved our specialists in our audit of the valuation of assets acquired and liabilities assumed. Our work included assessment of the appropriateness of the valuation assumptions used and, in particular, the discount rate used in the models, and the evaluation of the associated uncertainty and risk of future changes. The discount rate was assessed by reference to comparable assets.

We considered the completeness of the intangible assets identified by management with reference to the specific legal and contractual rights associated with the SPAs.

From our review and assessment of the SPAs, and audit evidence obtained, we found that the judgments made concerning the identification of assets and liabilities assumed, and estimates used in the valuation of assets acquired and liabilities assumed were reasonable.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgment, 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 audit resources; and the communication of audit conclusions.

We have identified the following matters to be the key audit matters.

Accounting for power purchase agreements (“PPAs”) – year of acquisition or renegotiation

The Group’s power plants sell their output under PPAs and other long-term arrangements.

Accounting for acquisitions and/or the renegotiation of PPAs is complex with a number of judgments required to value the assets and liabilities acquired and the related disclosures in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates. We also considered the nature of the acquisition agreements and related power purchase agreements, as well as the valuation of assets and liabilities, including the value of property, plant and equipment which typically represents the most significant asset acquired.

Accounting for business combinations – valuation of assets acquired and liabilities assumed

As discussed above, the Group acquired new power plant portfolios in Brazil and Italy during the year. Accounting for acquisitions can be complex, with judgment required in both the identification of assets acquired, including any intangible assets, and the valuation of assets acquired and liabilities assumed in accordance with IFRS 3 “Business Combinations”.

The calculation of fair value is subjective due to the inherent uncertainty involved in the valuation of assets and liabilities, and this requires the application of judgment by management and independent experts in the methods of valuation. Future forecasts and underlying assumptions all have a material impact on the valuation of assets and liabilities, including the value of property, plant and equipment which typically represents the most significant asset acquired.

Under IFRS 3, an intangible asset must be recognized on an acquisition where it arises from contractual or legal rights acquired in the arrangement and in determining the legal and contractual rights associated with the PPA and therefore there is a risk that intangible assets acquired may not be recognized.

During the year, the Group acquired the shares of new asset owners in Brazil and Italy for consideration of $182.4 million and $114 million respectively. No PPAs were renegotiated during the year.

We have evaluated management’s assessment of the PPAs for the acquired plants in Brazil and Italy. In one case, such features as the arrangement containing a public service obligation, the off-taker regulating the prices, and the residual interest to be transferred to the off-taker at an agreed price at the end of the PPA period led management to reach the conclusion that the arrangement should be accounted for under IFRS 12. We concurred with this conclusion.

In another case, management reached the conclusion the arrangement should be accounted for as a finance lease under IFRS 14 because of features such as the off-taker having the ability to access and control the asset and there is no restriction to sell the electricity generated outside of the contract. We concurred with this conclusion.

Based on assessment of the PPAs, we evaluated the accounting for revenue recognition and determined this to be reasonable. We also evaluated the classification of assets acquired on the balance sheet and found the classification to be appropriate.

From our review of the new PPAs in the year and other audit evidence obtained, we found no indication in the judgments made concerning the identification of assets and liabilities assumed, and classification of related balances and disclosures in the financial statements that were inconsistent with the requirements of the relevant accounting standards.

In addition to reading the PPAs, we read the sale and purchase agreements ("SPAs") associated with the acquisitions in Brazil and Italy, and performed audit procedures over both the identification of assets acquired (including any potential intangible assets) and the valuation of assets acquired and liabilities assumed.

We involved our specialists in our audit of the valuation of assets acquired and liabilities assumed. Our work included assessment of the appropriateness of the valuation assumptions used and, in particular, the discount rate used in the models, and the evaluation of the associated uncertainty and risk of future changes. The discount rate was assessed by reference to comparable assets.

We considered the completeness of the intangible assets identified by management with reference to the specific legal and contractual rights associated with the SPAs.

From our review and assessment of the SPAs, and audit evidence obtained, we found that the judgments made concerning the identification of assets and liabilities assumed, and estimates used in the valuation of assets acquired and liabilities assumed were reasonable.
Independent auditors' report to the members of ContourGlobal plc continued

Key audit matter How our audit addressed the key audit matter

Risk of fraud in revenue recognition (notes 2.3, 2.4 and 4.2)

In addition to the judgments set out above regarding the basis of valuing assets under the different PPA arrangements, there is a risk that revenues recognized in the financial period may be misstated due to fraud or error.

The majority of revenues earned are from power sales comprising both capacity payments and energy payments. These are calculated based on predetermined criteria set out in the PPAs, which typically include fixed contracted capacities as well as contracted prices. Amounts are billed on a regular basis and typically collected during the following month. These revenues are not considered to give rise to heightened risk as there is little judgment involved in the calculation of these revenues.

However, in some PPAs a portion of revenue is inherently more judgmental, for example capacity payments in relation to certain renewable plants, and may include specific performance obligations set out in the PPA such as minimum kWh guarantees. The failure to meet these obligations could give rise to a reduction in revenues earned under the PPA.

Impairment of property, plant and equipment and financial assets (notes 2.3, 2.4, 4.11 and 4.12)

The Group has $2.35 billion of property, plant and equipment and financial assets comprising the majority of which relates to the disposal of the Kramatorsk power plant. We did not identify any impairment of these assets.

Impairment assessments of these assets requires significant judgment and there is the risk that potential impairment triggers 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 is incorrect and therefore the valuation of the assets may be misstated.

In the event that an impairment trigger is identified, the recoverable value of the asset is calculated by valuing the asset in use (which is based on future cash flows and forecasts of future revenue) and subtracting the estimated costs to sell. In the event of a sale of the property, plant and equipment, the Group is required to sell the property, plant and equipment for a price equal to the carrying amount.

With regard to the overall impairment assessment performed, we evaluated the completeness of the impairment triggers identified by management through reviewing the cash flow projections and discount rates for each of the Group's renewable power plants and hydro power plants, and the Group's assessment of the impairment triggers by reviewing the assumptions made by management.

We assessed the sensitivity of the impairment calculation to changes in assumptions about the future cash flows of the assets.

We tested management’s sensitivity analysis to ensure appropriate judgment had been applied.

Based on our audit procedures performed we found the methodology and assumptions used in the calculation of the value in use for the Brazilian wind and hydro power plants were reasonable,

We also reviewed the disclosure for the recognition of impairment and we were satisfied with the nature and extent of commentary provided.

Impairment indicators were identified in the current year for the Brazilian wind and hydro power plants following operational performance issues. These were tested for impairment using value in use calculations and no impairments were identified. The assessment of impairment using value in use calculations and no impairments in the underlying assets’ carrying value were identified. Separately, the Kramatorsk power plant was subject to sale and, when compared to the share purchase agreement, an impairment in the asset carrying value of $3.3 million was required and has been recognized in the financial statement. There was no significant judgment involved in calculation of this impairment as the sale proceeds and costs to sell have been agreed with the acquirer prior to year end.

We examined the appropriateness of the Group’s accounting policies surrounding revenue recognition and we assessed the consistency of the application of the revenue recognition policy across all operating locations in scope for the Group audit.

In order to make sure that revenue was appropriately recognized for power sales, we obtained the periodic invoices for capacity and energy payments for each component and traced these to subsequent cash collected. For the largest component (which represents approximately 50% of Group revenue), we also reperformed the calculation of revenue based on the formulae set out in the contract.

We also tested accounts receivable by agreeing balances through to post-year-end cash receipts.

In respect of renewables plants where PPAs include revenues linked to uncertain future performance obligations (for example capacity payments which are dependent on future weather), we have tested revenue to ensure that revenues are not recognized where these remain contingent on future performance obligations which are outside management’s control.

We also tested journal entries posted to revenue accounts to identify any unusual or irregular items.

Based on the work performed we found that the application of revenue policies was consistent, the basis for recognition was appropriate, and judgments made in respect of PPAs containing uncertain future performance obligations were reasonable.

Impairment of property, plant and equipment and financial assets (notes 2.3, 2.4, 4.11 and 4.12)

The Group has $2.35 billion of property, plant and equipment and financial assets, the majority of which relate to concessions arrangements.

Impairment assessments of these assets requires significant judgment and there is the risk that potential impairment triggers 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 is incorrect and therefore the valuation of the assets may be misstated.

In the event that an impairment trigger is identified, the recoverable value of the asset is calculated by valuing the asset in use (which is based on future cash flows and forecasts of future revenue) and subtracting the estimated costs to sell. In the event of a sale of the property, plant and equipment, the Group is required to sell the property, plant and equipment for a price equal to the carrying amount.

With regard to the overall impairment assessment performed, we evaluated the completeness of the impairment triggers identified by management through reviewing the cash flow projections and discount rates for each of the Group’s renewable power plants and hydro power plants, and the Group’s assessment of the impairment triggers by reviewing the assumptions made by management.

We assessed the sensitivity of the impairment calculation to changes in assumptions about the future cash flows of the assets.

We tested management’s sensitivity analysis to ensure appropriate judgment had been applied.

Based on our audit procedures performed we found the methodology and assumptions used in the calculation of the value in use for the Brazilian wind and hydro power plants were reasonable, and that the impairment recorded in respect of the Kramatorsk power plant was appropriate and consistent with the subsequent proceeds received on the sale.

We also reviewed the disclosures around the impairment assessments performed, and were satisfied with the nature and extent of commentary provided.

We examined the appropriateness of the Group’s accounting policies surrounding revenue recognition and we assessed the consistency of the application of the revenue recognition policy across all operating locations in scope for the Group audit.

In order to make sure that revenue was appropriately recognized for power sales, we obtained the periodic invoices for capacity and energy payments for each component and traced these to subsequent cash collected. For the largest component (which represents approximately 50% of Group revenue), we also reperformed the calculation of revenue based on the formulae set out in the contract.

We also tested accounts receivable by agreeing balances through to post-year-end cash receipts.

In respect of renewables plants where PPAs include revenues linked to uncertain future performance obligations (for example capacity payments which are dependent on future weather), we have tested revenue to ensure that revenues are not recognized where these remain contingent on future performance obligations which are outside management’s control.

We also tested journal entries posted to revenue accounts to identify any unusual or irregular items.

Based on the work performed we found that the application of revenue policies was consistent, the basis for recognition was appropriate, and judgments made in respect of PPAs containing uncertain future performance obligations were reasonable.
Independent auditors’ report to the members of ContourGlobal plc continued

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 the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006, (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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 31st December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements (CA06).

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors’ Report (CA06).

The Directors’ assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group
We have nothing material to add or draw attention to regarding:

– The Directors’ confirmation on page 47 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity
– The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated
– The Directors’ explanation on page 47 of the Annual Report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions
– Matters communicated by us to the Audit Committee
– The Directors’ statement relating to the parent 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.
## Consolidated statement of income and other comprehensive income
### Year ended 31st December 2017

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Note</th>
<th>Years ended 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>4.2</td>
<td>1,022.7</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>4.3</td>
<td>905.2</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td>306.4</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>4.3</td>
<td>(31.9)</td>
</tr>
<tr>
<td><strong>Other operating income – net</strong></td>
<td>4.3</td>
<td>(4.0)</td>
</tr>
<tr>
<td><strong>Acquisition related items</strong></td>
<td>4.5</td>
<td>(9.5)</td>
</tr>
<tr>
<td><strong>Income from Operations</strong></td>
<td>4.5</td>
<td>269.0</td>
</tr>
<tr>
<td><strong>Other income (expenses) – net</strong></td>
<td>4.6</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Share of profit in associates</strong></td>
<td>4.6</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>4.7</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>4.7</td>
<td>21.4</td>
</tr>
<tr>
<td><strong>Realized and unrealized foreign exchange gains and (losses) and change in fair value of derivatives</strong></td>
<td>4.7</td>
<td>186.0</td>
</tr>
<tr>
<td><strong>Net profit before income tax</strong></td>
<td>4.7</td>
<td>40.6</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>4.8</td>
<td>273.0</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>4.8</td>
<td>13.5</td>
</tr>
<tr>
<td><strong>Profit/(loss) attributable to</strong></td>
<td>4.9</td>
<td>19.4</td>
</tr>
<tr>
<td><strong>– Group</strong></td>
<td>4.9</td>
<td>375.0</td>
</tr>
<tr>
<td><strong>– Non-controlling interests</strong></td>
<td>4.9</td>
<td>(5.9)</td>
</tr>
<tr>
<td><strong>Earnings per share (in $)</strong></td>
<td>4.9</td>
<td>0.03</td>
</tr>
<tr>
<td><strong>– Basic</strong></td>
<td>4.9</td>
<td>0.03</td>
</tr>
<tr>
<td><strong>– Diluted</strong></td>
<td>4.9</td>
<td>0.03</td>
</tr>
</tbody>
</table>

### Consolidated statement of financial position
### Year ended 31st December 2017

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Years ended 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Intangible assets and goodwill</strong></td>
<td>4.10</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>4.11</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td>4.12</td>
</tr>
<tr>
<td><strong>Investments in associates</strong></td>
<td>4.13</td>
</tr>
<tr>
<td><strong>Other non-current assets</strong></td>
<td>4.18</td>
</tr>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td>4.18</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>4.19</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>4.19</td>
</tr>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td>4.20</td>
</tr>
<tr>
<td><strong>Derivative financial instruments</strong></td>
<td>4.21</td>
</tr>
<tr>
<td><strong>Other current assets</strong></td>
<td>4.21</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>4.21</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4.21</td>
</tr>
<tr>
<td><strong>Issued capital</strong></td>
<td>4.22</td>
</tr>
<tr>
<td><strong>Share premium</strong></td>
<td>4.22</td>
</tr>
<tr>
<td><strong>Retained earnings and other reserves</strong></td>
<td>4.22</td>
</tr>
<tr>
<td><strong>Invested capital</strong></td>
<td>4.22</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Total equity and non-controlling interests and liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Other non-current liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Trade and other payables</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Current income tax liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Other current liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Liabilities held for sale</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Total profit/(loss) for the period, net of tax</strong></td>
<td>4.23</td>
</tr>
<tr>
<td><strong>Other comprehensive income/(loss) for the period, net of tax</strong></td>
<td>4.23</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this consolidated financial statements.

The financial statements were approved by the Board of Directors and authorized for issue on 4th April 2018 and signed on its behalf by

Joseph C. Brandt
Chief Executive Officer

The accompanying notes are an integral part of this consolidated financial statements.
### Consolidated statement of changes in equity and non-controlling interests

**Year ended 31st December 2017**

### Consolidated statement of cash flows

**Year ended 31st December 2017**

The accompanying notes are an integral part of this consolidated financial statements.
Notes to the consolidated financial statements

1. General information

ContourGlobal plc (the "Company") is a public limited company incorporated in the United Kingdom and registered in England and Wales. It is the holding company for the Group whose principal activities also include subsidiaries that, during the period, were majority-owned by the Company's holding company. The Group engages in power generation businesses with thermal and renewables assets in North America, Europe, Latin America and Africa, and its registered office is:

The office is:

15 Berkeley Street
London, W1J 6BY
United Kingdom

Registered number: 10982736

Because the Company was incorporated in 2017, the financial statements have been prepared by applying the consolidation procedures of IFRS 10 "Consolidated Financial Statements" ("IFRS IC").

The prior year balance sheet reflects the constituent parts of equity required to be separately disclosed under IAS 1, based upon the consolidated position prior to the capital reorganization, and Non-Controlling Interests. As it is not meaningful to present the share capital for the predecessor Group, the remaining equity of the predecessor Group is represented by the cumulative investment of ContourGlobal L.P. in the Group (shown as "Invested Capital"). The current year balance sheet presents the legal change in ownership of the Group, including the share capital of the Company and the capital reorganization described in note 4.2. The revised capital structure is also presented in the current year statement of changes in equity, which reflects the share for share exchange, capital reduction and cancellation of deferred shares that occurred during the year.

As the capital reorganization occurred in 2017, it is not meaningful to measure earnings per share based on the invested capital of the predecessor Group. In order to comply with the requirements of IAS 33 "Earnings per Share" however, a proforma calculation of earnings per share as at 31st December 2016 has been disclosed, using the weighted average number of shares in issue at 31st December 2017 (note 4.9).

The financial information is prepared in accordance with IFRS under the historical cost convention, as modified for the application of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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 and assumptions are based on management's best knowledge of the amount, event or actions, actual results may differ from these estimates, as noted in the critical accounting estimates and judgments in note 2.4.

The principal differences in the preparation of the consolidated financial statements are set out in note 2.3.

These changes have been consistently applied to the periods presented, unless otherwise stated. The financial information presented is as at and for the financial years ended 31st December 2017 and 31st December 2016. Financial year ends have been referred to as 31st December throughout the consolidated financial statements as per the accounting reference date of the Company. Financial years are referred to as 2017 and 2016 in these consolidated financial statements.

On 17th October 2017, the Company obtained control of the entire share capital of ContourGlobal Worldwide Holdings S.à.r.l. from ContourGlobal L.P. via a share-for-share exchange. The principal operating subsidiary undertakings of the Group are owned directly or indirectly by ContourGlobal Worldwide Holdings S.à.r.l. There were no changes in rights or proportion of control exercised as a result of this transaction. Although the share-for-share exchange resulted in a change of legal ownership, this was a common control transaction and therefore outside the scope of IFRS 3. In substance, these financial statements reflect the continuation of the pre-existing Group and the financial statements have been prepared by applying the principles of predecessor accounting. As a result, and because the Company was incorporated in 2017, the comparatives presented in these financial statements are the consolidated results of ContourGlobal Worldwide Holdings S.à.r.l. In each period, the financial statements have been prepared by applying the principles underlying the consolidation procedures of IFRS 10 "Consolidated Financial Statements" ("IFRS IC").

2. Summary of significant accounting policies

2.1 Application of new and revised International Financial Reporting Standards (IFRS)

No new standards were applied for the first time from 1st January 2017. This only had a few amendments to standards applying mandatory to periods beginning on or after 1st January 2017:

– Amendments to IAS 7 “Statement of Cash Flows”

The adoption of IAS 7 amendment has resulted in additional disclosures as included on note 4.23.

– Amendments to IFRS 9 “Financial Instruments” – Recognition of Deferred Tax Assets for Unrealized Losses

These amendments clarify how an entity should evaluate whether there will be sufficient taxable profits against which it can utilize a deductible temporary difference. The Group already assesses the sufficiency of future taxable profits in a manner consistent with these amendments and hence the adoption has had no impact.

2.2 New standards and interpretations not yet mandatorily applicable

The Group has assessed the following standards and interpretations that could impact the Group and of which application was not mandatorily at 31st January 2017:

– IFRS 9 “Financial Instruments”
– IFRS 15 “Revenue from Contracts with Customers”
– IFRS 16 “Leases”
– IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

– IFRIC 23 “Uncertainty over income tax treatments”

Among the above mentioned standards, the following might affect the ContourGlobal’s future consolidated financial information:

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 subsidiaries and the Group’s share of the results and 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 entities are consolidated from the date the Group acquires control.

(b) Associates

Where the Group has the ability to exercise significant influence over entities, generally accommodating 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 in ‘share of profit of associates’ in the consolidated statement of income.
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 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 carrying amount on initial recognition.

Acquisition related items

Acquisition related items include notably 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/tax on future financial assets and provisions, interest 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 Business combinations, and changes in the fair value of derivatives not qualifying for hedge accounting and unrealized and realized foreign exchange gains and losses.

Property, plant and equipment

Depreciation

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

- Generating plants and equipment
  - Long-life, coal, gas, oil, biomass power plants: 12 to 40 years
  - Hydro plants and equipment: 25 to 59 years
- Distributed generation and renewable
  - Solar plants: 10 to 25 years
- Other property, plant and equipment
  - 3 to 10 years

The range of useful lives is due to the diversity of the assets in each category.

The asset residual values and useful lives are reviewed at least annually and if expectations differ from previous estimates.

Intangible assets and 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 represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

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 and permits when specific rights and contracts are acquired. 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 over the life of the PPA, generally over 20 years (excluding software). Software is amortized over three years. A different amortization method may be used if it better reflects the pattern of economic benefits derived from the asset over time.

Notes to the consolidated financial statements continued
2. Summary of significant accounting policies continued

Impairment of non-financial assets
Assets are classified as held for sale whenever events or changes in circumstances indicate that the carrying amount of an asset is no longer recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds the fair value less costs to sell. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use.

Derivative financial instruments and hedging activities
As part of its overall foreign exchange and interest rate risk management (U.S. dollar and Euro), the Group uses forward contracts for currency risk management as well as foreign exchange options, interest rate swaps and interest rate cap agreements in order to hedge certain forecasted transactions and to manage its anticipated floating rate financing by converting a portion of its variable rate financing to a fixed rate basis through the use of interest rate swap contracts, and a cross currency swap contract for both currency and interest rate risk management.

Items qualifying as hedges
The Group formally documents all relationships between hedging instruments and hedged items, as well as its hedging strategies and its risk management objectives and strategies for undertaking hedging transactions and the method used to assess hedge effectiveness. Hedging transactions are expected to be highly effective in achieving changes in cash flows and are regularly assessed to determine that they actually have been effective over the life of the hedging relationship.

When derivative instruments qualify as hedges for accounting purposes, as defined in IAS 39 “Financial instruments: recognition and measurement”, they are accounted for as follows:

- The effective portion of the gain or loss on an outstanding hedge is recognized directly in the consolidated statement of income (“OCI”), while any ineffective portion is recognized immediately in the consolidated statement of income.
- Amounts recognized directly in OCI are reclassified to the consolidated statement of income if a forecast transaction 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 otherwise derecognized because it is designated as a hedge, amounts previously recognized in OCI are reclassified to the consolidated statement of income.

Concession arrangements
The Group recognizes revenue from concession arrangements. An arrangement within the scope of IFRIC 12 “Revenue from Concession Arrangements” (IFRIC 12) is a lease when the customer has the control and legal title to the asset and has the right to exercise discretion to use the asset over the lease term. The obligations relating to finance leases, net of finance charges in respect of future periods, are measured at amortized cost using the effective interest method.

Leases
The determination of whether an arrangement is, or contains, a lease depends on whether the arrangement transfers control of an identified asset to the lessee (the customer) for a lease term that is substantially all of the asset’s estimated economic life. The lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

Accounting for arrangements that contain a lease

(i) Accounting for finance leases as lessor
- Leases are accounted for as finance leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.
- The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(ii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(iii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

Accounting for arrangements that contain a lease

(i) Accounting for finance leases as lessor
- Leases are accounted for as finance leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.
- The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(ii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(iii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

Accounting for arrangements that contain a lease

(i) Accounting for finance leases as lessor
- Leases are accounted for as finance leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.
- The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(ii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(iii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

Accounting for arrangements that contain a lease

(i) Accounting for finance leases as lessor
- Leases are accounted for as finance leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.
- The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(ii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(iii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

Accounting for arrangements that contain a lease

(i) Accounting for finance leases as lessor
- Leases are accounted for as finance leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.
- The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(ii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.

(iii) Accounting for operating leases as lessor
- Leases are accounted for as operating leases where the lessee has the right to use the asset for the lease term and the lessee must make lease payments that are dependent on the use of the asset, and that are difficult to reschedule. The lessee is the owner of the asset for the lease term. The lessee is exposed to risk and reward for the asset during the lease term.
2. Summary of significant accounting policies continued

Share capital and share premium
Ordinary shares are accounted for at nominal value. Incremental costs directly attributable to the issue of new shares or options are charged to the statement of financial position date in the countries where they are recognized in other comprehensive income.

Restricted cash
Restricted cash includes cash balances which have restrictions as to withdrawal or usage of funds; in particular, 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 are shown in non-current assets.

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 in the future to settle the obligation, and the amount has been reliably estimated.

Restrictive cash is 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.

Financial liabilities
Borrowings are recognized initially at fair value of amounts received. 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 as finance costs over the period of the borrowings using the effective interest method.

b) Trade and other payables
Financial liabilities of 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.

Unless otherwise stated carrying value approximates to fair value for all financial liabilities.

Government grants
Grants from the government are recognized where there is a reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received.

Current and deferred income tax
The tax expense for the period comprises current and deferred income tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized in other comprehensive income. Income tax is accounted for in the statement of financial position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates tax positions taken in tax returns with respect to amounts claimed in tax returns in which applicable tax regulation is subject to interpretation. It establishes reserves for tax provisions where it is probable that a tax issue will only be settled in the tax authorities’ favor and the amount of losses expected to be paid to the tax authorities.

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 income tax is not recognized if it arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination and if the deferred income tax loss from initial recognition of an asset or liability in a transaction other than a business combination and if the deferred income tax loss arises from the initial recognition of an asset or liability in a transaction other than a business combination would otherwise not be deductible.

Site decommissioning, maintenance and environmental provisions are recognized based on management’s assumptions and estimates regarding the future outflows to be incurred in accordance with existing legislation or contractual obligations to restore the sites or make good any environmental damage. These costs are measured at the present value of the future cash flows expected to be required to settle the obligation using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the obligation.

Management apply judgment in the estimation of future cash flows to settle these obligations and in the estimation of an appropriate pre-tax discount factor. The pre-tax discount rate used varies from 5.0% to 11.0%. If this was to decrease by 1%, goodwill impairment losses would be decreased by approximately $3.3 million.

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. 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 and liabilities acquired as at the acquisition date. These valuations involve the use of judgment and include a number of estimates. Judgment is exercised in identifying the appropriate valuation approach which is then used to determine the allocation of fair value to assets and liabilities. Each of these valuation approaches consists of an income approach, the income approach and the market approach.

Each of these valuation approaches considers all significant cash flows in the estimation of the use of the assets, including the determination of cash flow projections and related discount rates, initial acquisition prices, replacement cost and comparable market transactions. While the Group believes the assumptions and judgments underlying the valuation methodologies are reasonable, different assumptions could result in different fair value measurements.

Taxes
Significant judgment is sometimes required in determining the appropriate tax treatments for all financial transactions and calculations for which the ultimate tax determination is uncertain. Management applies the normal course of ordinary course of business. The Group recognizes liabilities based on estimates of whether additional taxes will be due. These areas include, but are not limited to, the deductibility of interest on certain borrowings and the tax treatment of acquisition expenses. Where the price at which goods and services are transferred between Group companies is determined by the Group, the income tax consequences are determined first. The Group determines and applies the income tax provisions, results of operations and possibly cash flows in the year in which such determination is made. Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the temporary differences can be utilized. Estimates of taxable profits and utilisations of tax loss carry forwards are prepared on the basis of profit and loss statements as included in the Group’s approved statutory accounts and, if necessary, on the basis of additional forecasts.

Critical accounting judgments
Site decommissioning, maintenance and environmental provisions
The Group’s property, plant and equipment are reviewed for indications of impairment (an “impairment” trigger) at least annually. The Group recognizes that an impairment trigger has occurred, based on both internal and external observations. The impairment trigger is considered to be an indication of potential impairment. The Group applies IAS 36 Impairment of Assets, which requires an impairment test to be performed if an impairment trigger has occurred. This test involves assessing whether the asset has been affected by any of the negative changes in technology, markets, economy, or laws. The internal sources may include obsolescence or physical damage, or worse economic performance than expected, including from adverse weather conditions for renewable plants. In the current year, impairment triggers were noted for Brazilian wind power plants and Brazilian hydro power plants (see note 4.11).

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 developer produces any power. This pre-payment is a residual claim on the output stream and the off-taker expects this residual claim to have value.

Given that the fulfillment of the PPAs is dependent on the use of a specified asset, the key judgment in determining if the PPA contains a lease is the assessment of whether the operator of the plant was the owner of the plant. As the owner, the plant generates revenue by selling the output of the plant to the off-taker. If the operator is the owner of the plant, then the revenue is recognized as financial revenue. As the owner, the plant is an operating asset as the plant retains its ownership through the annuity period. The plant will report a right of use asset and a corresponding liability for the annuity payments to the off-taker. As the owner, the plant continues to record revenue as it manages the asset and will recognize the plant when management is satisfied that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Estimates of taxable profits and utilisations of tax loss carry forwards are prepared on the basis of profit and loss statements as included in the Group’s approved statutory accounts and, if necessary, on the basis of additional forecasts.
Notes to the consolidated financial statements continued

2. Summary of significant accounting policies continued

Leases — For those arrangements determined to be or to contain leases, further judgment 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 off-taker to buy the asset at the end of the arrangement for a minimal price.

3. Major events and changes in the scope of consolidation

3.1 2016 transactions

Sale of Czech assets

On 14th November 2016, the Group sold 100% of its stake in Czech solar assets representing a total of 6.0 MW. The sale resulted in a gain in the statement of income of €3.0 million.

The cession contributed to consolidated revenue and net result for respectively $3.4 million and $(2.7) million.

Termination of CG Solutions Kiev

In August 2016, Coca-Cola Beverages Ukraine, the off-taker of the Ukrainian Solutions power plant under the master agreement signed with Coca-Cola Hellenic, terminated the local agreement between ContourGlobal Solutions Ukraine LLC and Coca-Cola Beverages Ukraine resulting in the transfer of the ownership of the power plant and space parts to Coca-Cola Beverages Ukraine. Consequently, and as contractually agreed in such situation, ContourGlobal Solutions Ukraine LLC sold the related assets to the off-taker and received the remaining discounted cash flows due under the Power Purchase Agreement, resulting in a gain in the statement of income of €12.1 million.

The cession contributed to consolidated revenue and net result for respectively $2.7 million and $(2.7) million.

3.2 2017 transactions

Acquisition of a thermal and a renewable portfolio in Brazil

On 17th March 2017, the Group closed the acquisition of 80% of a 206 MW Brazilian portfolio. The portfolio consists of seven hydroelectric plants totaling 150 MW in the states of Bahia, Goiás and Rio de Janeiro and four high-efficiency cogeneration facilities (‘Solutions’) totaling 78 MW in Paraná, Rio de Janeiro and São Paulo. The total consideration amounts to BRL 578.8 million (or $182.4 million) including certain price adjustments. A total of BRL 547.3 million (or $173.1 million) was paid in cash at the closing date.

On a consolidated and annualized basis, this acquisition had taken place as of 1st January 2017, the Group would have recognized 2017 consolidated revenue of $1,032.9 million and consolidated net profit of $18.5 million.

Determination of fair value of assets acquired and liabilities assumed at acquisition date:

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Solar portfolio</th>
<th>Intangible assets</th>
<th>Property, plant and equipment</th>
<th>Other assets</th>
<th>Cash and cash equivalents</th>
<th>Total assets</th>
<th>Borrowings</th>
<th>Total liabilities</th>
<th>Intangible assets</th>
<th>Property, plant and equipment</th>
<th>Other assets</th>
<th>Cash and cash equivalents</th>
<th>Total liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td>Brazil</td>
<td>Solutions Brazil</td>
<td>Total Brazilian portfolio acquired</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>28.4</td>
<td>28.4</td>
<td>28.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solutions</td>
<td>28.4</td>
<td>28.4</td>
<td>28.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>234.2</td>
<td>64.2</td>
<td>298.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The acquisition contributed to consolidated revenue and net result for respectively $57.8 million and $18.9 million.

Additional solar portfolio acquisition

In December 2017, the Group closed the acquisition of 100% of a 191 MW operational solar photovoltaic plants in Italy from ErgyCapital S.p.A. The plants, located in the regions of Puglia, Piemonte, Lazio and Campania, are in close proximity to ContourGlobal’s existing Italian solar portfolio and benefit from approximately 12 years of Feed-in-Tariff. The total consideration amounts to €9.6 million (or $11.4 million) corresponding to acquisition of shares.

Subsequent to the closing the Group refinanced the portfolio and issued new facilities for a total of €55.8 million (or $64.4 million), of which €38.8 million (or $46.2 million) has been drawn in 2017, at an interest rate of Euribor 6M+2.35% per annum, 70% of which is swapped at 0.653%+2.35% per annum, maturing on 30th June 2028.

On a consolidated and annualized basis, this acquisition taken place as of 1st January 2017, the Group would have recognized 2017 consolidated revenue of $1,032.9 million and consolidated net profit of $14.3 million.

Preliminary determination of fair value of assets acquired and liabilities assumed at acquisition date:

<table>
<thead>
<tr>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Other assets</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td>Borrowings</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
<tr>
<td>Total net identifiable assets</td>
</tr>
<tr>
<td>Net purchase consideration</td>
</tr>
<tr>
<td>Goodwill</td>
</tr>
</tbody>
</table>

The acquisition contributed to consolidated revenue and net result for respectively $0.5 million and $0.6 million.

Acquisition of non-controlling interests which did not result in a change of control

The Group also completed in 2017 the acquisition of 15.9% minority interests in ContourGlobal Hydro Cascade CJSC (Vorotan project) for a consideration of $9.8 million. After this transaction, the Group owns 100% of the Vorotan project.

This transaction did not result in a change of control and have therefore been accounted for within shareholder’s equity as transactions with owners without change of control acting in their capacity of owners.

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, Arinthal, Togo, Kramatorsk, Cap des Biches, KivoWatt, Energies Antilles, Energies Saint-Martin, Bonaire and our equity investments primarily Termoemcali and Schaghotat. Our thermal segment also includes plants which provide electricity and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

Renewable Energy for power generating plants operating from renewable resources such as wind, solar and hydro in Europe and South America. Renewables plants include Asa Branca, Chapaça II, III, Inca, Vorotan, Austria Portfolio 1 & 2 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, political risk insurance and facilities management and certain technical support costs that are not allocated to the segments for internal management reporting purposes.

The CDDM assesses the performance of the operating segments based on Adjusted EBITDA which is defined as profit for the period from continuing operations before income taxes, net finance costs, depreciation and amortization, acquisition related expenses and specific items which have been identified and adjusted by virtue of their size, nature or incidence. In determining whether an event or transaction is specific, management considers qualitative as well as qualitative factors such as the frequency or predictability of occurrence.

The CDDM does not review nor is presented a segment measure of total assets and total liabilities. All revenue is derived from external customers.
### Notes to the consolidated financial statements continued

#### 4. Notes to the consolidated financial statements continued

**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, Czech Republic, Spain and Ukraine)
- Africa (including Nigeria, Togo, Senegal and Rwanda)
- Caribbean islands (including Dutch Antilles and French Territory)

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>2017 (in $ millions)</th>
<th>2016 (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>523.2</td>
<td>532.2</td>
</tr>
<tr>
<td>South America</td>
<td>214.0</td>
<td>152.1</td>
</tr>
<tr>
<td>Africa</td>
<td>140.3</td>
<td>184.2</td>
</tr>
<tr>
<td>Caribbean islands</td>
<td>40.4</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>1,022.7</td>
<td>905.2</td>
</tr>
</tbody>
</table>

**The geographic analysis of revenue, based on the country of origin in which the Group’s operations are located, and Adjusted EBITDA is as follows:**

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>2017 (in $ millions)</th>
<th>2016 (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>627.9</td>
<td>523.2</td>
</tr>
<tr>
<td>South America</td>
<td>214.0</td>
<td>152.1</td>
</tr>
<tr>
<td>Africa</td>
<td>140.3</td>
<td>184.2</td>
</tr>
<tr>
<td>Caribbean islands</td>
<td>40.4</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>1,022.7</td>
<td>905.2</td>
</tr>
</tbody>
</table>

**Geographical information**

The geographic analysis of non-current assets, excluding derivative financial instruments and deferred tax assets, based on the location of the assets, is as follows:

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>2017 (in $ millions)</th>
<th>2016 (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>523.2</td>
<td>532.2</td>
</tr>
<tr>
<td>South America</td>
<td>214.0</td>
<td>152.1</td>
</tr>
<tr>
<td>Africa</td>
<td>140.3</td>
<td>184.2</td>
</tr>
<tr>
<td>Caribbean islands</td>
<td>40.4</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>2,883.9</td>
<td>2,642.3</td>
</tr>
</tbody>
</table>

### Capital expenditures

<table>
<thead>
<tr>
<th>Years ended</th>
<th>2017 (in $ millions)</th>
<th>2016 (in $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>627.9</td>
<td>523.2</td>
</tr>
<tr>
<td>South America</td>
<td>214.0</td>
<td>152.1</td>
</tr>
<tr>
<td>Africa</td>
<td>140.3</td>
<td>184.2</td>
</tr>
<tr>
<td>Caribbean islands</td>
<td>40.4</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>Total capital expenditures</strong></td>
<td>58.4</td>
<td>58.0</td>
</tr>
</tbody>
</table>
Notes to the consolidated financial statements continued

4. Notes to the consolidated financial statements continued

4.2 Revenue

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Revenue from power sales</td>
<td>757.3</td>
</tr>
<tr>
<td>Revenue from operating leases</td>
<td>96.8</td>
</tr>
<tr>
<td>Revenue from concession and finance lease assets</td>
<td>89.9</td>
</tr>
<tr>
<td>Construction revenue from concession arrangements</td>
<td>–</td>
</tr>
<tr>
<td>Other revenue(^a)</td>
<td>78.8</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>1,022.7</strong></td>
</tr>
</tbody>
</table>

1 Construction revenue from concession arrangements corresponds to revenue generated in accordance with IFRIC 12 for the construction of our plants in Cap des Biches, Senegal in 2016.
2 Other revenue primarily relates to environmental, operational and maintenance services rendered to offtakers in our Maritsa, Togo, Kivuwatt and Cap des Biches power plants. Other revenue increased mainly as a result of the full commercial operations of Cap des Biches I and II in 2017.

The Group has one customer contributing more than 10% of Group’s revenue.

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Customer A</td>
<td>29.2</td>
</tr>
</tbody>
</table>

4.3 Expenses by nature

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Fuel costs</td>
<td>71.3</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment</td>
<td>185.6</td>
</tr>
<tr>
<td>Operation and maintenance costs(^a)</td>
<td>67.0</td>
</tr>
<tr>
<td>Employee costs</td>
<td>67.5</td>
</tr>
<tr>
<td>Emission allowance utilized(^b)</td>
<td>471</td>
</tr>
<tr>
<td>Professional fees</td>
<td>9.0</td>
</tr>
<tr>
<td>Purchased power</td>
<td>48.2</td>
</tr>
<tr>
<td>Insurance costs</td>
<td>18.5</td>
</tr>
<tr>
<td>Other expenses(^c)</td>
<td>71.3</td>
</tr>
<tr>
<td><strong>Total cost of sales and selling, general and administrative expenses</strong></td>
<td><strong>748.2</strong></td>
</tr>
</tbody>
</table>

1 Operation and maintenance costs include costs associated with the construction phase of a plant under service concession arrangements as well as ongoing costs associated with the operation and maintenance of all plants.
2 Emission allowance utilized corresponds mainly to the costs of CO\(_2\) quotas in Maritsa which are passed through to its offtaker as well as changes in fair value of CO\(_2\) quotas in the period.
3 Other expenses include operating consumables and supply costs of $14.0 million in 2017 (2016: $16.4 million) and facility costs of $14.6 million in 2017 (2016: $14.2 million). Facility costs include operating leases expenses of $3.5 million in 2017 (2016: $3.8 million).

4.4 Employee costs and numbers

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>52.4</td>
</tr>
<tr>
<td>Social security costs</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>–</td>
</tr>
<tr>
<td>Pension and other post-retirement benefit costs</td>
<td>(8.8)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>(3.5)</td>
</tr>
<tr>
<td><strong>Total employee costs</strong></td>
<td><strong>67.5</strong></td>
</tr>
</tbody>
</table>

1 Change in fair value of derivatives relates primarily to interest rate swaps, interest rate options and a EuroUS dollar forward contract which has also generated realized foreign exchange differences.
2 Unrealized foreign exchange differences primarily relate to loans in subsidiaries that have a functional currency different to the currency in which the loans are denominated.
3 In conjunction with the refinancing of our initial $500 million bond in June 2016, a call premium of $18.3 million was paid to prior bondholders (classified as “other financing activities” in the Consolidated statement of cash flows) and recognized the accelerated amortization of the related deferred financing costs for $10.9 million.
4 Other mainly includes costs associated with other financing, the unwinding effect of certain liabilities as well as income and expenses related to interests and penalties for late payments.

4.5 Acquisition related items

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Acquisition costs(^b)</td>
<td>(9.5)</td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>(9.5)</td>
</tr>
</tbody>
</table>

1 Acquisition costs include notably pre-acquisition costs such as due diligence costs and professional fees, earn-outs and other related incremental costs incurred as part of completed or contemplated acquisitions. In 2017, costs incurred primarily related to contemplated acquisition projects in Brazil, Spain, Peru, Mexico, Austria and Italy. In 2016, cost incurred primarily related to contemplated acquisition projects in Brazil, Mexico, Spain, Peru, Austria and Italy and to abandoned projects in Africa.

4.6 Other income (expenses) – net

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Gain on termination of Solutions Kiev plant(^3)</td>
<td>–</td>
</tr>
<tr>
<td>Gain on sale of Czech assets(^2)</td>
<td>–</td>
</tr>
<tr>
<td>Costs related to CG plc IPO(^b)</td>
<td>(12.7)</td>
</tr>
<tr>
<td><strong>Other income (expenses) – net</strong></td>
<td><strong>(12.7)</strong></td>
</tr>
</tbody>
</table>

1 Corresponds to the gain resulting from the sale of Solutions Kiev power plant which occurred in August 2016 (note 3).
2 Corresponds to the gain resulting from the sale of three solar energy plants in Czech Republic representing a total of 8.0 MW in November 2016 (note 3).
3 Represents costs recognized in the statement of income resulting from the Initial Public Offering (“IPO”) in the United Kingdom of ContourGlobal plc in November 2017. An additional $10.9 million of IPO costs was recognized as a deduction of share premium. Cash outflows of $18.2 million related to these costs are disclosed in the “other financing activities” line of the statement of cash flows.

4.7 Finance costs – net

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Finance income</td>
<td>9.8</td>
</tr>
<tr>
<td>Interest expenses on borrowings</td>
<td>(176.3)</td>
</tr>
<tr>
<td><strong>Net change in fair value of derivatives</strong></td>
<td><strong>(13.5)</strong></td>
</tr>
<tr>
<td>Net realized foreign exchange differences</td>
<td>(38.0)</td>
</tr>
<tr>
<td>Net unrealized foreign exchange differences</td>
<td>7.0</td>
</tr>
<tr>
<td>Finance charges related to corporate bond refinancing(^b)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>(9.6)</td>
</tr>
<tr>
<td><strong>Finance costs – net</strong></td>
<td><strong>(220.7)</strong></td>
</tr>
</tbody>
</table>
Net deferred tax movement
The gross movements of net deferred income tax assets (liabilities) were as follows:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st December</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>(21.2)</td>
</tr>
<tr>
<td>2016</td>
<td>24.6</td>
</tr>
</tbody>
</table>

Statement of income
0.6
11
Deferred tax recognized directly in other comprehensive income
0.7
10
Acquisitions
(1.4)
2.3
Currency translation differences and other
(2.4)
(1.6)
Net deferred tax assets (liabilities) as of 31st December
(23.7)
(21.2)

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:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st December</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
</tbody>
</table>

Tax losses
16.4
0.3
(0.7)
16.4
Long-term assets
(43.4)
(6.4)
(5.2)
(40.9)
Derivative financial instrument
8.2
(0.3)
0.7
0.7
Other
(2.4)
7.0
1.8
9.2
Total net deferred tax assets (liabilities)
(21.2)
0.6
(1.4)
(2.4)
(23.7)

1 Other mainly relate to deferred interest and to foreign currency differences.

Effective tax rate reconciliation
The main jurisdictions contributing to the income tax expense for the year ending 31st December 2017 are: i) Brazil; ii) Bulgaria; iii) Spain and; iv) French Caribbean. The tax on the Group’s income/(loss) before tax differs from the theoretical amount that would arise using the statutory tax rate of the parent company applicable to profits of the consolidated entities as follows:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>As of 31st December</th>
<th>As of 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Statement of income</td>
<td>Other comprehensive income</td>
</tr>
<tr>
<td>2016</td>
<td>Statement of income</td>
<td>Other comprehensive income</td>
</tr>
</tbody>
</table>

1 On 26th October 2015, Finance (No.2) Act 2015 was substantively enacted, reducing the main rate of corporation tax in the UK from 20% to 19% from 1st April 2017. On 6th September 2016, Finance Act 2016 was substantively enacted, further reducing the rate to 17% from 1st April 2020. Deferred taxes have been measured using tax rates substantively enacted at the balance sheet date.

2 Mainly relates to tax losses in Luxembourg and Brazil where deferred tax assets are not recognized.

3 Relates to entities which have a functional currency different from their local currency.
4. Notes to the consolidated financial statements continued

4.9 Earnings per share

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Diluted</td>
<td>0.06</td>
<td>0.06</td>
</tr>
</tbody>
</table>

4.10 Intangible assets and goodwill

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Goodwill</th>
<th>Project development rights</th>
<th>Software and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>0.5</td>
<td>105.6</td>
<td>12.7</td>
<td>118.8</td>
</tr>
<tr>
<td>Accumulated amortization and impairment</td>
<td>–</td>
<td>(2.8)</td>
<td>(72)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>Carrying amount as of 31st December 2015</td>
<td>0.5</td>
<td>102.8</td>
<td>5.5</td>
<td>108.8</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>0.5</td>
<td>1.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>–</td>
<td>15.3</td>
<td>–</td>
<td>15.3</td>
</tr>
<tr>
<td>Reclassification</td>
<td>–</td>
<td>0.7</td>
<td>0.8</td>
<td>1.5</td>
</tr>
<tr>
<td>Amortization charge</td>
<td>–</td>
<td>(8.5)</td>
<td>(2.3)</td>
<td>(8.8)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>0.5</td>
<td>112.8</td>
<td>5.4</td>
<td>118.7</td>
</tr>
<tr>
<td>Cost</td>
<td>0.5</td>
<td>121.4</td>
<td>14.6</td>
<td>136.6</td>
</tr>
<tr>
<td>Accumulated amortization and impairment</td>
<td>–</td>
<td>(8.9)</td>
<td>(8.2)</td>
<td>(18.1)</td>
</tr>
<tr>
<td>Carrying amount as of 31st December 2016</td>
<td>0.5</td>
<td>112.8</td>
<td>5.4</td>
<td>118.7</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>0.5</td>
<td>0.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Acquired through business combination</td>
<td>–</td>
<td>29.2</td>
<td>–</td>
<td>29.2</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>0.1</td>
<td>(2.9)</td>
<td>0.3</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Reclassification</td>
<td>–</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Amortization charge</td>
<td>–</td>
<td>(8.0)</td>
<td>(1.8)</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>0.5</td>
<td>131.6</td>
<td>4.9</td>
<td>137.1</td>
</tr>
<tr>
<td>Cost</td>
<td>0.6</td>
<td>166.2</td>
<td>16.7</td>
<td>183.5</td>
</tr>
<tr>
<td>Accumulated amortization and impairment</td>
<td>–</td>
<td>(34.6)</td>
<td>(11.7)</td>
<td>(46.3)</td>
</tr>
<tr>
<td>Carrying amount as of 31st December 2017</td>
<td>0.6</td>
<td>131.6</td>
<td>4.9</td>
<td>137.1</td>
</tr>
</tbody>
</table>

The project development rights mainly relate to the fair value of licenses acquired from the initial developers for our wind parks in Peru and Brazil. Acquisitions in 2017 relate to the acquisition of an intangible asset related to a concession arrangement in the thermal and renewable portfolio in Brazil.

For the years ended 31st December 2016 and 2017, certain triggering events were identified, and the related intangible assets were tested for impairment. These impairment tests did not result in any impairment (refer to note 4.11).

4.11 Property, plant and equipment

Assets acquired through business combinations are explained in Note 3 Major events and changes in the scope of consolidation. 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.

The project development rights mainly relate to the fair value of licenses acquired from the initial developers for our wind parks in Peru and Brazil. Acquisitions in 2017 relate to the acquisition of an intangible asset related to a concession arrangement in the thermal and renewable portfolio in Brazil.

For the years ended 31st December 2016 and 2017, certain triggering events were identified, and the related intangible assets were tested for impairment. These impairment tests did not result in any impairment (refer to note 4.11).

The power plant assets mainly include IT equipment, furniture and fixtures, facility equipment, asset retirement obligations and vehicles, and project development costs.
4. Notes to the consolidated financial statements continued

Depreciation included in “cost of sales” in the consolidated statement of income amounted to $160.6 million in the period ended 31st December 2016 whereas depreciation included in “selling, general and administrative expenses” amount to $0.9 million in the year ended 31st December 2016.

In 2016, the Group did not capitalize any borrowing costs in relation to project financing.

Impairment tests on tangible and intangible assets
For the years ended 31st December 2016 and 2017 certain triggering events were identified primarily driven by lower performance of the assets, change of regulation and local environment, 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 flows projections consistent with the following year budget and the most recent forecasts prepared by management) 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).

For the year ended 31st December 2016 impairment tests were performed in relation with Brazilian wind power plants, Bonaire (financial asset) and Ukrainian power plant and confirmed the carrying value of the assets.

Impairment tests were performed for the year ended 31st December 2016 using the following assumptions and related sensitivity analysis.

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Net book value</th>
<th>Valuation approach</th>
<th>Discount rates</th>
<th>Capacity factor</th>
<th>Sensitivity analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazilian wind power plants</td>
<td>843.6</td>
<td>DCF</td>
<td>13%</td>
<td>Wind scenario at P50</td>
<td>Discount rate increased by 1% Wind scenario at P75</td>
</tr>
<tr>
<td>Kramatork</td>
<td>8.4</td>
<td>DCF</td>
<td>21.9%</td>
<td>na</td>
<td>Discount rate increased by 1% 5% cut in operating cash flows</td>
</tr>
<tr>
<td>Bonaire (financial asset)</td>
<td>45.2</td>
<td>DCF</td>
<td>6.5%</td>
<td>na</td>
<td>Discount rate increased by 1% 5% cut in operating cash flows</td>
</tr>
</tbody>
</table>

The sensitivity calculations show that an increase by 1% of the discount rate and a wind scenario at P75 for Brazilian wind power plants assets or a 5% cut in operating cash flows for Bonaire and Kramatork assets would not have a material impact on the results of impairment tests or, therefore, on the Group’s consolidated financial statements as of 31st December 2016.

For the year ended 31st December 2017, in relation to the sale of its Ukrainian power plant, the Group conducted an impairment test which resulted in an impairment charge of $3.3 million based on the sales proceeds.

For the year ended 31st December 2017 impairment tests were performed in relation with Brazilian wind and hydro power plants and confirmed the carrying value of the assets.

Impairment tests were also performed for the year ended 31st December 2017 using the following assumptions and related sensitivity analysis.

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Net book value</th>
<th>Valuation approach</th>
<th>Discount rates</th>
<th>Capacity factor</th>
<th>Sensitivity analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazilian wind power plants</td>
<td>801.6</td>
<td>DCF</td>
<td>11%</td>
<td>Wind scenario at P50</td>
<td>Discount rate increased by 1% Wind scenario at P75</td>
</tr>
<tr>
<td>Brazilian hydro power plants</td>
<td>255.8</td>
<td>DCF</td>
<td>11%</td>
<td>Hydro scenario at P75</td>
<td>Discount rate increased by 1% 5% cut in EBITDA margin</td>
</tr>
</tbody>
</table>

The sensitivity calculations show that an increase by 1% of the discount rate and a wind scenario at P75 for Brazilian wind power plants assets or a 5% cut in EBITDA margin for Brazilian hydro power plants would not have a material impact on the results of impairment tests or, therefore, on the Group’s consolidated financial statements as of 31st December 2017.

The P-factor quantifies the uncertainty of annual energy yield predictions. P75 is the energy level that wind turbines are 75% likely to produce over an average year, given the uncertainties in the measurement, analysis and wind turbines operation. P50 is the average annual energy yield predicted for wind farms, which corresponds to the annual energy output that wind farms are most likely to achieve.

Changes to be made to the key impairment test assumptions to reduce the value in use to net book value would not correspond to the definition of a reasonable change as defined by IAS 36.
Notes to the consolidated financial statements continued

4. Notes to the consolidated financial statements continued

The reconciliation of the investments in associates for each year is as follows:

<table>
<thead>
<tr>
<th>Years ended 31st December</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Balance as of 1st January</td>
<td>25.7</td>
</tr>
<tr>
<td>Share of profit</td>
<td>5.0</td>
</tr>
<tr>
<td>Capital increase (decrease)</td>
<td>–</td>
</tr>
<tr>
<td>Dividends</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>0.6</td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
</tr>
<tr>
<td>Balance as of 31st December</td>
<td>271</td>
</tr>
</tbody>
</table>

4.14 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 the Group’s long-term borrowings. Interest cash flow risk arises from borrowings issued at variable rates, partially offset by cash held at variable rates. Interest rate risk is managed 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 matches the duration of the debt instruments. Approximately 30.7% of the Group’s existing debt obligations carry variable interest rates in 2017 (2016: 28.9%) (taking into account the effect of interest rate swaps).

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 TLP, EURIBOR and LIBOR (refer to note 4.23). A change of 0.5% of those floating rates would result in an increase in interest expenses by $4.5 million in the year ended 31st December 2017 (2016: $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 acquisitions; 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 currency of the operations; (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 sales/forward and/or option transactions at a corporate level. The analyses of financial debt by currency is presented in note 4.23.

Potential sensitivity on the post-tax net 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 loss for the year ended 31st December 2017 would have been $0.5 million higher/lower (2016: $1.0 million higher/lower).
- If the US dollar had weakened/strengthened by 10% against the Brazilian Real, post-tax loss for the year ended 31st December 2017 would have been $2.2 million higher/lower (2016: $4.6 million higher/lower).

Commodity 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. 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.

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 paid for) 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, we contract Political Risk Insurance policies from multinational organizations or commercial insurers which usually provide us with insurance against government defaults. Such policies cover our project companies in Armenia, Bulgaria, Colombia, Nigeria, Peru, Rwanda, Togo, Senegal and Slovakia.

We restrict 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 rating are CCC- or below, the Group generally hedges its counterparty risk by contracting Political Risk Insurance.
Notes to the consolidated financial statements continued

4. Notes to the consolidated financial statements continued

The table below analyzes the Group’s forecasted interests to be paid into relevant maturity groupings based on the interests maturity date:

<table>
<thead>
<tr>
<th>Financial instrument</th>
<th>Less than 1 year</th>
<th>Between 1 and 5 years</th>
<th>Over 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps – cash flow hedge1</td>
<td>–</td>
<td>35.4</td>
<td>–</td>
<td>35.4</td>
</tr>
<tr>
<td>Interest rate swaps – trading</td>
<td>–</td>
<td>–</td>
<td>3.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Cross currency swaps – cash flow hedge1</td>
<td>–</td>
<td>20.9</td>
<td>–</td>
<td>20.9</td>
</tr>
<tr>
<td>Foreign exchange forward contracts – trading1</td>
<td>–</td>
<td>3.0</td>
<td>0.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Foreign exchange option contracts – trading1</td>
<td>–</td>
<td>5.1</td>
<td>–</td>
<td>5.1</td>
</tr>
<tr>
<td>Acquisition/hedge – trading2</td>
<td>–</td>
<td>–</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>64.4</td>
<td>55.2</td>
<td>119.6</td>
</tr>
</tbody>
</table>

4.15 Derivative financial instruments

The Group uses interest rate swaps to manage its exposure to interest rate movements on our borrowings, a foreign exchange forward contract to mitigate its currency risk 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:

In $ millions

<table>
<thead>
<tr>
<th>Financial instrument</th>
<th>Year ended 31st December</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps – cash flow hedge1</td>
<td>–</td>
<td>35.4</td>
</tr>
<tr>
<td>Interest rate swaps – trading</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cross currency swaps – cash flow hedge1</td>
<td>–</td>
<td>20.9</td>
</tr>
<tr>
<td>Foreign exchange forward contracts – trading1</td>
<td>–</td>
<td>3.0</td>
</tr>
<tr>
<td>Foreign exchange option contracts – trading1</td>
<td>–</td>
<td>5.1</td>
</tr>
<tr>
<td>Acquisition/hedge – trading2</td>
<td>–</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>64.4</td>
</tr>
</tbody>
</table>

4.16 Fair value measurements

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety as defined below:

– 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 31st December 2016 and 2017.

4.17 Financial instruments by category

The notional principal amount of – The outstanding interest rate swap contracts and cross currency swap qualified as cash flow hedge amounted to $572.0 million as of 31st December 2017 (31st December 2016: $475.1 million)
– The outstanding foreign exchange forward and option contracts amount to $52.8 million as of 31st December 2017 (31st December 2016: $225.7 million)

The Group also entered in 2015 into a cross currency swap in our Cap des Biches project in Senegal. The fair value of the instrument as of 31st December 2017 amounts to $225.7 million (31st December 2016: $225.7 million). The accounting and risk management policies, and further information about the derivative financial instruments that we use, are set out in note 414.

The cross currency swap subscribed for 2016 to protect the Group from a change of interest rates and foreign exchange rates on the Cap des Biches project before project financing disbursement which occurred in January 2017 was settled in January 2017 and had a notional value of $218.8 million as of 31st December 2016.

The Group recognized a loss of $12.1 million in 31st December 2017 in relation with its interest rate and cross currency swaps within Finance costs net (31st December 2016: income of $5.5 million).

4.18 Financial instruments by category

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 level 2. The Group’s only derivatives are interest rate swaps, foreign exchange forward contracts, foreign exchange option contracts and cross currency swap contracts in our Cap des Biches project in Senegal.

The table below represents the Group’s financial instrument classification:

In $ millions

<table>
<thead>
<tr>
<th>Financial asset category</th>
<th>Year ended 31st December</th>
<th>Total net book value per balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Assets at fair value through profit and loss</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Derivative used for hedging</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Financial assets – Concession arrangements, financial lease receivables and other</td>
<td>617.7</td>
<td>617.7</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>215.4</td>
<td>215.4</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>18.4</td>
<td>19.1</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>–</td>
<td>781.8</td>
</tr>
<tr>
<td>Total</td>
<td>851.5</td>
<td>1,633.3</td>
</tr>
</tbody>
</table>
4. Notes to the consolidated financial statements continued

### 4.18 Other non-current assets

<table>
<thead>
<tr>
<th>Financial asset category</th>
<th>In $ millions</th>
<th>Assets at fair value through profit and loss</th>
<th>Derivative used for hedging</th>
<th>Total net book value per balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 quotas receivable</td>
<td>3.6</td>
<td>6.3</td>
<td></td>
<td>6.3</td>
</tr>
<tr>
<td>VAT receivables</td>
<td>10.3</td>
<td>13.4</td>
<td></td>
<td>13.4</td>
</tr>
<tr>
<td>Advance to supplier</td>
<td>9.5</td>
<td>–</td>
<td></td>
<td>9.5</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>0.7</td>
<td>0.6</td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td>Other</td>
<td>5.4</td>
<td>0.3</td>
<td></td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total other non-current assets</strong></td>
<td><strong>29.5</strong></td>
<td><strong>20.6</strong></td>
<td><strong>20.6</strong></td>
<td><strong>20.6</strong></td>
</tr>
</tbody>
</table>

1. Long-term receivables relating to the Maritsa power plant and to be received through a pass-through mechanism agreed with its offtaker. A similar liability is presented in note 4.24.

2. VAT receivables mainly relate to the Vorotan project. The amount is expected to be recovered over a five-year period from the acquisition date in 2015 and was discounted using a rate of 10.0%. A current portion of $4.7 million is presented in “trade and other receivables” in the consolidated statement of financial position as of 31st December 2017 ($4.9 million as of 31st December 2016).

3. Advance payment to supplier relate to Vorotan EPC contract as part of the refurbishment program.

### 4.19 Inventories

<table>
<thead>
<tr>
<th>Financial asset category</th>
<th>In $ millions</th>
<th>Liabilities at fair value through profit and loss</th>
<th>Other financial liabilities at amortized cost</th>
<th>Derivative used for hedging</th>
<th>Total net book value per balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>12.8</td>
<td>12.8</td>
<td>–</td>
<td></td>
<td>12.8</td>
</tr>
<tr>
<td>Spare parts</td>
<td>25.3</td>
<td>25.3</td>
<td>–</td>
<td></td>
<td>25.3</td>
</tr>
<tr>
<td>Total</td>
<td>38.1</td>
<td>38.1</td>
<td>–</td>
<td></td>
<td>38.1</td>
</tr>
<tr>
<td>Provision</td>
<td>(5.0)</td>
<td>(5.0)</td>
<td>–</td>
<td></td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Total inventories</strong></td>
<td><strong>33.1</strong></td>
<td><strong>33.1</strong></td>
<td>–</td>
<td></td>
<td><strong>33.1</strong></td>
</tr>
</tbody>
</table>

### 4.20 Trade and other receivables

<table>
<thead>
<tr>
<th>Financial liability category</th>
<th>In $ millions</th>
<th>Liabilities at fair value through profit and loss</th>
<th>Other financial liabilities at amortized cost</th>
<th>Derivative used for hedging</th>
<th>Total net book value per balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables – Gross</td>
<td>144.1</td>
<td>144.1</td>
<td>–</td>
<td></td>
<td>144.1</td>
</tr>
<tr>
<td>Accrued revenue (refunded)</td>
<td>57.4</td>
<td>57.4</td>
<td>–</td>
<td></td>
<td>57.4</td>
</tr>
<tr>
<td>Provision for impairment of trade receivables</td>
<td>(2.4)</td>
<td>(2.4)</td>
<td>–</td>
<td>–</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Total</td>
<td><strong>199.1</strong></td>
<td><strong>199.1</strong></td>
<td>–</td>
<td></td>
<td><strong>199.1</strong></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td><strong>271.8</strong></td>
<td><strong>271.8</strong></td>
<td>–</td>
<td></td>
<td><strong>271.8</strong></td>
</tr>
</tbody>
</table>

1. These balances exclude receivables and payables balances in relation to taxes disclosed in notes 4.18, 4.20 and 4.27 respectively.

### 4.21 Cash and cash equivalents

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 4.14.

All trade and other receivables are pledged as security in relation with the Group’s project financings. Other receivables primarily correspond to indirect tax receivables, mainly in our power plants in Rwanda, Senegal and Armenia.
Notes to the consolidated financial statements continued

4. Notes to the consolidated financial statements continued

4.22 Issued capital and reserves

Issued capital of the Company amounted to $8.9 million as at 31st December 2017, with changes as follows:

<table>
<thead>
<tr>
<th>Allotted, authorized, called up and fully paid</th>
<th>Number</th>
<th>Nominal amount</th>
<th>£ million</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 26th September 2017</td>
<td>100</td>
<td>100</td>
<td>1.00</td>
<td>1.320.7</td>
</tr>
<tr>
<td>Issue of shares – 17th October 2017</td>
<td>1,002,000,000</td>
<td>1.00</td>
<td>1,002.0</td>
<td>1,320.7</td>
</tr>
<tr>
<td>As at 17th October 2017</td>
<td>1,002,000,000</td>
<td>0.99</td>
<td>992.0</td>
<td>1,320.7</td>
</tr>
<tr>
<td>Share capital reduction – 19th October 2017</td>
<td>1,002,000,000</td>
<td>0.99</td>
<td>992.0</td>
<td>1,307.5</td>
</tr>
<tr>
<td>As at 19th October 2017</td>
<td>1,002,000,100</td>
<td>0.01</td>
<td>10.0</td>
<td>13.2</td>
</tr>
<tr>
<td>Issue of ordinary shares – Listing on the London Stock Exchange</td>
<td>122,399,020</td>
<td>0.01</td>
<td>1.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Issue of ordinary shares – Management</td>
<td>712,920</td>
<td>0.01</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share reorganization – cancellation of deferred shares</td>
<td>(454,399,120)</td>
<td>0.01</td>
<td>(4.5)</td>
<td>(5.9)</td>
</tr>
<tr>
<td>As at 31st December 2017</td>
<td>670,712,920</td>
<td>0.01</td>
<td>6.7</td>
<td>8.9</td>
</tr>
</tbody>
</table>

On incorporation, 26th September 2017, the Company issued 100 ordinary shares with a nominal value of $1.00 to its Parent Company, ContourGlobal LP. The amount due was satisfied through an intercompany receivable.

On 17th October 2017, the Company issued to its Parent Company, ContourGlobal LP, 1,002,000,000 ordinary shares with a nominal value of $1.00 each for payment for its acquisition of ContourGlobal Worldwide Holdings S.à r.l.

On 19th October 2017, the Company passed a special resolution supported by a majority statement to reduce its share capital under s4(3) of the Companies Act 2006 by reducing the share capital of the Company of $1,320,736,335 divided into 1,002,000,000 ordinary shares of $1.00, each fully paid, to $1,307,536,335 divided into 1,002,000,000 ordinary shares of $0.99, each fully paid, by the cancellation of the paid up share capital to the extent of $0.99 per share upon each of the 1,002,000,000 ordinary shares reducing the nominal amount of all such shares from $1.00 to $0.99.

On 8th November 2017, the Company passed a resolution to consolidate the 1,002,000,100 ordinary shares of $0.01 each in the share capital of the Company into 1 ordinary share of $10,020,001 and the subdivision of that share into 547,600,980 ordinary shares reducing the nominal amount of all such shares from $0.01 to $0.001.

On 14th November, the Company completed the pricing of its initial public offering at £2.50 per share, comprising 122,399,020 new shares and 454,399,120 deferred shares. The Company also issued additional 712,920 new shares subscribed by its management. The issuance of these new shares resulted in the recognition of a share premium of £306.5 million ($400.7 million), net of listing costs deducted of £19.9 million, resulting in total share premium of £380.8 million.

The Group restructure resulted in a £353.0 million debit to retained earnings and other reserves, which represents a capital reorganization reserve.

Finally, the Company canceled all existing 454,399,120 deferred shares, resulting in a total net ordinary shares of 670,712,920 as at 31st December 2017.

Retained earnings and other reserves comprise retained earnings of £79.0 million (2016: £621.7 million) and capital reorganization reserve of £351.0 million (2016: nil)

During the year the Group paid dividends of £54.2 million on 19th April 2017 and £21.3 million on 8th November 2017 to ContourGlobal L.P. Due to the fact that both of these were paid out prior to the IPO and full restructuring of the shares, dividends per share in relation to each payment has not been disclosed as it would not be relevant to the user of the accounts.

4.23 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 party.

The Group’s principal borrowings amount to $2,926.1 million in total as at 31st December 2017 (31st December 2016: $2,567.4 million) and primarily relate to the following:

<table>
<thead>
<tr>
<th>Type of borrowing</th>
<th>Currency</th>
<th>Project Financing</th>
<th>Issue</th>
<th>Maturity</th>
<th>Outstanding nominal amount 12.31.17 ($ million)</th>
<th>Outstanding nominal amount 12.31.16 ($ million)</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bond1</td>
<td>EUR</td>
<td>Corporate Indebits</td>
<td>2016</td>
<td>2021</td>
<td>840.4</td>
<td>630.0</td>
<td>5.12%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>EUR</td>
<td>Arrubal</td>
<td>2011</td>
<td>2021</td>
<td>207.9</td>
<td>206.0</td>
<td>4.9%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>EUR</td>
<td>Maritsa</td>
<td>2006</td>
<td>2023</td>
<td>200.8</td>
<td>200.9</td>
<td>EURIBOR + 125bps.</td>
</tr>
<tr>
<td>Loan Agreement/</td>
<td>BRL</td>
<td>Chapada I</td>
<td>2015</td>
<td>2022</td>
<td>198.7</td>
<td>205.5</td>
<td>TLP + 2% / 6%</td>
</tr>
<tr>
<td>Debentures2</td>
<td>BRL</td>
<td>Chapada II</td>
<td>2016</td>
<td>2032</td>
<td>165.1</td>
<td>172.2</td>
<td>TLP + 2.9%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>USD</td>
<td>Volaran</td>
<td>2016</td>
<td>2034</td>
<td>137.3</td>
<td>140.0</td>
<td>LIBOR +4.625%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>BRL</td>
<td>Alia Branca</td>
<td>2017</td>
<td>2030</td>
<td>130.1</td>
<td>135.9</td>
<td>TLP + 1.9%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>USD</td>
<td>Cap des Biches</td>
<td>2015</td>
<td>2033</td>
<td>101.1</td>
<td>763</td>
<td>USD-LIBOR 8%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>EUR</td>
<td>Solar Italy</td>
<td>2017</td>
<td>2024–2028</td>
<td>125.4</td>
<td>125.6</td>
<td>Weighted average 76%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>USD</td>
<td>Togo</td>
<td>2008</td>
<td>2028</td>
<td>102.9</td>
<td>109.3</td>
<td>76% (Weighted average)</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>EUR</td>
<td>Austria Wind</td>
<td>2015</td>
<td>2027</td>
<td>98.7</td>
<td>98.1</td>
<td>EURIBOR 2.45% and 4.30%</td>
</tr>
<tr>
<td>Bridge loan</td>
<td>BRL</td>
<td>Hydro Brazil</td>
<td>2015</td>
<td>2026</td>
<td>83.1</td>
<td>–</td>
<td>CDI + 5%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>USD</td>
<td>Kiov/Watt</td>
<td>2011</td>
<td>2026</td>
<td>82.0</td>
<td>89.0</td>
<td>LIBOR + 5.5% and mix of fixed rates</td>
</tr>
<tr>
<td>Debentures</td>
<td>BRL</td>
<td>Hydro Brazil</td>
<td>2015</td>
<td>2027</td>
<td>53.0</td>
<td>56.2</td>
<td>8.8%</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>BRL</td>
<td>Hydro Brazil</td>
<td>2015</td>
<td>2024</td>
<td>52.5</td>
<td>–</td>
<td>TLP +15% / 2.28</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>EUR</td>
<td>Solar Slovak</td>
<td>2009–2015</td>
<td>2023–2026</td>
<td>50.4</td>
<td>50.5</td>
<td>Mix of fixed and variable rates</td>
</tr>
<tr>
<td>Loan Agreement</td>
<td>BRL</td>
<td>Chapada III</td>
<td>2015</td>
<td>2032</td>
<td>49.1</td>
<td>52.7</td>
<td>TLP + 2.5%</td>
</tr>
<tr>
<td>Other Credit facilities</td>
<td>Various</td>
<td>Various</td>
<td>2002–2013</td>
<td>2016–2034</td>
<td>59.6</td>
<td>88.5</td>
<td></td>
</tr>
</tbody>
</table>

1 Corporate bond issued by ContourGlobal Power Holdings in May 2014 ($400 million) and November 2015 ($100 million) was fully refinanced in June 2016. A new £500 million corporate bond was issued in June 2016, with two additional £50 million and £250 million taps in July 2016 and February 2017.

This bond bears a fixed interest of 5.125% and matures in June 2021.

2 A new €550 million corporate bond was issued in June 2016, with two additional €50 million and €100 million taps in July 2016 and February 2017.

A new €550 million corporate bond was issued in June 2016, with two additional €50 million and €100 million taps in July 2016 and February 2017.

Certain power plants have refinanced the portfolio. Refer to Note 3 Major events and changes in the scope of consolidation.

3 On 4th December 2017, the Group acquired a renewable portfolio in Italy representing a total of 19.1 MW and subsequently to the closing the Group refinanced the portfolio. Refer to Note 3 Major events and changes in the scope of consolidation.

4 On 17th March 2017, the Group acquired a thermal and renewable portfolio in Brazil representing a total of 205.6 MW. Refer to Note 3 Major events and changes in the scope of consolidation.
Notes to the consolidated financial statements continued

4. Notes to the consolidated financial statements continued

With the exception of our corporate bond and revolving credit facility, all external borrowings relate to project financings. Such project financings are generally non-recourse (subject to certain guarantees).

The carrying amounts of the Group’s borrowings are denominated in the following currencies:

<table>
<thead>
<tr>
<th>Currencies</th>
<th>In $ millions</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollars</td>
<td>645.4</td>
<td>631.2</td>
<td></td>
</tr>
<tr>
<td>Euros</td>
<td>1,525.1</td>
<td>1,250.7</td>
<td></td>
</tr>
<tr>
<td>Brazilian Reals</td>
<td>719.6</td>
<td>645.1</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,890.1</td>
<td>2,529.9</td>
<td></td>
</tr>
</tbody>
</table>

The carrying amounts and fair value of the current and non-current borrowings are as follows:

<table>
<thead>
<tr>
<th>Borrowings</th>
<th>Carrying amount</th>
<th>Fair Value</th>
<th>Year ended 31st December</th>
<th>Year ended 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit facilities</td>
<td>1,787.0</td>
<td>1,634.5</td>
<td>1,861.5</td>
<td>1704.4</td>
</tr>
<tr>
<td>Bonds</td>
<td>1,103.1</td>
<td>895.4</td>
<td>1,175.9</td>
<td>953.9</td>
</tr>
<tr>
<td>Total</td>
<td>2,890.1</td>
<td>2,529.9</td>
<td>3,037.4</td>
<td>2,658.3</td>
</tr>
</tbody>
</table>

Net debt as of 31st December 2016 and 2017 is as follows:

<table>
<thead>
<tr>
<th>Borrowings</th>
<th>Year ended 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>781.1</td>
</tr>
<tr>
<td>Borrowings – repayable within one year</td>
<td>(200.1)</td>
</tr>
<tr>
<td>Borrowings – repayable after one year (2,028.1) (1,625.5)</td>
<td></td>
</tr>
<tr>
<td>Interests payable, deferred financing costs and other</td>
<td>36.0</td>
</tr>
<tr>
<td>Total</td>
<td>(2,109.0)</td>
</tr>
</tbody>
</table>

Debt Covenants and restrictions

The main long-term financial debts include certain financial covenants, of which the principal ones are as follows:

- Debt Service Coverage Ratio greater than 1.05, 1.10, 1.15, 1.20, 1.30 depending on borrowings,
- Net debt/EBITDA lower than 7.5 (Santa Cruz),
- Decreasing Senior Debt and Total Debt (Arrubal),
- Debt/Equity ratio : 85/15, 80/20, 75/25, 64.16/35.84 depending on borrowings,
- Equity/Asset ratio above 12%, 15%, 25% or 30% depending on borrowings,
- Loan Life Coverage Ratio greater than 1.10 (Solar Italy and Trinity) or 1.35 (Projected – Kivuwatt).

Non-financial covenants includes the requirement to maintain proper insurance coverage, enter into hedging agreements, restricts on dispositions, scope of the business, and mergers and acquisitions. These covenants are monitored appropriately to ensure that the contractual conditions are met.

As of 31st December 2017, the Group and its subsidiaries had no outstanding breaches of financial covenants which would trigger early mandatory repayment.
Notes to the consolidated financial statements continued

4. Notes to the consolidated financial statements continued

The Group typically grants securities in relation to the issuance of project financing. The table below provides an overview of the main guarantees provided under existing project financing as of 31st December 2017:

- Project financing Facility Maturity Security/Guarantee given
- Ambar Ambar Term Loan 2021 Pledge of (i) the shares of CG La Ropa, (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.
- 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 Winfarms Complex, assignment of credit rights under project contracts (EPC, land leases, O&M).
- Sunburn Letter of Credit Agreement 2021 On 22nd December 2010, a €2.4 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 recognised in relation to letter of credit in either period.
- Togo Loan agreement 2028 ContourGlobal plc guarantees on cash settlement 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.
- Inka Senior secured notes 2034 Pledge of shares of Energia Eolica SA, EESSA assets, accounts, assignment of receivables of the project contracts and insurances.
- Inka Letter of Credit Agreement 2019 $8.5 million ContourGlobal plc guarantee to Credit Suisse.
- Energie Europe Wind & Solar Credit Facilities 2013–28 Pledge of the shares, assets, cash accounts and receivables, €10.3 million CG Solar Holdings guarantee for the benefit of UBI and Natixis covering a Solar Italy plant potential adverse impact on Fit further to a GSE inspection.
- Martisa 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.
- 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’s $12.8 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).
- Cap des Biches Credit Facility 2033 Pledge over CG Sonegal 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.
- Voirian Long-term Facility 2034 Pledge of shares of CentaurGlobal HydroCascade CSJ2 assets and project accounts, assignment of receivables arising from the project contracts and insurances.
- Chapada I Long-term Facility 2032 Pledge of shares of Chapada I SPV’s and Holding, SPV’s assets, accounts, assignment of receivables of the project contracts and insurances.
- Chapada II Long-term Facility 2032 Pledge of shares of Chapada II SPV’s and Holding, SPV’s assets, accounts, assignment of receivables of the project contracts and insurances.
- Chapada III Long-term Facility 2032 Pledge of shares of Chapada III SPV’s and Holding, SPV’s assets, accounts, assignment of receivables of the project contracts and insurances. Corporate guarantee from ContourGlobal do Brazil Holding Ltda until Financial Completion.
- Hydro Brazil Portfolio II and Solutions Brazil Bridge Facility 2020 First ranking security interest in the shares of all the entities in the borrower group (ex-minority) plus pledge of receivables.

4.24 Other non-current liabilities

The change in the debt to Maritsa non-controlling interest is presented below:

As of 31st December

In $ millions

2017 2016

Debt to non-controlling interest 95.0 93.7
Deferred payments on acquisitions 52.4 81.1
CO₂ quotas payable 3.7 6.3
Other 25.4 74.8

Total other non-current liabilities 166.5 167.9

1 Debt to non-controlling interests: in 2011, the Group purchased a 73% interest in Maritsa power plant. NEK owns the remaining 27% of Maritsa power plant.

Deferred payments on acquisitions: amounts held by NEK do not qualify as equity instruments and are recorded as a liability to non-controlling interests.

4.25 Provisions

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
<th>Decommissioning/ Environmental/Maintenance provision</th>
<th>Legal other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>(16.2)</td>
<td></td>
<td>(20.9)</td>
<td></td>
</tr>
<tr>
<td>Change in fair value recognized in profit and loss</td>
<td>(3.8)</td>
<td>(1.2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation adjustments</td>
<td>11.9</td>
<td>(2.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of the period</td>
<td>85.0</td>
<td>93.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 As of 31st December 2017, deferred payments and earn-outs on acquired entities mainly relate to deferred payments to be made to initial developers and earn-out payment related to Inka due four years after the Commercial Operational Date.

3 CO₂ quotas are described in note 418.

4 The increase is primarily related to contractual obligations in Brazil.
4. Notes to the consolidated financial statements continued

4.26 Trade and other payables

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Years ended 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Trade payables</td>
<td>53.9</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>115.2</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>169.1</td>
</tr>
</tbody>
</table>

4.27 Other current liabilities

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Years ended 31st December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>6.0</td>
</tr>
<tr>
<td>Deferred payment on acquisition(^1)</td>
<td>1.8</td>
</tr>
<tr>
<td>Other taxes payable</td>
<td>45.1</td>
</tr>
<tr>
<td>Other(^2)</td>
<td>59.7</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>112.6</td>
</tr>
</tbody>
</table>

1 Relates to the deferred payment of the thermal and renewable portfolio in Brazil as of 31st December 2017.
2 The increase is primarily related to contractual obligations in Brazil partially offset by the completion of the acquisition of 15% and 5% minority interests in Chapada I and Chapada II projects in 2017 for a total consideration of $213 million. After this transaction, the Group owns directly 51% of those projects.

4.28 Group undertakings

<table>
<thead>
<tr>
<th>Consolidated subsidiaries</th>
<th>Ownership</th>
<th>Country of incorporation</th>
<th>Registered address</th>
</tr>
</thead>
<tbody>
<tr>
<td>ContourGlobal Hydro Cascade CJSC</td>
<td>100%</td>
<td>Armenia</td>
<td>AGBU building, 2/2 Meliq-Adamyan str, 0010 Yerevan, Armenia</td>
</tr>
<tr>
<td>ContourGlobal erneuerbare Energie Europa GmbH</td>
<td>100%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>Windpark HAGN GmbH &amp; Co KG</td>
<td>95%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>Windpark Deutsch Hausau GmbH</td>
<td>62%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>ContourGlobal Windpark Zistersdorf Ost GmbH</td>
<td>100%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>ContourGlobal Windpark Beig GmbH</td>
<td>100%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>ContourGlobal Windpark Schöndorf GmbH</td>
<td>100%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>Windpark HAGN GmbH</td>
<td>100%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>ContourGlobal Windpark Traummannsdorf GmbH</td>
<td>100%</td>
<td>Austria</td>
<td>Fleischmarkt 1, Top 01, Vienna 1010, Austria</td>
</tr>
<tr>
<td>ContourGlobal Maritsa East 3 AD</td>
<td>73%</td>
<td>Bulgaria</td>
<td>48 Stryyakovo Blvd, 9-th fl., Sofia 1505, Bulgaria</td>
</tr>
<tr>
<td>ContourGlobal Operations Bulgaria AD</td>
<td>73%</td>
<td>Bulgaria</td>
<td>TPP ContourGlobal Maritsa East 3, Medenikovo village 6294, Galabovo District, Stara Zagora Region, Bulgaria</td>
</tr>
<tr>
<td>ContourGlobal Management Sofia EOOG</td>
<td>100%</td>
<td>Bulgaria</td>
<td>48 Stryyakovo Blvd, 9-th fl., Sofia 1505, Bulgaria</td>
</tr>
<tr>
<td>Galheiros Geração de Energia Elétrica S.A.</td>
<td>77%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Santa Cruz Power Corporation Usinas Hidrelétricas S.A.</td>
<td>72%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, Itaim Bibi, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Contour Global Do Brasil Holding Ltda</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Contour Global Do Brasil Participações Ltda</td>
<td>80%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Abas Geração de Energia Ltda</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Ventos de Santa Joana IX Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km. 08 Sala 182 – Distrito Industrial – Maracanã – CE</td>
</tr>
<tr>
<td>Galheiros Geração de Energia Ltda</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto Magalhães Júnior, 758, 3º andar, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Ventos de Santa Joana X Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Ventos de Santa Joana XI Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000</td>
</tr>
<tr>
<td>Ventos de Santa Joana XII Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Ventos de Santa Joana XVI Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr., 758 – cj. 31, São Paulo 04542-000, Brazil</td>
</tr>
</tbody>
</table>
### Notes to the consolidated financial statements continued

<table>
<thead>
<tr>
<th>Consolidated subsidiaries</th>
<th>Ownership</th>
<th>Country of incorporation</th>
<th>Registered address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asa Branca Holding S.A</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Teseias Geração de Energia Ltda</td>
<td>80%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Asa Branca IV Energias Renováveis SA</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Asa Branca V Energias Renováveis SA</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Asa Branca VI Energias Renováveis SA</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758, 3º andar, Sao Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Asa Branca VII Energias Renováveis SA</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758, 3º andar, Sao Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Ventos de Santa Joana I Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE</td>
</tr>
<tr>
<td>Ventos de Santa Joana II Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE</td>
</tr>
<tr>
<td>Ventos de Santa Joana IV Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE</td>
</tr>
<tr>
<td>Ventos de Santa Joana V Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE</td>
</tr>
<tr>
<td>Ventos de Santa Joana VII Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE</td>
</tr>
<tr>
<td>Ventos de Santa Augusto IV Energias Renováveis S.A.</td>
<td>51%</td>
<td>Brazil</td>
<td>Rodovia Dr. Mendel Steinbruch, S/N – Km, 08 Sala 182 – Distrito Industrial – Maracanaú – CE</td>
</tr>
<tr>
<td>Chapada do Piauí I Holding S.A</td>
<td>51%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Chapada do Piauí II Holding S.A</td>
<td>100%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Chapada do Piauí III Holding S.A</td>
<td>51%</td>
<td>Brazil</td>
<td>Rua Leopoldo Couto de Magalhães Jr, 758 – q. 31, São Paulo 04542-000, Brazil</td>
</tr>
<tr>
<td>Energeworks Do Brasil Ltda</td>
<td>80%</td>
<td>Brazil</td>
<td>Praia de Flamengo, 70 – 10º andar parte, Rio de Janeiro – RJ</td>
</tr>
<tr>
<td>Capuava Energy Ltda</td>
<td>80%</td>
<td>Brazil</td>
<td>Av. Presidente Costa e Silva, 178, parte, Santa Amélia</td>
</tr>
<tr>
<td>Atlântica Geração de Energia Elétrica S.A</td>
<td>70%</td>
<td>Brazil</td>
<td>Praia de Flamengo, 70 – 1º andar Rio de Janeiro – RJ</td>
</tr>
<tr>
<td>Goias Sul Geração De Energia S.A</td>
<td>80%</td>
<td>Brazil</td>
<td>Praia de Flamengo, 70 – 2º andar parte, Rio de Janeiro – RJ</td>
</tr>
<tr>
<td>BOM PCHI S.A</td>
<td>56%</td>
<td>Brazil</td>
<td>Praia de Flamengo, 70 – 4º andar parte, Rio de Janeiro – RJ</td>
</tr>
<tr>
<td>Bahia PCHI S.A</td>
<td>80%</td>
<td>Brazil</td>
<td>Praia de Flamengo, 70 – 6º andar parte, Rio de Janeiro – RJ</td>
</tr>
<tr>
<td>ContourGlobal Swiss Holdings GmbH</td>
<td>100%</td>
<td>Switzerland</td>
<td>Klotenstrasse 8 – 8700 Kloten, Switzerland</td>
</tr>
<tr>
<td>ContourGlobal LATIM S.A</td>
<td>100%</td>
<td>Colombia</td>
<td>Camino Pto. 74-09, Bogota, Colombia</td>
</tr>
<tr>
<td>ContourGlobal Solutions Holdings Ltd</td>
<td>100%</td>
<td>Cyprus</td>
<td>Capital Center, 2.4th, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus</td>
</tr>
<tr>
<td>ContourGlobal Solutions Ltd</td>
<td>100%</td>
<td>Cyprus</td>
<td>Capital Center, 2.4th, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus</td>
</tr>
</tbody>
</table>

### Consolidated subsidiaries

<table>
<thead>
<tr>
<th>Consolidated subsidiaries</th>
<th>Ownership</th>
<th>Country of incorporation</th>
<th>Registered address</th>
</tr>
</thead>
<tbody>
<tr>
<td>ContourGlobal Aquila Holdings Ltd</td>
<td>80%</td>
<td>Cyprus</td>
<td>Capital Center, 2.4th, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus</td>
</tr>
<tr>
<td>Hanwah Limited</td>
<td>100%</td>
<td>Cyprus</td>
<td>Capital Center, 2.4th, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus</td>
</tr>
<tr>
<td>Selenium Holdings Ltd</td>
<td>100%</td>
<td>Cyprus</td>
<td>Capital Center, 2.4th, Makarios III Avenue, 9th Floor, Nicosia 1065, Cyprus</td>
</tr>
<tr>
<td>ContourGlobal La Roja, S.L</td>
<td>100%</td>
<td>Spain</td>
<td>Arbol Power Plant, Potiguar Industrial El Sequeiro, 26150 Arboles, La Roja, Spain</td>
</tr>
<tr>
<td>Energias Antilles</td>
<td>100%</td>
<td>France</td>
<td>8, Avenue Hoche 75008 Paris</td>
</tr>
<tr>
<td>Energias S.A.</td>
<td>100%</td>
<td>France</td>
<td>8, Avenue Hoche 75008 Paris</td>
</tr>
<tr>
<td>ContourGlobal Sant-Martin SAS</td>
<td>100%</td>
<td>France</td>
<td>5 Rue du Gavre de Gaulle, 8 immeuble le Colibri Marginot, 97150 Saint-Martin</td>
</tr>
<tr>
<td>ContourGlobal Management France SAS</td>
<td>100%</td>
<td>France</td>
<td>Immovable Imagine 20-26 boulevard du Parc, 92200 Neuilly-sur-Seine</td>
</tr>
<tr>
<td>ContourGlobal Worldwide Holdings Limited</td>
<td>100%</td>
<td>Gibraltar</td>
<td>Hassani Line Holdings Limited, 57/63 Line Wall Road, Gibraltar</td>
</tr>
<tr>
<td>ContourGlobal Helios S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>ContourGlobal Solar Holdings Italy S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>ContourGlobal Onoldea S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>ContourGlobal Solutions Italy S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Portolenere S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Officine Solari Barone S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Officine Solari Camporeale S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>ContourGlobal Mediterraneo S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>PVP S.R.L.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>ContourGlobal Sarda S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Officine Solari Keggo S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Officine Solari Aquila S.r.l.</td>
<td>100%</td>
<td>Italy</td>
<td>Contrada Piana del Signore snc, 93002 Gela (CL)</td>
</tr>
<tr>
<td>CONTOURGLOBAL ENERGETICA S.R.L.</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca Eight Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca Green Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca Industrial Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca Light Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca One Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca Sole Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>Ergyca Tracker Srl</td>
<td>100%</td>
<td>Italy</td>
<td>Via Cusani 5, Milan 20121, Italy</td>
</tr>
<tr>
<td>ContourGlobal Solutions Kenya Ltd</td>
<td>100%</td>
<td>Kenya</td>
<td>LR NO 209 311 5 9th floor williamson House 4th Nging avenue, PO box 4091-00001, Nairobi, Kenya</td>
</tr>
<tr>
<td>ContourGlobal Luxembourg S.A.R.L.</td>
<td>100%</td>
<td>Luxembourg</td>
<td>35-37 Avenue de la Liberté L-1313 Luxembourg, Grand Duchy of Luxembourg</td>
</tr>
<tr>
<td>Kani Lux Holdings S.A.R.L.</td>
<td>80%</td>
<td>Luxembourg</td>
<td>35-37 Avenue de la Liberté L-1313 Luxembourg, Grand Duchy of Luxembourg</td>
</tr>
<tr>
<td>ContourGlobal Africa Holdings S.A.R.L.</td>
<td>100%</td>
<td>Luxembourg</td>
<td>35-37 Avenue de la Liberté L-1313 Luxembourg, Grand Duchy of Luxembourg</td>
</tr>
<tr>
<td>ContourGlobal Bulgaria Holding S.A.R.L.</td>
<td>100%</td>
<td>Luxembourg</td>
<td>35-37 Avenue de la Liberté L-1313 Luxembourg, Grand Duchy of Luxembourg</td>
</tr>
<tr>
<td>ContourGlobal Spain Holding S.A.R.L.</td>
<td>100%</td>
<td>Luxembourg</td>
<td>35-37 Avenue de la Liberté L-1313 Luxembourg, Grand Duchy of Luxembourg</td>
</tr>
</tbody>
</table>
Compensation paid to key management (executive committee members) amounted to $8.7 million in 31st December 2017. As a result, there are no related party positions remaining as of 31st December 2017 with ContourGlobal L.P.

$19.2 million as of 31st December 2016 and to $21.3 million as of 8th November 2017. At this date, prior to the listing, ContourGlobal was related parties within “Other current assets”. The net position was an asset receivable by the Group which amounted to $16.6 million as of 31st December 2016.

4.29 Related party disclosure

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 Brasil LLC 100% US 535 Fifth Ave – 17th Fl., New York, New York 10101
ContourGlobal Tooe LLC 100% US 278 Centerville Road, Suite 100, Wilmington, Delaware 19808
ContourGlobal A Funding LLC 100% US 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Senegal Holdings LLC 100% US 278 Centerville Road, Suite 100, 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 Management Inc 100% US 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Services Brasil LLC 100% US 535 Fifth Ave – 17th Fl., New York, New York 10101
ContourGlobal Tooe LLC 100% US 278 Centerville Road, Suite 100, Wilmington, Delaware 19808
ContourGlobal A Funding LLC 100% US 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801
ContourGlobal Senegal Holdings LLC 100% US 278 Centerville Road, Suite 100, Wilmington, Delaware 19808
ContourGlobal Senegal LLC 100% US 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801

4.20 Significant accounting policies

(1) Operating and Maintenance expenses

(2) Finance costs

(3) Income taxes

(4) Profit after tax

(5) Total

4.30 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 at 31st December 2017, the Group has completed all its construction projects and had $3.5 million of firm purchase commitments of property plant and equipment outstanding in connection with its Maritsa 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.

Manitsa has a long-term Lignite Supply Agreement (LSA) with Manitsa Itok Mines (MIM) for the purchase of lignite. According to the agreement, MIMs has to purchase minimum monthly quantities, amounting to 6,887 thousand standard tons per calendar year. The total commitment through the remaining term of the LSA (February 2024) is 37,638 thousand standard tons, equal to $381.2 million at December 2017 prices ($1013 per standard ton), as compared to 43,825 thousands standard tons equal to $388.8 million at the end of 2016 ($8.87 per standard ton). In the event of a failure on the part of CG Manitsa E3 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 MIM 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 $70 million over six years in a refurbishment program started in 2017 to modernize Vorotan and improve its operational performance, safety, reliability and efficiency. As of 31st December 2017 Vorotan disbursed $9.8 million of which $9.5 million was an advance payment to the EPC contractor.

(b) Contingent liabilities

The Group has contingent liabilities in respect of legal 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 2011, Energies Antilles ("EA") was forced to pay to EDF, the off-taker under the PPA, a $5 million penalty in relation to damages following labor strikes by the operator’s employees and related disruptions. EA subsequently raised a claim against the power plant’s operation and maintenance ("O&M") contractor for the same amount and collected certain amounts under related performance bonds. On 15th June 2015, EA received a favorable judgment in its proceeding against the O&M contractor, as the court awarded EA substantially all of the amounts claimed, including both the unpaid portion of the performance bond and all other penalty amounts not covered by the performance bonds. The O&M contractor appealed the decision. In April 2017, the Court of Appeal confirmed the first instance favorable judgment. The O&M contractor brought the claim to the Supreme Court in May 2017. No decision from the Supreme Court is expected before 2018.

In 2010, a €5 million legal claim was brought against EA by the O&M contractor in relation to costs overruns following legal strikes by the operator’s employees and related disruptions. EA subsequently raised a claim against the power plant’s operation and maintenance ("O&M") contractor for the same amount and collected certain amounts under related performance bonds. On 5th June 2015, EA received a favorable judgment in its proceeding against the O&M contractor, as the court awarded EA substantially all of the amounts claimed, including both the unpaid portion of the performance bond and all other penalty amounts not covered by the performance bonds. The O&M contractor appealed the decision. In April 2017, the Court of Appeal confirmed the first instance favorable judgment. The O&M contractor brought the claim to the Supreme Court in May 2017. No decision from the Supreme Court is expected before 2018.

Minority shareholder litigation (ContourGlobal Latam S.A.)

In July 2015, CG Latam S.A. received a notice of arbitration under International Chamber of Commerce rules from a minority shareholder in Enel Antillas project alleging fraud in the negotiation and performance of that project’s investment agreement and shareholder agreement, seeking nullification of those agreements and return of the majority shareholding in Energía Eólica S.A. (‘EEESA”), the entity that owns the project, or, in the alternative, restitution of an amount equivalent to the value of EEESA. CG Latam S.A. received the claimant’s statement of claim in January 2017 and filed its statement of defense on 14th August 2017. An evidentiary hearing of fact witnesses was held in early February 2018, and the tribunal will schedule a second hearing for expert witnesses. The Group expect the second hearing to be scheduled for the second quarter of 2018.

No provision has been recorded as of 31st December 2017 in relation to the above claims as the Group considers that it is less than probable that liabilities will arise from these claims.

The Group from time to time is involved in disputes in relation to ongoing tax matters in a number of jurisdictions around the world. Where appropriate, provisions are recorded, based on the assessment of each case.

(c) Lease commitments

The Group leases under non-cancelable operating leases, primarily for office space and land to conduct its business. The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

Notes to the consolidated financial statements continued
4. Notes to the consolidated financial statements continued

Financing lease as a lessee
The future aggregate minimum lease payments under non-cancelable financing leases (Inka project) are as follows:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st December</td>
<td>2017</td>
</tr>
<tr>
<td>Minimum lease payments</td>
<td></td>
</tr>
<tr>
<td>No later than 1 year</td>
<td>0.3</td>
</tr>
<tr>
<td>Later than 1 year and no later than 5 years</td>
<td>1.3</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>3.4</td>
</tr>
<tr>
<td>Gross investment in the lease</td>
<td>5.0</td>
</tr>
<tr>
<td>Future finance interest</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Present value of financial lease obligation</td>
<td>3.1</td>
</tr>
<tr>
<td>Total</td>
<td>9.1</td>
</tr>
</tbody>
</table>

Operating lease as a lessee
The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st December</td>
<td>2017</td>
</tr>
<tr>
<td>Minimum lease payments</td>
<td></td>
</tr>
<tr>
<td>No later than 1 year</td>
<td>62.0</td>
</tr>
<tr>
<td>Later than 1 year and no later than 5 years</td>
<td>249.4</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>877.5</td>
</tr>
<tr>
<td>Total</td>
<td>888.9</td>
</tr>
</tbody>
</table>

Finance lease as a lessee
The future aggregate minimum lease payments under non-cancelable finance leases (relating to our operation of Energies Saint Martin and Bonaire) are as follows:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st December</td>
<td>2017</td>
</tr>
<tr>
<td>Minimum lease payments</td>
<td></td>
</tr>
<tr>
<td>No later than 1 year</td>
<td>12.0</td>
</tr>
<tr>
<td>Later than 1 year and no later than 5 years</td>
<td>47.2</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>38.1</td>
</tr>
<tr>
<td>Gross investment in the lease</td>
<td>97.3</td>
</tr>
<tr>
<td>Less: unearned finance income</td>
<td>(26.1)</td>
</tr>
<tr>
<td>Total</td>
<td>71.2</td>
</tr>
</tbody>
</table>

Analyzed as:

<table>
<thead>
<tr>
<th>Years ended</th>
<th>In $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st December</td>
<td>2017</td>
</tr>
<tr>
<td>Present value of minimum lease payments:</td>
<td></td>
</tr>
<tr>
<td>No later than 1 year</td>
<td>11.4</td>
</tr>
<tr>
<td>Later than 1 year and no later than 5 years</td>
<td>36.4</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>23.4</td>
</tr>
<tr>
<td>Total</td>
<td>71.2</td>
</tr>
</tbody>
</table>
Overview


Statements of the parent company. The parent company was incorporated for the purposes of the initial public offering on the Main Market of the London Stock Exchange on 14th November 2017.

Context

Our audit approach

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 or the parent company.

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 or the parent company.

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements as a whole, taking into account the structure of the parent company, the accounting processes and controls, and the industry in which it operates.

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 judgment, we determined materiality for the financial statements as a whole as follows:

<table>
<thead>
<tr>
<th>Materiality</th>
<th>$0.0 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>How we determined it</td>
<td>1% of total assets</td>
</tr>
</tbody>
</table>

Rationale for benchmark applied

We believe that total assets is an appropriate benchmark for the parent company as this entity is principally a holding company. For the purpose of the audit of the Group financial statements, however, we determined a component materiality for the parent company of $8.0 million on the basis that the parent company should not have a higher materiality than the overall Group materiality allocation.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $500,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation

We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the parent company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.

Outcome

We have nothing material to add or draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the parent company's ability to continue as a going concern.

We are required to report if the Directors' statement relating to going concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

Outcome

We have nothing to report.

Independent auditors' report to the members of ContourGlobal plc

Report on the audit of the parent company financial statements

Opinion

In our opinion, ContourGlobal plc's parent company financial statements (the “financial statements”):

– Give a true and fair view of the state of the parent company's affairs as at 31st December 2017;
– 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
– Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the “Annual Report”), which comprise: the Company balance sheet as at 31st December 2017; and the Company statement of changes in equity for the period then ended; and the notes to the parent company financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

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.

Independent auditors

We have no key audit matters to report

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. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the parent company and the industry in which it operates, and considered the risk of acts by the parent company which were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognizing that 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. We designed audit procedures that focused on the risk of non-compliance related to UK company law as applicable to the financial statements. Our tests included discussions with legal counsel and reviewing disclosures in the financial statements against the specific legal requirements. We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Audit scope

We scope the audit, based on materiality, by financial statement line item. As the entity is a holding company and there are no branches or other locations for the entity, no scoping by location is performed.

We have no key audit matters to report

Overview

Materiality

Overall materiality: $0.0 million, based on 1% of total assets, however, reduced to $0.0 million to ensure the parent company did not have a higher materiality than the overall Group materiality allocation.

Audit scope

We scope the audit, based on materiality, by financial statement line item. As the entity is a holding company and there are no branches or other locations for the entity, no scoping by location is performed.

Key audit matters

We have no key audit matters to report

---

ContourGlobal plc Annual Report 2017

138

ContourGlobal plc Annual Report 2017

139
Independent auditors’ report to the members of ContourGlobal plc continued

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 the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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 period ended 31st December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the parent company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors’ Report. (CA06)

The Directors’ assessment of the prospects of the parent company and of the principal risks that would threaten the solvency or liquidity of the parent company

We have nothing material to add or draw attention to regarding:

– The Directors’ confirmation on page 47 of the Annual Report that they have carried out a robust assessment of the principal risks facing the parent company, including those that would threaten its business model, future performance, solvency or liquidity. (CA06)

– The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated. (CA06)

– The Directors’ explanation on page 47 of the Annual Report as to how they have assessed the prospects of the parent company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. (CA06)

We have nothing to report having performed a review of the Directors’ statement that they have carried out a robust assessment of the principal risks facing the parent company and statement in relation to the longer-term viability of the parent company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors’ process and supporting their statements, checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the “Code”); and considering whether the statements are consistent with the knowledge and understanding of the parent company and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

– The statement given by the Directors, on page 83, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the parent company’s position and performance, business model and strategy is materially inconsistent with our knowledge of the parent company obtained in the course of performing our audit. (CA06)

– The section of the Annual Report on page 62 describing the work of the Audit Committee does not properly address matters communicated by us to the Audit Committee. (CA06)

– The Directors’ statement relating to the parent 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. (CA06)

In our opinion, the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

We have audited the financial statements for the period ended 31 December 2017 and subsequent financial periods. This is therefore our first period of uninterrupted engagement.

We were appointed by the Directors on 13th December 2017 to audit the financial statements for the period ended 31st December 2017 and subsequent financial periods. This is therefore our first period of uninterrupted engagement.

We have nothing material to add or draw attention to regarding:

– The Directors’ explanation on page 47 of the Annual Report as to how they have assessed the prospects of the parent company, including those that would threaten its business model, future performance, solvency or liquidity. (CA06)

– The Directors’ confirmation on page 47 of the Annual Report that they have carried out a robust assessment of the principal risks that would threaten the solvency or liquidity of the parent company. (CA06)

We have nothing to report in respect of our responsibility to report:

– We have received all the information and explanations we require for our audit; or
– The financial statements and the part of the Directors’ Remuneration Report to be audited are not in agreement with the accounting records and returns. (CA06)

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the Directors on 13th December 2017 to audit the financial statements for the period ended 31st December 2017 and subsequent financial periods. This is therefore our first period of uninterrupted engagement.

Other matter

We have reported separately on the Group financial statements of ContourGlobal plc for the year ended 31st December 2017.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
4th April 2018
Company balance sheet

At 31st December 2017

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Note</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>6</td>
<td>1,620.7</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>7</td>
<td>1.7</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>91.6</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>8</td>
<td>(18.0)</td>
</tr>
<tr>
<td>Net current assets</td>
<td></td>
<td>75.3</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>1,996.0</td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called-up share capital</td>
<td>9</td>
<td>8.9</td>
</tr>
<tr>
<td>Share premium account</td>
<td></td>
<td>380.8</td>
</tr>
<tr>
<td>Reserves and retained earnings</td>
<td></td>
<td>1,306.3</td>
</tr>
<tr>
<td>Total shareholders’ funds</td>
<td></td>
<td>1,696.0</td>
</tr>
</tbody>
</table>

The Company’s profit for the period ended 31st December 2017 was $14.2 million.

The financial statements on pages 142 to 145 were approved and authorized for issue by the Board and were signed on its behalf by

Joseph C. Brandt
Director
4th April 2018
Registered Number: 10982736

Company statement of changes in equity

At 31st December 2017

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>Note</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital – 7th October 2017</td>
<td>9</td>
<td>1,320.7</td>
</tr>
<tr>
<td>Share capital reduction – 19th October 2017</td>
<td>9</td>
<td>(1,307.5)</td>
</tr>
<tr>
<td>Shares at listing</td>
<td>9</td>
<td>1.6</td>
</tr>
<tr>
<td>Cancellation of deferred shares</td>
<td>9</td>
<td>(5.9)</td>
</tr>
<tr>
<td>Listing costs deducted from share premium</td>
<td></td>
<td>(9.9)</td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td>(21.9)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>8.9</td>
</tr>
<tr>
<td>At the end of the period</td>
<td>380.8</td>
<td>1,306.3</td>
</tr>
</tbody>
</table>

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 and incorporated in the United Kingdom under the Companies Act 2006. The Company was incorporated on 26th September 2017 and adopted FRS 102 from that date.

2. Statement of compliance


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’s financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain financial assets and liabilities through profit or loss. The current year financial information presented is for the period ended 31st December 2017. As the Company was incorporated on 26th September 2017, no comparative period is presented.

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 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.

As permitted by Section 408 of the Companies Act 2006, an entity’s profit and loss account is not included as 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) and
- The requirements of Section 7 Statements of Cash Flows; and
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17 (a) and
- The requirements of Section 11 Financial Instruments paragraph 11.43(b), 11.43(c), 11.43(a), 11.41(f), 11.42, 11.44, 11.47, 11.48(a)(ii), 11.48(b)(i), 11.48(d)(v), 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.

3.4. Critical accounting judgments 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 judgment in the process of applying the Company’s accounting policies. The area involving a higher degree of judgment 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. Assessments of this nature involve judgment over the economic performance of individual investments, changes in the market in which they operate or where there are indications that the value of the underlying assets have declined during the period which are significantly more than expected as a result of the passage of time or normal use.

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 is typically the most judgmental part of an impairment evaluation. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount. The recoverable amount is the higher of: (i) an investment’s fair value less costs of disposal (market value); and (ii) an investment used in determining the recoverable amount.

3.5. 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 is not 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.

3.6. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction from the proceeds.

3.7. 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.

3.8. 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 include trade and other receivables and cash and bank balances are initially recognized at transaction price and are subsequently carried at amortized cost using the effective interest method.
3. Summary of Significant Accounting Policies continued

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 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 to suppliers.

Accounts 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.

3.9 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 once paid.

4. Directors’ Emoluments and employees

The Company has no employees other than the Directors. Full details of the Directors’ remuneration and interests are set out in the Directors’ remuneration report on pages 74 to 78.

5. Auditors’ fees

The amounts payable to the Company’s auditors in respect of the statutory audit were $24,000.

6. Investments in Subsidiaries

In $ millions 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of ContourGlobal Worldwide Holdings SARL – 15th October 2017</td>
<td>1,320.7</td>
</tr>
<tr>
<td>Capital increase of ContourGlobal Worldwide Holdings SARL – 16th November 2017</td>
<td>300.0</td>
</tr>
</tbody>
</table>

At 31st December 2017: 1,620.7

On 17th October 2017, the Company acquired a 100% holding in the shares of ContourGlobal Worldwide Holdings S.A.R.L. for a total cost of $1,320.7 million from ContourGlobal L.P. via a share for share exchange agreement.

On 16th November 2017, the Company contributed an additional $300 million in ContourGlobal Worldwide Holdings S.A.R.L. equity via a cash injection.

The Company’s directly wholly owned subsidiaries is ContourGlobal Worldwide Holdings S.A.R.L. A full list of indirect subsidiaries and other undertakings as required by Section 409 of the Companies’ Act 2006 is shown on pages 129 to 134 of the Group’s financial statements.

7. Debtors

In $ millions 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed by Group undertakings</td>
<td>0.3</td>
</tr>
<tr>
<td>VAT recoverable</td>
<td>0.7</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>0.7</td>
</tr>
</tbody>
</table>

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 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>7.5</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>3.3</td>
</tr>
<tr>
<td>Amount owed to Group undertakings</td>
<td>7.2</td>
</tr>
</tbody>
</table>

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 31st December 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
<th>Nominal value</th>
<th>£m</th>
<th>$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued shares</td>
<td>1,002,000,000</td>
<td>1.00</td>
<td>1,002.0</td>
<td>1,320.7</td>
</tr>
<tr>
<td>Share capital reduction</td>
<td>(0.99)</td>
<td>(992.0)</td>
<td>(1,320.7)</td>
<td></td>
</tr>
<tr>
<td>Issued shares – Listing on the London Stock Exchange</td>
<td>122,399,020</td>
<td>–</td>
<td>12.2</td>
<td>16.3</td>
</tr>
<tr>
<td>Issued shares</td>
<td>712,920</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share reorganization – cancellation of deferred shares</td>
<td>(454,399,120)</td>
<td>(4.5)</td>
<td>(6.9)</td>
<td></td>
</tr>
</tbody>
</table>

As at 31st December 2017: 670,712,920

1. On incorporation, 26th September 2017, the Company issued 100 ordinary shares with a nominal value of £1.00 to its immediate parent, ContourGlobal L.P. The amount due has settled through an intercompany receivable.

2. On 17th October 2017, the Company issued to its immediate parent, ContourGlobal L.P. 1,002,000,000 ordinary shares with a nominal value of £1.00 each in exchange for 100% of the issued share capital of ContourGlobal Worldwide Holdings S.A.R.L. (see Note 6).

3. On 19th October 2017, the Company passed a special resolution supported by a solvency statement to reduce its share capital under section 448 of the Companies Act 2006 by reducing the share capital of the Company by $1,320,736,551 divided into 1,002,000,000 ordinary shares of £0.01, each fully paid, to $19,203,398.0 divided into 1,002,000,000 ordinary shares of £0.001 each, fully paid, by the cancellation of the paid up share capital to the extent of £0.99 per share upon each of the 1,002,000,000 ordinary shares reducing the nominal amount of all such shares from £1.00 to £0.01.

4. On 9th November 2017, the Company passed a resolution to consolidate the 1,002,000,000 ordinary shares of £0.01 each in the share capital of the Company into one ordinary share at £0.02 and the subdivision of that share into 547,000,000 ordinary shares and 454,399,120 deferred shares each of £0.01.

5. On 16th November 2017, the Company called and exercised all existing 454,399,120 deferred shares, resulting in a total net ordinary share of £670,712,920 shares as at 31st December 2017.

10. 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 main financial obligations are listed below:

- $8.5 million guarantee to external bank for Inka letter of credit
- $12 million guarantee for the benefit of KivuWatt under the PPA and Gas Concession Agreement to the Government of Rwanda and to Electrogaz (outside of the loan guarantee)
- $55 million guarantee to fund any cost overruns (up to $25 million) and debt buydown ($30 million)
- $8.5 million guarantee to cover KivuWatt debt service reserve account
- Guarantee on cash shortfall for debt service in ContourGlobal Togo
- Guarantee to Goldman Sachs in relation with the hedging instruments existing at ContourGlobal Power Holdings S.A.
- Parent guarantor (as defined in the indenture) under the €700 million bond indenture dated 17th June 2016
- Guarantor under the corporate level revolving credit facility of €50 million dated 6th September 2017.

11. Related Parties

On 8th November 2017, prior to listing, the Company paid a $21.3 million dividend to its immediate parent, ContourGlobal L.P. This dividend was used by the Company to repay liabilities due to Company’s indirect subsidiaries. Since the listing, none of the Company or subsidiaries has contracted with related parties. As of 31st December 2017, the Company has no balance due to or to be received from related party other than amounts due to and from subsidiary undertakings.

12. Controlling party

The Company is majority owned by ContourGlobal L.P. The ultimate controlling party of ContourGlobal L.P. is Reservoir Capital funds.
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 0871 384 2030 for callers from the UK 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.

Directors, Secretary, Registered Office
Directors
Craig A. Huff
Joseph C. Brandt
Ruth Carnie
Daniel Camus
Aan Gillipes
Alejandro Santo Domingo
Ronald Trächsel
Gregg M. Zeitlin
Company Secretary
Prism Cosac Limited
42-50 Hartham Road
Walton-on-Thames
Surrey
KT12 1RZ
Registered Office
15 Berkeley Street
London
W1J 8DY
United Kingdom
Company Number
10982736
Legal advisors
Linklaters LLP
One Silk Street
London
EC2Y 8HQ
Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6EH
United Kingdom
Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom
ContourGlobal photographic competition
For our inaugural Annual Report, we wanted to engage our employees and let them be part of this exciting moment for us. We decided to run a photography competition to showcase our global operations. We were overwhelmed with the response and the quality of the imagery. Some of the amazing images we received have been included throughout the report.

Front cover: Photographer: Larissa Witzke Testoni – Chapadas Wind Farm, Brazil
Pages 2 and 3: Photographer: Aram Arakhtsyan – Shamb Reservoir, Armenia
Page 12: Photographer: Ndiogou Malick Lo – Cap des Biches Plant, Senegal
Page 13: Photographer: Larissa Witzke Testoni – Chapadas Wind Farm, Brazil
Page 28: Photographer: Aram Arakhtsyan – Shamb Reservoir, Armenia
Page 33: Photographer: Ndiogou Malick Lo – Cap des Biches Plant, Senegal
Page 34: Photographer: Larissa Witzke Testoni – Talara Wind Farm, Peru
Pages 36 and 37: Photographer: Aram Arakhtsyan – Spandaryn Reservoir, Armenia.

1 Calls to this number are charged at 10 pence per minute plus network extras. Lines are open 8.30am to 5.30pm Mondays to Fridays, excluding Bank Holidays in England and Wales.